

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 11:30 a.m., Friday, September 9, with the following officers and members present:

Chair: Mr. Scott Roussel
Vice Chair: Mr. Bobby Reynolds
Secretary: Mr. Victor Green
Mr. Rush Harding, III
Mrs. Kay Hinkle
Mr. Randy Sims

Dr. Harold Chakales was absent.

ACTION AGENDA

PRESIDENT’S HOME/CAPITAL INVESTMENT INVESTIGATION

Background: At the Board of Trustees meeting held on Thursday, September 1, 2011, after discussion by the Board concerning the proposed capital investment of \$700,000 by ARAMARK to the University of Central Arkansas Foundation, Inc. for use in renovations of the President’s Home, the Board adopted a resolution appointing a five (5) person committee to investigate the matter and file a report with the Board for consideration and future discussion and/or action.

The committee was composed of Trustee Bobby Reynolds (Chair), Dr. Janet Wilson (President of the UCA Faculty Senate), Ms. Diana Winters (President of the UCA Staff Senate), Mr. Austin Hall (President of the UCA Student Government Association), and Tom Courtway (UCA General Counsel).

The committee had an initial meeting at 11:00 a.m., Friday, September 2, 2011, via conference call, and agreed to meet again at 4:00 p.m., Tuesday, September 6, 2011, to discuss how to proceed, and the date, time and location of the interviews.

After the initial meeting on Friday, September 2, 2011, the Board of Trustees met in a called Board meeting, and after an executive session accepted the resignation of Dr. Allen C. Meadors as President upon certain terms and conditions.

Committee Recommendation: At the conference call on Tuesday, September 6, 2011, the committee appointed by the Board discussed the matter in light of the events of Friday, September 2, 2011, and determined that it would be advisable to have the investigation handled by the UCA Office of Internal Audit. The Office of Internal Audit is an autonomous unit of the University, and reports directly to the Board of Trustees through a three-member audit committee composed of Mr. Bobby Reynolds (Chair) and Trustees Victor Green and Rush Harding.

The following resolution was unanimously adopted upon motion by Kay Hinkle with a second by Victor Green:

“BE IT RESOLVED: that the resolution of the Board of Trustees adopted on Thursday, September 1, 2011, appointing a five person committee to investigate the proposed

\$700,000 capital investment for use in renovating the President's Home, is hereby rescinded and the committee dissolved; and

BE IT FURTHER RESOLVED: that the directions set forth in such resolution, and all facets of the investigation, are hereby transferred to the Office of Internal Audit, which is hereby authorized and directed to conduct the investigation as it may determine, in consultation with the Chair of the Audit Committee.

BE IT FINALLY RESOLVED: that upon completion of its investigation, the Office of Internal Audit shall prepare a written report to be presented to the Audit Committee of the Board of Trustees, and then to the full Board of Trustees of the University of Central Arkansas for review, consideration and such action as the Board of Trustees shall thereafter deem necessary or appropriate.”

HPER PROJECT BOND RESOLUTION

The Board of Trustees approved a student fee increase from \$4.00 per credit hour to \$7.50 per credit hour for the HPER Center expansion at the May, 2011 meeting. (The SGA resolution recommending the increase is attached.) The early designs call for a 25-yard swimming pool, racquetball courts, larger fitness center with a climbing wall, offices, restrooms, locker rooms, larger open lobby, multi-purpose room, classroom, activity area and aerobics rooms. The two-story addition will likely extend to the west of the current entrance and will add approximately 68,000 square feet.

The Board is presented with a bond resolution authorizing the execution and delivery of a trust indenture securing bonds; authorizing the execution and distribution of an official statement; pledging certain revenues to the payment of the bonds; and prescribing other matters relating thereto. The bonds issuance is not projected to exceed \$18 million and will be serviced by the designated revenue from the three-phase HPER student fee increase.

The first phase of the increase will provide an estimated \$800,000 for fiscal year 2011-12. These funds will be put into a repair and replacement reserve for the facility. The continuing revenue along with funds generated from a second increase will be used to pay the estimated \$871,680 in debt service. This increase will also provide the additional funds for the operational costs and the required reserve allocation.

The following resolution was unanimously adopted upon motion by Victor Green with a second by Bobby Reynolds. Rush Harding abstained from voting:

**A RESOLUTION BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF
CENTRAL ARKANSAS AUTHORIZING PREPARATIONS FOR THE
ISSUANCE OF CAPITAL IMPROVEMENT BONDS NOT TO EXCEED
\$18,000,000**

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 “Act”) pursuant to which the University of Central Arkansas (“UCA”) 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 “Board”) deems proper, and to issue bonds in order to finance such; and

WHEREAS, the Board, at its May 2011 meeting, approved a student fee increase designated for paying costs associated with the construction and equipping of an extension to the UCA HPER center facility. The early designs for the extension call for a 25 yard pool, racquetball courts, larger fitness center with a climbing wall, offices, restrooms, locker rooms, larger open lobby, multi-purpose room, classroom, activity area and aerobics rooms. The two story addition will likely extend to the west of the current entrance and will add approximately 24,000 square feet to the existing HPER center facility; and

WHEREAS, the Board recommends the commencement of preparations for the issuance of capital improvement bonds (the “Bonds”) in an amount not to exceed \$18,000,000 for the purposes described above.

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

Section 1. The Board authorizes the administration to commence all necessary preparations for the issuance of the Bonds in an amount not to exceed \$18,000,000 with a term not exceeding 30 years, to be issued in such series, to mature, to bear interest and to contain such other terms and conditions satisfactory to the administration, subject to final review and approval by resolution of this Board.

Section 2. The Board authorizes the administration to seek approval from the Arkansas Higher Education Coordinating Board for the issuance of the Bonds.

Section 3. The Bonds will be issued for the purpose of constructing and equipping an extension to UCA’s existing HPER center facility and for paying costs associated with the issuance of the Bonds.

ADOPTED AND APPROVED September 9, 2011.

**BOARD OF TRUSTEES OF THE UNIVERISTY OF
CENTRAL ARKANSAS**

By: _____
Scott Roussel, Chairman

ATTEST:

By: _____
Victor Green, Secretary

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

TITLE OF RESOLUTION: Resolution in Support of HPER Center Fee Increase

SPONSOR: SGA Student Life Committee; Austin Hall, SGA Executive Vice President

DATE PRESENTED TO SENATE: February 21, 2011

STUDENT LIFE COMMITTEE: Adopt Do Not Adopt

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

Whereas, the HPER Center is a valuable resource and is used heavily by UCA students; and,

Whereas, the current facilities do not satisfy the needs of the students regarding space and equipment; and,

Whereas, the current fee of \$4.00 per credit hour would not cover the cost of a major physical expansion as presented by the architect designs; and,

Whereas, the majority of the Student Government Association believes that the HPER expansion should include a 25-yard pool; therefore,

Be It Resolved, that the Student Government Association of the University of Central Arkansas supports an approximate fee increase of no more than \$4.62 per credit hour for the Phase II expansion of the HPER center; and

Be It Further Resolved, that the Student Government Association of the University of Central Arkansas prefers that the fee increase goes toward the expansion plan that includes a 25-yard pool; and

Be It Further Resolved, that the Student Government Association of the University of Central Arkansas supports an additional \$0.50 per credit hour fee be added to the HPER center budget from the existing budget of the Student Center to pay for the maintenance of the Farris softball fields, resulting in a total fee increase of \$5.12 for the 2011—2012 academic year.

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

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

Mr. Scott Roussel, Chair

Mr. Victor Green, Secretary

