

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 4:00 p.m., Wednesday, October 26, 2011, with the following officers and members present:

Chair:	Mr. Scott Roussel
Vice Chair:	Mr. Bobby Reynolds
Secretary:	Mr. Victor Green
	Dr. Harold Chakales
	Mr. Rush Harding, III
	Mrs. Kay Hinkle

Mr. Randy Sims was absent.

ACTION AGENDA

Health Insurance Plan for University Employees - Six Month Extension

The University is currently insured through United Health Care. The current health plan and rate schedule expires on December 31, 2011. The contract for health insurance has been awarded on a calendar-year basis, even though the University budget is on a fiscal-year basis. The administration proposes a six-month renewal to alter the contract to a fiscal-year basis.

After several years of plan utilization with little or no health rate increases, our utilization has seen a dramatic increase over the last year compared to the previous years. United Health Care presented four (4) options for UCA to consider: a 6-month renewal with and without plan design changes and a 12-month renewal with and without plan design changes.

After a thorough review by the Budget Advisory Committee and the Fringe Benefits Committee, the committees have recommended the following:

1. Accept the six-month renewal offer of a 9% premium rate increase with no plan design changes. This will result in a \$316,680 premium increase from January 1 through June 30, 2012. The entire increase will be absorbed by UCA and there will be no rate increase to the employee. The major rationale for UCA absorbing the increase is because no salary increases were granted this year. If the health rate increase was passed the to employees, the cost to the University would still have been \$209,008 since the University's portion of the health premium is approximately 66%. Therefore, the additional amount required to keep from passing the cost on to employees is \$107,672. The funds for this increase will come from contingency funds.
2. Change the health plan renewal for plan rate purposes to July 1 instead of January 1. The purpose of this change is to allow the health plan rate renewal to be conducted on

a fiscal year basis which will make it more convenient for budgeting purposes. This will also apply to the dental plan.

3. Conduct a Request for Qualifications (RFQ) for a health plan consultant. With all of the changes in the near future related to health care reform and the fact that the UCA health plan is a \$7 million plan, UCA believes it is prudent to have an outside health plan consultant to help maintain a quality health plan for UCA's employees at the lowest possible cost. The consultant will be charged with analyzing the health plan in terms of rate structure, plan design, and other factors related to health care reform along with reviewing UCA's total benefit package. The cost for this consultant will be built into the health plan premiums.
4. Plan design changes will continue to be evaluated on a calendar-year basis to coincide with Section 125 law and make it easier for employees to allocate their flexible spending account dollars.
5. The current dental, life, and long-term disability plans have been renewed at no increase to the rates. The dental renewal is good for 18 months and the life and long-term disability rates are good for two (2) years.

The following resolution was unanimously adopted upon motion by Kay Hinkle with a second by Rush Harding:

“BE IT RESOLVED: That the Board of Trustees (a) approves extending the current health insurance plan with United Health Care under the terms set forth above for the period from January 1, 2012, through June 30, 2012, (b) authorizes the administration to retain a health insurance consultant to evaluate any and all appropriate health care plans, insurance and coverages, as well as solicit bids for health insurance, and (c) will review such bids and proposals and make appropriate decisions regarding health insurance coverage for all university employees prior to June 30, 2012.”

Student Government Association (SGA)/Big Project: Amphitheatre

At the February, 2011 Board meeting, representatives of the Student Government Association (SGA) made a presentation concerning a “Big Project.” The SGA committed \$50,000 from its reserves for this project.

Several ideas were mentioned, and after the presentation and discussion, the Board approved the construction of an amphitheatre in the vicinity of the Student Center. The total cost, as that time, was projected to be approximately \$300,000. The University's Department of Housing and Residence Life committed \$25,000 to the project, so that with the SGA funds, \$75,000 of the \$300,000 was committed.

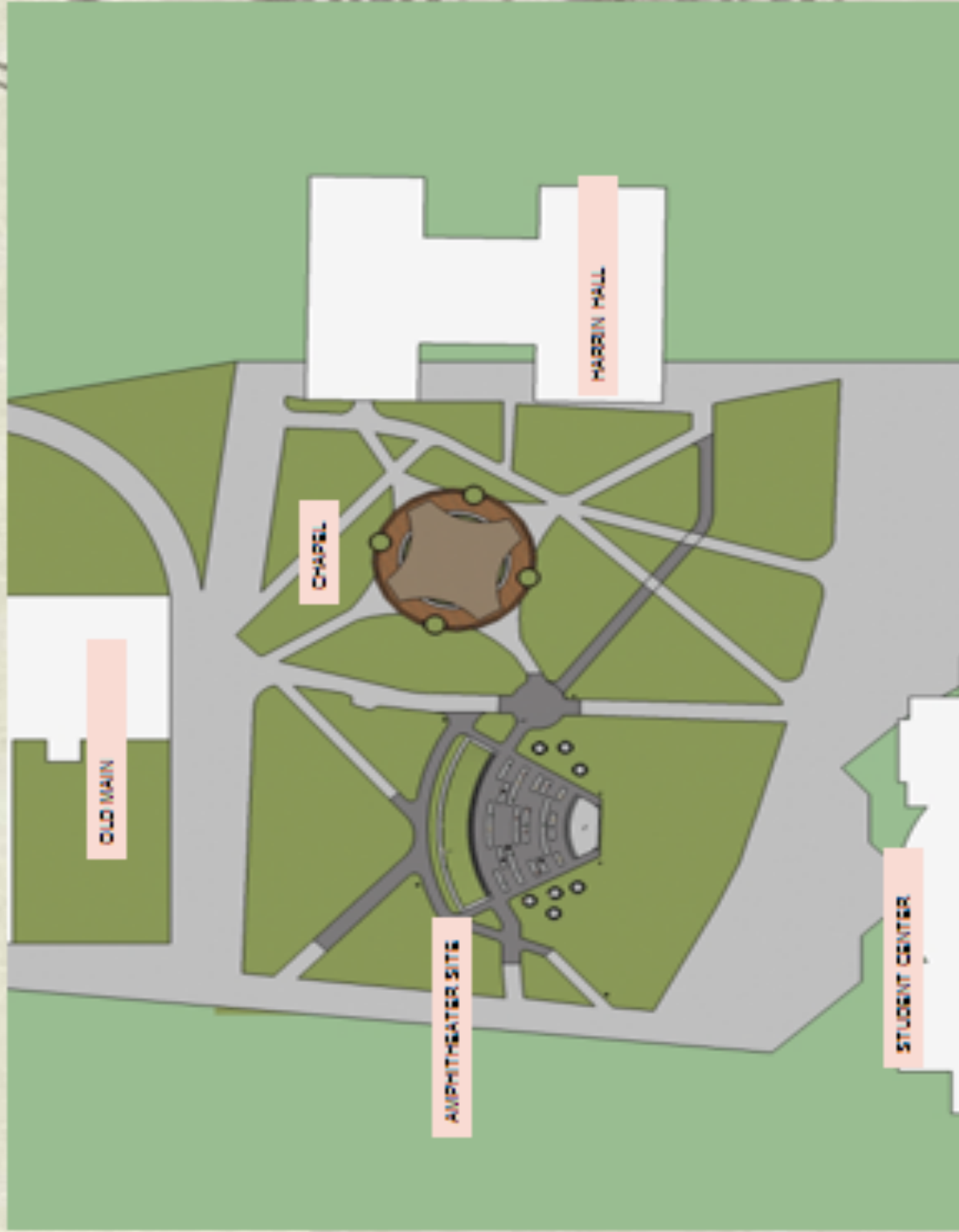
After discussion by the Board, Mr. Harding committed \$112,500 from his personal funds, and the trustees agreed to commit the remaining \$112,500 from the Trustees' Fund.

The Board now needs to authorize the placement of the amphitheatre on the University's campus. A power-point presentation has been provided to the members of the Board showing the placement of the amphitheatre in the area immediately north of the Student Center. This is the site chosen by the SGA and after review is acceptable to the administration.

The following resolution was unanimously adopted upon motion by Rush Harding with a second by Bobby Reynolds:

“BE IT RESOLVED: That the Board of Trustees authorizes the construction of the SGA amphitheatre in the area immediately north of the Student Center and as shown on the attached exhibit.”

Student Priority Amphitheater Location



“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:

- University of Central Arkansas and Barnes and Noble College Booksellers, Inc.

The following resolution was unanimously adopted upon motion by Bobby Reynolds with a second by Rush Harding:

“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
(Review of Existing Contract through June 30, 2013)

SUMMARY

1. Parties: University of Central Arkansas and Barnes and Noble College Booksellers, Inc.

2. Purpose/Background: This is the agreement for the campus bookstore. The bookstore services/goods were last bid in 2007. Barnes and Noble was awarded the contract. The bid documents provided that the contract could be renewed for up to seven years, on either a year-to-year basis, or on a two-year basis.

In 2007, a two-year agreement was entered into, and then another two-year agreement was signed in April 2009, extending the agreement through June 30, 2011.

3. Goods/Services to be Purchased: Bookstore/apparel and other items sold to the students, faculty and staff as well as members of the general public, and textbook rentals and internet textbooks.

4. Term: Agreement was reached in spring, 2011 to extend the contract through June 30, 2013. Two documents were signed in March and April amending and extending the existing agreement. The documents were not presented to the Board, and the extension is presented at this time for review by the Board and to answer any questions.

5. University Funds to be Paid: No university funds are paid under the agreement, except in the latest renewal the University did agree to provide \$50,000 for an upgrade to the bookstore (the improvements were made during summer, 2011). Barnes and Noble provided \$60,000 for the improvements and upgrade to the bookstore facility.

6. Public Bid/Purchasing Approval: No bid or purchasing requirements involved. As stated earlier, the contract was bid in 2007 for a period of up to seven years.

7. Special Provisions/Terms/Conditions:

(A) Commissions. Under the term of the agreement (as with prior agreements with Barnes and Noble), the University receives the **greater of** (a) \$350,000, or (b) commissions based on a sliding scale of gross sales in the bookstore. (The commission percentages for the period through June 30, 2012, are 10% on gross sales/rentals up to \$3 million; 11% on gross sales/rentals between \$3-\$4 million; and 12% of gross sales/rentals over \$4 million. The commission structure has not been reached, so that we receive the \$350,000 guaranty each year.

(B) Donation. As with earlier agreements, Barnes and Noble makes an unrestricted annual donation of \$15,000.

(C) Textbook Scholarship. As with earlier agreements, Barnes and Noble makes a \$3,000 textbook scholarship available each year.

(D) Rental Project. In the new extension, Barnes and Noble agreed to initiate a textbook rental program in fall, 2011.

(E) Repurchase of Inventory. In earlier agreements with Barnes and Noble, there was a provision for the University (or a successor bookstore company) to buyback inventory at its cost in the event of the cancellation of the agreement. The new extension has the same provision, but the buyback amount is set at 50% of retail.

8. Approval/Notification to UCA Foundation: None required.

Form prepared by: Tom Courtway

Date: October 21, 2011.

Reallocation of Resources (Request for Authority to Transfer Funds Between Accounts)

The administration is requesting authority to transfer authority to spend cash funds under the University's appropriation act from an operating account to a capital improvements account. Cash funds are from funds other than the state appropriation, for example from bond proceeds, tuition, fees and auxiliary operations.

The reason for the transfer request is to have sufficient room in the appropriated amount to cover the construction costs of Bear Hall and the proposed expansion of the HPER Center.

Under the Arkansas Constitution, monies may only be spent pursuant to an appropriation law. This requires a bill to be passed by the General Assembly and signed into law by the Governor. Each institution of higher education and state agency has an appropriation act for each year. For several years prior to FY 2012, the University's line item for capital projects to be funded from cash funds was \$77.1 million. In the 2012 appropriations act, the figure was reduced to \$15 million. This figure is too low taking into account those two projects.

There are other provisions under appropriation acts of the General Assembly, which authorize the transfer funds between accounts. On October 21, 2011, the University submitted two requests to Mr. Richard Weiss, Director of the Arkansas Department of Finance and Administration, requesting authority to transfer an additional \$25 million (in the aggregate) to the capital projects fund for the Bear Hall and HPER projects. These projects total approximately \$38.5 million. The letters are attached.

The transfers, if approved, will not result in any changes to operations of the University, nor will it deplete any funds. These are simply requests to give the University "authority" to spend funds already on hand (or borrowed through bond financing) for the two projects.

Act 1065 of 2011, one of the acts being used to request the transfer authority (referred to as a "reallocation of resources), requires the approval of the Board of Trustees.

The following resolution was unanimously adopted upon motion by Rush Harding with a second by Kay Hinkle:

"BE IT RESOLVED, that the Board of Trustees approves the proposed reallocation of resources for capital projects (Bear Hall and the HPER Center expansion) from operating expenses to the capital improvements account, and further authorizes the administration to request from the appropriate officials of the State of Arkansas, any agency thereof, as well as the Arkansas General Assembly, the transfer of \$25,000,000 in appropriated spending authority, as requested in letters to Mr. Richard Weiss, Director of the Arkansas Department of Finance and Administration dated October 21, 2011."



October 21, 2011

Mr. Richard Weiss, Director
Department of Finance & Administration
Post Office Box 3278
Little Rock, AR 72201-3278

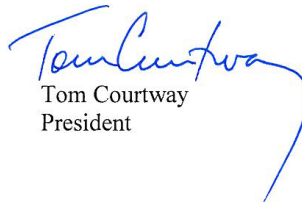
Dear Mr. Weiss:

In accordance to Act 1065 of 2011 Section 17, the University of Central Arkansas (UCA) requests your approval to reallocate \$15,000,000 from operating expenses commitment item 502:00:02 to capital improvements commitment item 509:00:05 for FY2012.

We request this reallocation to cover capital projects. The projects include a residence hall, estimated at \$23 million and the expansion of the health, physical education and recreation building estimated at \$15.5 million.

I ask that this request be placed on the agenda for consideration by the Performance Evaluation & Expenditure Review (PEER) Committee of the Arkansas Legislative Council at the earliest date possible. Thank you for your assistance with this matter.

Sincerely,



Tom Courtway
Tom Courtway
President

TC:sl



October 21, 2011

Mr. Richard Weiss, Director
Department of Finance & Administration
Post Office Box 3278
Little Rock, AR 72201-3278

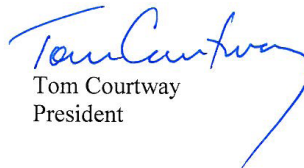
Dear Mr. Weiss:

Pursuant to the provisions of Section 34 of Act 1103 of 2011, the University of Central Arkansas (UCA) requests a transfer of cash appropriation from the DFA Cash Fund Holding Account to the UCA Cash Operations appropriation for FY2012 in the amount of \$10,000,000. The UCA cash line to be increased will be capital improvements, commitment item 509:00:05.

We request this additional amount to cover capital projects. The projects include a residence hall, estimated at \$23 million and the expansion of the health, physical education and recreation building estimated at \$15.5 million.

I ask that this request be placed on the agenda for consideration by the Performance Evaluation & Expenditure Review (PEER) Committee of the Arkansas Legislative Council at the earliest date possible. Thank you for your assistance with this matter.

Sincerely,


Tom Courtway
President

TC:sl

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

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

Mr. Scott Roussel, Chair

Mr. Victor Green, Secretary