

Following appropriate notice to members of the press, the Board of Trustees of the University of Central Arkansas met via telephone conference at 3:00 p.m., Thursday, June 25, 1998. The following trustees participated in the call:

Chair:	Dr. Harold H. Chakales
Vice Chair:	Mrs. Elaine Goode
Secretary:	Mr. Rickey Hicks
	Mr. Madison P. Aydelott III
	Mr. Rush Harding III
	Mr. Randy Sims
	Mr. Dalda Womack

constituting a quorum of said Board, at which meeting the following business was transacted, to-wit:

Salary Increases - Governor Huckabee has approved a 2% salary increase for all state employees effective July 1, 1998. State general revenues will be increased for the university based on the portion of educational and general salaries and fringes that are state funded. To provide this increase, including fringes, an addition of approximately \$156,000 in university funds will be required to the educational and general budget and an addition of approximately \$40,000 will be required to the auxiliary budget. Necessary funds can be drawn from salary savings and educational and general reserves.

Following discussion, the following resolution was adopted unanimously upon motion by Mr. Harding with a second by Mr. Aydelott:

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES APPROVES A 2% INCREASE FOR CLASSIFIED PERSONNEL BEGINNING JULY 1, 1998, AND AN INCREASE AVERAGING 2% FOR NON-CLASSIFIED EMPLOYEES, WITH THE INCREASE ALLOCATED TO TWELVE-MONTH NON-CLASSIFIED EMPLOYEES BEING EFFECTIVE JULY 1, 1998, AND NINE-MONTH NON-CLASSIFIED EMPLOYEES BEING EFFECTIVE WITH THE BEGINNING OF THE FALL TERM.”

Property Acquisition - Mrs. Margaret Dunaway has approached the university about purchasing her property at 440 Western Avenue. This property is located in the university's projected growth area and would be used as rental housing for faculty, staff, or student groups until a permanent usage is identified.

The administration obtained appraisals on the property and signed an offer and acceptance agreement with the owner, subject to Board of Trustees and State of Arkansas approval. The legal description of the property is lots 7, 8, and 9, Block 1, J. E. Little Addition to Conway, Faulkner County, Arkansas.

In response to a question from Mr. Aydelott, President Thompson stated that the purchase price does not exceed the appraisal.

The following resolution was adopted unanimously upon motion by Mr. Hicks with a second by Mrs. Goode:

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES AUTHORIZES THE ADMINISTRATION TO PURCHASE THE PROPERTY AT 440 WESTERN AVENUE OWNED BY MRS. MARGARET DUNAWAY.

THE PROPERTY IS DESCRIBED AS FOLLOWS:

LOTS 7, 8, AND 9, BLOCK 1, J.E. LITTLE ADDITION TO CONWAY, FAULKNER COUNTY, ARKANSAS.”

Bond Issue - The administration is investigating the feasibility of refunding several existing bond issues and notes and issuing new bonds for the construction of a facility for academic programs. A final recommendation on this bond issue will be made to the Board at a later date. However, the administration requests authorization to take appropriate steps necessary for the issuance of the bonds, subject to the Board’s final approval. Circumstances suggest we should move very quickly to take advantage of current favorable interest rates.

The following resolution was adopted unanimously upon motion by Mr. Hicks with a second by Mr. Aydelott:

“BE IT RESOLVED: THAT THE ADMINISTRATION IS AUTHORIZED TO TAKE ACTION NECESSARY TO PREPARE FOR THE REFUNDING OF APPROPRIATE EXISTING BOND ISSUES AND NOTES AND THE ISSUANCE OF UP TO \$6,000,000 IN NEW BONDS FOR THE CONSTRUCTION OF ACADEMIC FACILITIES. THE TOTAL BOND ISSUE WILL BE APPROXIMATELY \$8,000,000.

BE IT FURTHER RESOLVED: THAT THE PRESIDENT IS AUTHORIZED TO REQUEST FROM THE DEPARTMENT OF HIGHER EDUCATION AN ECONOMIC FEASIBILITY STUDY ON THIS BOND ISSUE.”

Nepotism Policy - In general, it is not desirable for close family members to act in a supervisory capacity towards one another. Faculty and staff members should neither initiate nor participate in institutional decisions involving a direct benefit (initial appointment, retention, promotions, salary, leave of absence, etc.) to members of their immediate family. On the other hand, it is common practice for universities to employ persons who were married before they became employees and not uncommon for an individual to marry a fellow employee. It is not clear that one individual's promotion into a supervisory position should automatically be precluded because the spouse is employed in the same department, college, or division.

The current policy absolutely forbids one spouse from being a supervisor if the other spouse would be under that employee's direct or indirect supervision.

The attached policy would allow the university more flexibility, subject to appropriate and reasonable safeguards to avoid favoritism and conflicts of interest.

The following resolution was adopted unanimously upon motion by Mr. Aydelott with a second by Mr. Hicks:

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES ACCEPTS THE FOLLOWING REVISED NEPOTISM POLICY AS BOARD POLICY NO. 514:

NO UCA EMPLOYEE SHALL VOTE, MAKE RECOMMENDATIONS, OR IN ANY WAY PARTICIPATE IN DECISIONS ABOUT ANY PERSONNEL MATTER WHICH MAY DIRECTLY AFFECT THE SELECTION, APPOINTMENT, RETENTION, TENURE, COMPENSATION, PROMOTION, TERMINATION, OTHER EMPLOYMENT STATUS OR INTEREST OF A CLOSE RELATIVE IN ACCORDANCE WITH STATE LAW. FOR THE PURPOSES OF THIS POLICY, “CLOSE RELATIVE” IS DEFINED AS HUSBAND, WIFE, MOTHER, FATHER, SON, DAUGHTER, SISTER, AND BROTHER.”

UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY

Policy Number: 514

Subject: Nepotism

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Date Adopted: _____ Revised: _____

No UCA employee shall vote, make recommendations, or in any way participate in decisions about any personnel matter which may directly affect the selection, appointment, retention, tenure, compensation, promotion, termination, other employment status or interest of a close relative in accordance with State law. For the purposes of this policy, "close relative" is defined as husband, wife, mother, father, son, daughter, sister, and brother.

INFORMATION ITEM - UPDATE ON PROPOSED RETIREMENT CENTER - At President Thompson's request, Mr. Bob McCormack, retired vice president for financial services, gave a brief update on the proposed retirement center. Mr. McCormack, who continues to work with consultants regarding the proposed center, stated that interest in the center remains strong.

Mr. McCormack reported that since the consultant's report, dated April 25, 1997, was distributed to Board members, construction costs have risen approximately 15% to 20%. Therefore, ways to cut costs must be found. Mr. McCormack also reported that a suitable site for the project must be located. Mr. McCormack stated that specific recommendations for this project will, hopefully, be presented at the August Board meeting.

Mr. Sims, whose appointment to the Board was effective in January 1998, requested that a copy of the consultant's report be sent to him.

Dr. Chakales requested that copies of the consultant's report be sent to all Board members again.

There being no further business to come before the Board, the meeting was adjourned at 3:30 p.m.

Dr. Harold H. Chakales, Chairman

Mr. Rickey H. Hicks, Secretary