

The Board of Trustees of the University of Central Arkansas convened in regular meeting Tuesday, November 13, 2001, at 3:00 p.m. in the Fireplace Room in McCastlain Hall with the following officers and members present, to-wit:

Chair:	Mr. Randy Sims
Vice Chair:	Mr. Rush Harding
Secretary:	Mr. Kelley Erstine
	Mrs. Elaine Goode
	Mr. Scott Roussel
	Mr. Dalda Womack

and with the following absent, to-wit:

Mr. Rickey Hicks

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

MINUTES

Minutes of the August 20, 2001, Board Meeting and Minutes of the September 14, 2001, Teleconference Board Meeting and Confirmation of Action Taken were approved unanimously as circulated upon motion by Mr. Harding with a second by Mr. Erstine.

INTRODUCTIONS

President Thompson introduced Dr. Ron Fritze, Chair of the Department of History.

PRESIDENT'S REPORT

Litigation - Ms. Melissa Rust, Assistant Vice President for Legal Services, presented the following report on the status of litigation involving UCA:

Jeanne K. Scherer v. University of Central Arkansas, et al., (LR-C-99-875).

Plaintiff, Jeanne K. Scherer, a former student, initiated legal action against the university alleging she was subjected to sexual harassment by a former faculty member, in violation of Title IX of the Education Amendments, 42 U.S.C. 1983, and the Arkansas Civil Rights Act. An Answer was filed on behalf of the university on January 03, 2000 denying each and every material allegation of the complaint. The university submitted Interrogatories and Requests for Production of Documents on February 01, 2000. Depositions of Jeanne Scherer, Mike Seger, and various university employees have been taken. The university submitted its'

Motion for Summary Judgment on July 27, 2001. The Motion was granted on October 5, 2001, dismissing the case in its entirety against the university.

Ken Burchett v. University of Central Arkansas, (EEOC-251A10133).

Charging party, Ken Burchett, initiated a charge before the Equal Employment Opportunity Commission alleging he will be “demoted” effective June 30, 2001, in violation of the Age Discrimination in Employment Act. The university has submitted a response to the EEOC denying each and every material allegation of the charge. Upon completion of an investigation of the charge, the EEOC dismissed the claim stating that it was unable to conclude that the information obtained established a violation of the statute. Charging party has the appropriate period of time to pursue the matter through litigation should he choose to do so.

Charlene Foster v. University of Central Arkansas, (01-1685-CC).

Claimant, Charlene Foster, alleges that on November 01, 2000, she suffered damages to her right arm as a result of a fall down the stairs at the north side of Main Hall. The university submitted an Answer on June 18. A First Set of Interrogatories and Request for Production of Documents was submitted July 27, 2001. The Claims Commission dismissed the case on October 10, 2001.

Paul Pojman v. University of Central Arkansas, (EEOC-251A1178).

Charging party, Paul Pojman, initiated a charge before the Equal Employment Opportunity Commission alleging a supervisor discriminated against him due to his sex in creating a sexually hostile work environment, and retaliated against him for his involvement in a sexual harassment investigation, in violation of Title VII of the Civil Rights Act of 1964, as amended. The university has provided a response denying each and every allegation to the charge.

University of Central Arkansas v. Paul Miller, (CIV-2001-588).

On September 23, 2000, while driving at a high rate of speed and under the influence of alcohol, Paul Miller ran a stop sign at the intersection of Donaghey Avenue. Miller’s vehicle went airborne across Donaghey Avenue striking and destroying a brick pillar given to the university by a former graduating class. The university has filed a Complaint to recover the costs associated with replacing two brick pillars, the one destroyed by the accident and a matching pillar located alongside.

Construction - Dr. John Smith, Vice President for Financial and Administrative Services, presented the following construction report and responded to questions from members of the Board:

Farris Center Floor - The maple floor has been installed and finish work has begun. The floor should be finished in October 2001.

Math Education/Technology Building - Construction is approximately 35% complete and the building is scheduled to be finished in May 2002.

New Track - Construction of the track has been completed except for installation of the rubberized finish coat. The finish coat will be applied in late November.

Retirement Center - Finish products are being installed in some areas of the facility and construction is approximately 70% complete. The Retirement Center should be ready for occupancy in February 2002.

Writing Building - The drywall is complete on the second and third floors and 90% complete on the first floor. Brickwork is 70% complete and work continues on the pre-cast concrete. The building is scheduled to be finished in December 2001.

NOTE: Mrs. Goode arrived at this point in the meeting.

Financial Report - Dr. John Smith presented a brief summary of the financial report ending September 30, 2001.

Housing Occupancy - a housing occupancy report indicating 100% occupancy as of October 8, 2001, was included in the agenda book.

State Funding - President Thompson distributed information regarding state funding for Arkansas colleges. The information indicates that UCA had the largest percentage increase in funding over the past ten years. When factoring in enrollment changes, UCA has the second largest increase on a per-student basis.

Army Reserve Facility - President Thompson reported that the U.S. House of Representatives and the U.S. Senate have passed, and President Bush has signed, a military appropriation bill that contains money for a new Army Reserve Center. President Thompson stated that if all arrangements are completed as anticipated, the Army will abandon its lease on UCA's property which can then be converted for other uses. President Thompson further stated that

Congressman Vic Snyder, in particular, is helping resolve a number of issues. President Thompson expressed his appreciation to legislators who have assisted UCA with this matter.

Football Team and Men's Soccer Team - President Thompson reported that these two teams advanced to the Gulf South Conference playoffs. Unfortunately, the soccer team was defeated in the championship game.

The football team will play Catawba College in the NCAA Division II first-round playoff game Saturday in Salisbury, North Carolina.

Summer Football Camps - At the February 16, 2001, Board of Trustees meeting, the Board authorized the UCA football coaching staff to host football camps for private compensation. A camp was held on June 15 & 16, 2001. Over 450 campers and coaches attended the camps and ate in university food service facilities.

As required by state law, a complete financial report has been submitted to the Vice President for Financial & Administrative Services. The total income for the camps was \$9,723.00. After paying all camp expenses and labor costs, a balance of \$11.02 remained. The football camp will donate 9 cases of Powerade to the UCA football program, approximate value of \$400.00.

Schedule of Board Meetings for 2002 - Board meetings have been scheduled on the following dates during 2002. Board members were asked to mark these dates on their calendars and notify the president's office if there are conflicts.

Friday, **February 22**;

Friday, **May 10**;

Friday, **August 16** (in conjunction with commencement);

Friday, **October 11**; and

Friday, **November 22**.

Computer Report - President Thompson and Dr. Sam Buchanan, Interim Provost, discussed the possibility of issuing laptop computers to students and, eventually, faculty and staff. Students would pay an additional \$400 per semester. President Thompson requested Board members to consider the possibility and stated that further discussion with the Board will occur as plans are developed and a number of issues are resolved.

Presidential Search Update - Dr. John Smith, Chair of the Presidential Search Committee, reported that the committee has met on a weekly basis since being appointed by the Board. The committee has received between 50 and 60 applications and nominations for the position which is approximately half the number anticipated by this date. Dr. Smith stated that the initial advertisement for the position was published in September and the committee feels that the terrorist attacks of September 11 have had a major impact on the number of applications and nominations received. Therefore, the committee unanimously recommends to the Board that the process be delayed and the position be re-advertised in January and February to expand the number of applications and nominations.

Mr. Sims stated that it is an important decision and should not be rushed.

Discussion followed during which Mr. Sims requested that the advertisement for the position be brought back to the Board for approval if the committee's recommendation to delay the search process is approved. Since the Board is not scheduled to meet again until February 22, 2002, Dr. Smith suggested that he forward copies of the advertisement to each Board member for approval which was acceptable to the Board.

Dr. Smith stated that he will present a revised schedule for the search process for Board approval at the February 22 meeting.

In response to a question from Mr. Roussel, Dr. Smith stated that present applicants will be notified that their applications will remain active.

In response to a question from Mr. Womack, members of the Board discussed the possible need to name an interim president, but did not take any action.

MR. WOMACK MOVED THAT THE BOARD ACCEPT THE SEARCH COMMITTEE'S RECOMMENDATION TO DELAY THE PRESIDENTIAL SEARCH PROCESS AND TO RE-ADVERTISE THE POSITION IN JANUARY AND FEBRUARY. THE MOTION WAS SECONDED BY MR. ROUSSEL AND PASSED UNANIMOUSLY.

**STATEMENTS FROM THE PRESIDENTS OF THE FACULTY
SENATE, STUDENT GOVERNMENT ASSOCIATION, AND STAFF SENATE**

Copies of the statements from the presidents of the Faculty Senate, Jim Bell; Student Government Association, Serena Jeffery; and Staff Senate, Sandy Olson, are attached.

ACTION AGENDA

The following four items were approved unanimously upon motion by Mr. Erstine with a second by Mrs. Goode:

(1) **Deletion of University Planning and Assessment Committee** - The current UCA *Faculty Handbook* provides for the University Planning and Assessment Committee. This committee was established several years ago to serve as the central planning and assessment entity for the university. However, the organization of the committee has not worked well for planning purposes or for assessment. Instead of a centralized planning and assessment body, it is believed that the university will be better served by developing a more flexible format for these functions.

"BE IT RESOLVED: THAT THE BOARD OF TRUSTEES APPROVES THE DELETION OF THE PROVISIONS OF THE UCA *FACULTY HANDBOOK* RELATED TO THE UNIVERSITY PLANNING AND ASSESSMENT COMMITTEE."

(2) **University Equipment and Resources Policy (Board Policy No. 413)** - In response to an internal audit regarding the loss of an item of university property, it was recommended that the university develop a policy concerning the use of university equipment. The policy addresses the use of equipment by all members of the university community.

The policy was approved by the University Council at its October 9th meeting.

"BE IT RESOLVED: THAT THE BOARD OF TRUSTEES APPROVES THE FOLLOWING BOARD POLICY NO. 413, 'UNIVERSITY EQUIPMENT.'"

UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY

Policy Number: 413

Subject: University Equipment

Page 1 of 3

Date Adopted: _____ Revised: _____

INTRODUCTION:

The university provides an opportunity for students and other members of the university community to enhance educational experiences and expand academic knowledge by making available access to university equipment and resources. The following policy has been adopted to define responsible and ethical behavior relating to use of university equipment and resources. The policy is applicable to all university faculty, staff, and students. As a user of these resources, faculty, staff and students are responsible for reading and understanding the policy.

As a part of the physical and social learning infrastructure, the university maintains equipment and resources that are to be utilized for university-related purposes, including but not limited to, the following:

- Direct and indirect support of the university's teaching, research, and service missions;
- Support of university administrative functions; or
- Support of student and campus life activities.

All equipment and resources are the property of the university, except for personally owned equipment or resources of faculty, staff, or students. All existing federal and state laws and university regulations and policies apply, including not only those regulations that are specific to equipment, but also those that may apply generally to personal conduct and the use of state-owned property. Rules prohibiting misuse, theft, or vandalism apply to all equipment and resources.

INAPPROPRIATE USES:

Faculty, staff, and students should use good judgment in the use of all university equipment and resources. Equipment and resources may be used only for legal purposes and should not be used for any purpose that is illegal, unethical, dishonest, damaging to the reputation of the university or likely to subject the university to liability.

Inappropriate uses of university equipment and resources include, but are not limited to, the following:

- Any activity that would negatively affect the use of equipment and resources by others;
- Commercial or profit-making activities unrelated to the university's mission;
- Uses of equipment and resources that are malicious, threatening, harassing, obscene, or abusive;
- Personal use of university equipment or resources;
- Any activity that violates federal, state, and local laws, policies or regulations;
- Fundraising for any purpose unless sponsored by an official university organization with appropriate university approval;
- Promoting political or religious positions or activities unless sponsored by an official university organization with appropriate university approval;
- Permitting an unauthorized person to use equipment and resources.

CUSTODIANSHIP OF PROPERTY:

The supervision, control, and inventory of university equipment or resources are the responsibility of the head of the department to which the property is assigned. The department head must exercise discretion in determining the university equipment that may be utilized by faculty, staff, and students. Any university equipment and resources lost, destroyed, damaged, or subject to possible theft, must be reported to both the office of inventory control and the university police department.

PROCEDURES:

Who may reserve and check out university equipment or resources?

1. Only faculty and staff may reserve and check out equipment or resources.
2. Faculty and staff must be able to demonstrate proper usage and care prior to checking out equipment or resources.
3. Some equipment may require faculty and staff to complete equipment training or orientation prior to checking out such equipment or resources.
4. Students may not pickup university equipment or resources unless previously reserved and authorized by faculty or staff.

5. As a community service, varying departments allow schools, clinicians, and others to utilize university equipment or resources for educationally-related purposes. In such instances, faculty and staff must reserve and check out the equipment or resources. Utilization of equipment or resources in this manner will be governed by the regulations for student use.

How are university equipment or resources reserved?

1. To reserve university equipment or resources maintained by Audio/Visual Services, faculty or staff must complete a Request Form with that office.
2. To reserve university equipment or resources at the departmental or other unit, faculty or staff must complete information maintained in a log in the department or unit. At a minimum, the log must include the department, checkout date, return date, university-related purpose, the desired equipment or resources, and the reserving faculty or staff signature.
3. By signing either the request form or the log, faculty or staff and their departments accept full responsibility for damage, loss, and/or theft, and for the proper care and usage of the equipment or resources while in their possession. In the event faculty or staff use university equipment or resources in a manner inconsistent with the stated university-related purpose or are negligent in the care or use of the equipment or resources, then faculty or staff will be held personally and financially responsible for either repair and/or replacement costs.

Are students allowed to use university equipment or resources?

1. Students may use university equipment or resources at the discretion and supervision of reserving faculty or staff. Students must follow the same guidelines for care and usage as faculty or staff. Faculty or staff and their departments are ultimately financially responsible for university equipment and resources, except in the event students use equipment or resources in a manner inconsistent with the stated university-related purposes or are negligent in the care or use of the equipment or resources. In these circumstances, the student will be held personally and financially responsible for either repair and/or replacement costs.
2. Students may not reserve or checkout university equipment or resources. Students may pickup university equipment or resources when previously reserved and authorized by faculty or staff.

(3) **Investments and Collateralization Policy (Board Policy No. 600)** - The university may adopt investment and collateralization policies that are more stringent than authorized by Arkansas law, but may not add forms of security that are not included in the law. In the last legislative session, a change was made to allow financial institutions to use letters of credit from the Federal Home Loan Bank as a form of security. This change should allow the financial institutions to increase the interest earnings rate offered on investments while providing comparable protection for public deposits.

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES APPROVES THE FOLLOWING MODIFICATIONS TO THE INVESTMENT AND COLLATERALIZATION POLICY, EFFECTIVE DECEMBER 1, 2001, THEREBY AMENDING BOARD POLICY NO. 600.”

UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY

Policy Number: 600

Page 1 of 2

Subject: Investments and Collateralizations

Date Adopted: 12/88

Revised: 2/00

INVESTMENTS

Subject to the direction of the President, the Vice President for financial and Administrative Services shall be responsible for the management of the cash assets of the University of Central Arkansas. The Vice President, or in his absence the Controller, is authorized and directed to invest all funds not needed to meet current cash flow requirements.

In investing University funds, the University shall seek to obtain the highest possible rate of return, with due consideration given to the dollar yield after taking into account the date of maturity, date the funds will be needed, the interest rate quoted, and the default risk factor of the investment.

- I. The University may invest in certificates of deposit with a depository institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, provided that all invested monies in excess of the FDIC/FSLIC limit be collateralized according to the requirements of the University's collateralization policy.

Before investing in certificates of deposit, a formal bid shall be required from depository institutions. The institution submitting the highest stated rate of interest and complying with the collateralization and other investment requirements will be awarded the bid. In the event the highest rate offered results in a tie, the bid will be awarded at the discretion of the Vice President for Financial and Administrative Services based on which institution currently holds the investment and/or other objective methods which are in the best interest of the University.

- II. The University may invest in Treasury Bills or other direct and fully guaranteed obligations of the United States and its agencies. However, funds may be also invested to enhance the investment productivity of endowment, donated, and other funds as follows:

- A. The University may invest endowment and other funds with an investment management service, such as the Common Fund, that provides asset allocation assistance for colleges and universities. Under this service the funds chosen for

investment will be limited to obligations of the United States; Federal agency obligations; domestic and foreign bank certificates of deposit; commercial paper; high quality stocks and bonds; Euro-dollar obligations of U.S. banks; and repurchase agreements.

- B. The University may invest cash or other gifts donated to the University directly in fully guaranteed obligations of the United States or its agencies; in high quality stocks and bonds; or in other equities and interests.

In order to facilitate in the management of University investments, the President is authorized to enter into the appropriate agreements with investment management services or brokers. In all investment transactions, the University's priority will be in the safety, liquidity, and control of its invested cash.

COLLATERALIZATIONS

In order to assure the security of the University of Central Arkansas' demand deposit accounts and its investments, the University's monies shall be fully, and continuously, collateralized whenever such investments/deposits exceed the limits of Federal Deposit Insurance Corporation/Federal Savings and Loan Insurance Corporation or other insurance. Pledged collateral for the University's deposits/investments must meet the following minimum requirements :

1. The Vice President for Financial and Administrative Services will have authority to enter into a collateral agreement with depository institutions and custodian banks which conforms to the collateral requirements stated in this resolution.
2. Pledged ~~securities~~ **security** shall be placed in a custodian bank's trust department and a safekeeping receipt shall be issued to the University **or if an irrevocable standby letter of credit is chosen, then the letter shall be sent to the University Vice President for Financial and Administrative Services**. The receipts **or letter** shall be imprinted with the notice that the ~~securities are~~ **security is** pledged to the University of Central Arkansas.
3. The custodian shall deliver the **pledged securities security** to the University upon the sole order of the University's Vice President for Financial and Administrative Services when supported by a verified certificate of the FDIC/FSLIC certifying under seal that the depository institution has failed or refused to pay all or a portion of the deposit due the University by the depository institution and that under the terms of the pledge agreement executed by the depository institution the University is entitled to delivery of the ~~securities~~

security described in the receipt(s) or the proceeds thereof. Otherwise the ~~securities~~ **security** shall be delivered only upon the written order and instructions of the University Vice President for Financial and Administrative Services and depository institution.

4. ~~Pledged securities~~ **Eligible security for deposits** must consist of the following: direct obligations of the United States Government; obligations of agencies and instrumentalities created by act of the United States Congress and authorized thereby to issue securities or evidences of indebtedness; bonds of the University of Central Arkansas and; general obligations of the State of Arkansas and Arkansas municipalities and political subdivisions with a Standard & Poor's and/or Moody's rating of at least "A"; **an irrevocable standby letter of credit issued by a Federal Home Loan Bank.**
5. All pledged ~~securities~~ **security** shall be valued at market (not par) value, and the aggregate must be equal to at least 110% of the deposits/investments. However, in instances where the President deems it to be in the best interest of the University, he is authorized to require the ~~government obligations securities~~ **security** be not less than 100% of the deposits/investments. The collateral is to be adjusted immediately by the depository institution when its market value falls below the minimum percentage requirements.
6. Failure to maintain the minimum collateral requirements may jeopardize the future banking relationship between the University and the depository institution.
7. The Vice President for Financial and Administrative Services, or in his absence the Controller, has the right to accept or disallow specific ~~securities~~ **security** offered by the depository institution as pledged collateral. In no event shall the acceptance conflict with the University's minimum collateral standards as stated herein.
8. The depository institution shall provide a monthly pledge report detailing the pledged ~~securities~~ **security**, their respective market value, and ratings (Standard & Poor's and/or Moody's). This report shall be furnished by the 10th working day of the following month.
9. Responsibility for the University's adherence to this policy rests with the Vice President for Financial and Administrative Services with the assistance of the Controller. The Internal Auditor has the responsibility to monitor compliance.

The collateral requirements as stated above shall not apply to: (a) investments with investment management services such as the Common Fund; or (b) equity investments representing funds donated to the University from private sources.

(4) **Travel Reimbursement Policy (Board Policy No. 605)** - The current university policy for travel reimbursement does not allow for reimbursement of actual expenses above the daily maximum unless the request was made in advance of the trip. Occasionally, due to circumstances beyond the control of the employee, the daily maximum is exceeded and a request for reimbursement form was not submitted prior to the trip. Technically, the university does not have the authority to reimburse the employee in these exceptional situations.

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES APPROVES THE FOLLOWING MODIFICATIONS TO BOARD POLICY NO. 605, ‘TRAVEL REIMBURSEMENT’ EFFECTIVE DECEMBER 1, 2001.”

UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY

Policy Number: 605

Subject: Travel Reimbursement

Page 1 of 1

Date Adopted: 6/81

Revised: 1/94*, 12/94

—~~Employees~~ Individuals who travel as official representatives of the University may be reimbursed for actual lodging expenses if they exceed the authorized daily maximum. A request for actual expense reimbursement must be completed in advance of the trip and be approved by the applicable Vice President and the Travel Administrator. Requests made after-the-trip will not be approved unless an exceptional situation has occurred and that exception is approved by the applicable Vice President and the Travel Administrator.

—~~Employees on official~~ Individuals who travel out of country as official representatives of the university may be reimbursed for actual food and lodging expenses if they exceed the authorized daily maximum. This request must be completed in advance of the trip and be approved by the applicable Vice President and the Travel Administrator. Requests made after-the-trip will not be approved unless an exceptional situation has occurred and that exception is approved by the applicable Vice President and the Travel Administrator. Permission for such an exception must be given by the Travel Administrator in advance of the trip.

*DFA regulations.

Distinguished Alumnus - At President Thompson's request, Mr. Joe Darling, Interim Vice President for Institutional Advancement, presented the following item:

The University of Central Arkansas has awarded the citation of "Distinguished Alumnus" since 1986. The Distinguished Alumnus Selection Committee unanimously recommends that Dr. William Turner Harris be name the UCA "Distinguished Alumnus for 2001."

Dr. Harris received his degree from UCA, then Arkansas State Teachers College in 1957. While at UCA, he was active in student life, serving two terms as president of Chi Nu (now Pi Kappa Alpha) fraternity, as treasurer of the Student Council and as a member of the intra-fraternity council. He teamed with two other students to rewrite the constitution of the Student Council, from which subsequent guidelines for the central student government organization were developed.

When he admitted to the University of Arkansas School of Medicine in 1957, he was UCA's lone representative. After completing his medical degree, he did a residency in radiology and developed an interest in nuclear medicine. He began clinical research in nuclear medicine while at the University of Arkansas for Medical Sciences and later became the youngest of nine physicians who founded Radiology Associates. Because of his background and interest, he was assigned to St. Vincent Infirmary Medical Center to develop the Department of Nuclear Medicine, which under Dr. Harris' guidance has become one of the largest in the United States.

Dr. Harris gained national and international recognition in the field of nuclear medicine, with special expertise in nuclear cardiology. Under his direction, a medical team developed the technique of labeling viable white blood cells with a small amount of radionuclide, which when re-injected into the patient may be used as a tracer to identify infections. The technique is presently used throughout the western hemisphere.

Dr. Harris became interested in Positron Emission Tomography (PET Scanner) in the 1970's and established a PET center at St. Vincent in 1994. The center is one of only sixty in the United States and one of only three located in non-university settings.

He has presented scientific papers and exhibits and has been an invited panelist and lecturer more than 200 times throughout the United States and in England. He retired from active practice in 1995, but has continued as a member of the senior administrative staff of St. Vincent Health Systems. He founded and is director of the St. Vincent Emeritus Physician

Club and is developing a "Volunteers in Medicine" program to provide medical care to underserved citizens in Little Rock and surrounding areas.

Dr. Harris has received the Distinguished Alumnus Award from the University of Arkansas for Medical Sciences College of Medicine and the Professional Staff Outstanding Physician Award from St. Vincent Infirmary Medical Center.

He was commencement speaker at UCA in 1993, and since retiring has continued his association with the campus, including a recent lecture to the UCA Honors College, and is currently working with the UCA Foundation to expand the T.J. Burgess Fund.

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

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES HEREBY RECOGNIZES THE CONTRIBUTIONS AND ACHIEVEMENTS OF DR. WILLIAM TURNER HARRIS AND CONFERS ON HIM THE HONOR OF DISTINGUISHED ALUMNUS. THE BOARD DIRECTS THE ADMINISTRATION TO PREPARE APPROPRIATE FORMAL RESOLUTIONS AND MEMORIALS TO RECOGNIZE HIS ACCOMPLISHMENTS.”

Flexible-spending Accounts and Individual Insurance - At President Thompson's request, Dr. John Smith presented this item and responded to questions from Board members.

Flexible Spending Accounts (Section 125 plans) allow employees to make pre-tax contributions to individual accounts that may be used for out-of-pocket medical expenses and for dependent care expenses. The University's Flexible Spending Account (FSA) is currently administered by USABLE/School Data Services. In the past, USABLE provided plan administration at no cost in exchange for the opportunity to present individual insurance products such as short-term disability, heart/stroke insurance and dependent life insurance. However, the renewal proposal by USABLE/School Data Services did include an administrative fee for processing medical and dependent care accounts.

The University issued an RFP for administration of the FSA and for provision of the current array of individual insurance products. As employees had expressed interest in access to individual long-term-care insurance, that product was also included in the RFP process.

Upon review of the proposals received, the University Fringe Benefits Committee has recommended that American Family Life Assurance Company (AFLAC) provide administration of the University's FSA and present individual employee insurance product options.

With the recommendation of the Fringe Benefits Committee and President Thompson, the following resolution was adopted unanimously upon motion by Mr. Harding with a second by Mr. Womack:

“BE IT RESOLVED: THAT THE PRESIDENT IS AUTHORIZED TO ENTER INTO A CONTRACT WITH AMERICAN FAMILY LIFE ASSURANCE COMPANY FOR ADMINISTRATION OF THE UNIVERSITY’S FLEXIBLE SPENDING ACCOUNTS AND FOR PROVISION OF INDIVIDUAL INSURANCE PRODUCTS FOR A PERIOD OF ONE YEAR BEGINNING ON JANUARY 1, 2002 AND RENEWABLE IN ONE OR TWO YEAR INCREMENTS FOR NO MORE THAN A TOTAL OF SEVEN YEARS.”

College of Education Technology Learning Center - Materials Charge - President Thompson and Dr. Sam Buchanan presented this item.

The Technology Learning Center of the College of Education provides resources that enrich and augment programs offered by departments within the Professional Education Unit and other departments throughout the university. The center supports student study and research through its facilities, materials, equipment, production services, and instructional and consultative services. Services and programs offered by the center complement the mission of the university.

So that the center may continue to provide these needed services, the College of Education proposes to charge appropriate fees for individual supplies and services that will cover material replacement costs as well as equipment maintenance costs. A margin of 20% above original supply costs will give the center the funds it needs to fulfill its service objective.

The proposal has been reviewed by all appropriate councils and administrators.

The following resolution was adopted unanimously upon motion by Mr. Womack with a second by Mr. Erstine:

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES AUTHORIZES THE TECHNOLOGY LEARNING CENTER OF THE COLLEGE OF EDUCATION TO CHARGE FEES FOR SUPPLIES AND SERVICES AT A MARGIN OF 20% ABOVE ORIGINAL COST.”

Health Insurance - President Thompson and Dr. John Smith presented this item and responded to questions from Board members with assistance from Mr. Steve Wood, Assistant Vice President for Human Resources.

The University's current health care insurer, CIGNA, issued a preliminary renewal projection with a rate increase in excess of 20%. The University then issued a Request for Proposal (RFP) for health coverage for the new calendar year. Six providers submitted proposals on various plan designs, including one self-funded plan. The formal renewal proposal from CIGNA, received through the RFP process, carried a 28% increase in premiums.

Following a review of plan design and pricing, the University Fringe Benefits Committee has unanimously recommended QualChoice of Arkansas as the health insurance provider for calendar year 2002.

Within the QualChoice structure, two plan designs are recommended. One, an HMO, is very similar in coverage and design to the current CIGNA plan. The other, a Point-of-Service (POS) plan, will provide employees greater flexibility in accessing health care. Employees will be allowed to enroll in either plan. Premiums and out-of-pocket expenses will vary based upon the plan selected.

In both plans, participants will have the ability to access primary care and specialty care physician services at standard \$20 or \$30 fees. They also will have access to pharmacy prescriptions at standard \$10, \$20 or \$30 co-payments.

With the HMO, total premiums will increase by 13% over the current rates. With the POS, total premiums will actually decrease by 7% from the current levels.

In addition to the plan provider recommendation, the Fringe Benefits Committee has unanimously recommended an adjustment in the premium funding percentages contributed by the University and by employees.

Currently, employees in Employee Only coverage pay 15% of their total premium, Employees Plus One pay 45% and Family coverage participants pay 55% of the premium for their

tier coverage. The Committee has recommended that premiums be allocated to employees at the rate of 15% for Employee Only, 40% for Employee Plus One and 45% for Family participants.

The plans and rates recommended result in the following:

<u>Monthly Premiums</u>	<u>Current Rates</u>	<u>QualChoice HMO Rates</u>	<u>QualChoice POS Rates</u>
<u>Employee Only</u>	<u>214.18</u>	<u>242.28</u>	<u>207.15</u>
UCA Paid	182.18	206.28	177.15
Employee Paid	32.00	36.00	30.00
<u>Employee/One</u>	<u>428.37</u>	<u>484.54</u>	<u>414.30</u>
UCA Paid	235.37	290.54	249.30
Employee Paid	193.00	194.00	165.00
<u>Family</u>	<u>618.96</u>	<u>684.91</u>	<u>585.62</u>
UCA Paid	278.96	376.91	322.62
Employee Paid	340.00	308.00	263.00

Following discussion, as recommended by the University Fringe Benefits Committee and President Thompson, the following resolution was adopted unanimously upon motion by Mr. Erstine with a second by Mr. Harding:

“BE IT RESOLVED: THAT THE PRESIDENT IS AUTHORIZED TO ESTABLISH A CONTRACT WITH QUALCHOICE OF ARKANSAS FOR HEALTH INSURANCE COVERAGE FOR THE PERIOD OF JANUARY 1, 2002 THROUGH DECEMBER 31, 2002, AT THE RATES AND TERMS INDICATED ABOVE.”

Property Acquisition - Mr. & Mrs. Tom Siebenmorgen very recently approached the university about purchasing their property at 427 Western Avenue. The property consists of two houses located on approximately two acres. The Siebenmorgens have shared with the university their appraisal on the property. Though their asking price is slightly higher than the appraised value, it appears to be in a range that can be negotiated. The university needs additional time to complete the negotiations with the Siebenmorgens.

As recommended by President Thompson the following resolution was adopted upon motion

by Mrs. Goode with a second by Mr. Womack. Mr. Harding abstained.

“BE IT RESOLVED: THAT THE ADMINISTRATION IS AUTHORIZED TO NEGOTIATE FOR THE PROPERTY AT 427 WESTERN AVENUE OWNED BY MR. AND MRS. TOM SIEBENMORGEN.

THE PROPERTY IS DESCRIBED AS LOT 1 PT, BLOCK 5, J. E. LITTLE SUBDIVISION.”

In response to a letter to Board members from Jim and Teresa Thompson, Mr. Harding suggested that the Board’s previous action (May 7, 2001, Board meeting) regarding the Thompson’s property be reconsidered. As stated in the July 31, 2001, letter, Mr. and Mrs. Thompson “request the Board of Trustees of the University of Central Arkansas to reconsider the proposal for constructing an upscale apartment complex on our property located at 320 Western Avenue....We feel that we are all in agreement of the shortage of quality housing and parking, of which we are proposing to deliver at no cost to the University.”

Mr. Harding stated that, because of the pressure expected on the university’s income and expense statement and the great lengths to which Mr. and Mrs. Thompson have gone to construct upscale apartments, he would like the administration to reconsider the university’s proposal to condemn the property if negotiations to purchase the property are unsuccessful.

Mr. Harding stated that he would like to see the university negotiate a successful property exchange with the Thompsons within the next 45 days or allow them to proceed with construction of apartments in the manner specified in their letter.

President Thompson reported that the university has not proceeded with the condemnation because the administration thought there was a possibility to negotiate a property swap. President Thompson encouraged the Board to give the administration additional time to negotiate with the Thompsons.

At President Thompson’s suggestion the discussion was deferred until a later time.

Bond Issue - At the May 7, 2001, Board of Trustees meeting, the administration was authorized to request from the Department of Higher Education an economic feasibility study to issue up to \$10,000,000 in bonds to construct and/or renovate academic facilities. The Arkansas Higher Education Coordinating Board approved the following resolution at its October 19, 2001 meeting:

“That the Arkansas Higher Education Coordinating Board considers as economically feasible plans for the University of Central Arkansas to issue an E & G funded issue of approximately \$10 million with a term of 20 years with an annual interest rate of approximately 6 percent to be used for E & G construction and renovation projects.”

President Thompson stated that it is a good time to borrow money because interest rates are incredibly low; however, he is concerned about the prospects of budget reductions and about making a large monetary commitment at the end of his tenure.

President Thompson stated that, at this point, he wanted to update the Board on the approval from the Arkansas Higher Education Coordinating Board. President Thompson further stated that the administration would like to pursue the issue further particularly looking at the possibility of refinancing existing bonds; however, he is reluctant to make a commitment at this point that would increase the annual payments on present bond issues. President Thompson stated that his tentative recommendation is to refinance existing bonds if additional resources are produced without increasing the annual payment. The additional money could then be used for the renovation and conversion of Wingo Hall from a residence hall to administrative offices. Other projects would be deferred until the administration is more certain about the State’s economic forecast.

Following discussion no action was taken on this issue.

EXECUTIVE SESSION

Executive session, for the purpose of considering personnel matters, was declared unanimously upon motion by Mrs. Goode with a second by Mr. Harding.

OPEN SESSION

The following resolution was adopted unanimously upon motion by Mr. Harding with a second by Mr. Erstine:

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES APPROVES THE FOLLOWING ADJUSTMENTS, ADJUSTMENTS/APPOINTMENTS FROM RESTRICTED GRANT FUNDS, APPOINTMENTS, REAPPOINTMENTS, RESIGNATIONS AND /OR NON-REAPPOINTMENTS, AND SABBATICALS, PROVIDED HOWEVER, THAT THE ADMINISTRATION IS AUTHORIZED TO MAKE CORRECTIONS AND CHANGES OF A CLERICAL NATURE.”

(A complete personnel list is on file in the President’s Office.)

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

Mr. Randy Sims, Chair

Mr. Kelley Erstine, Secretary