

University of Central Missouri
Board of Governors
Plenary Session
June 19, 2015

The University of Central Missouri (UCM) Board of Governors convened in Plenary Session on Friday, June 19, 2015, at 8:30 a.m. in UN 237B on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President Marvin E. Wright. In attendance were Governors Gus Wetzel II, Weldon Brady, Mary Long, Mary Dandurand, Walter Hicklin, and John Collier. Also present was University President Charles Ambrose; Vice President for Law, Policy and Strategy Mike Racy; and Assistant Secretary to the Board Monica Huffman.

Plenary Session

Call to Order – Agenda Item No. 1

Mr. Wright determined that a quorum was present to conduct business and called the meeting to order.

Remarks by the Board President – Agenda Item No. 2

Mr. Wright congratulated the campus for a successful year. He noted some of the different events being held on campus this week including Missouri Boys State. Several Board members had the opportunity to attend a dinner honoring Missouri Boys State guest speaker Karl Rove, former Deputy Chief of Staff and Senior Advisor to former President George W. Bush. During yesterday's Work Session, the Board received a briefing on the Strategic Resource Allocation Model, concluding the current work of rpk Group on this initiative. On behalf of the Board, Mr. Wright expressed its appreciation for the firm's assistance.

Remarks by the University President – Agenda Item No. 3

President Ambrose noted there is no Board meeting scheduled for July and acknowledged the amount of work that is done by many individuals to plan and hold these meetings. He expressed special appreciation to Monica Huffman for her work with the Board and recognized her leadership with the National Association of Presidential Assistants in Higher Education (NAPAHE), where she is serving as Board Chair for 2015-2016. In appreciation, President Ambrose and Board President Wright presented Ms. Huffman a framed collage commemorating her work with NAPAHE and other initiatives in the Greater Kansas City area.

President Ambrose noted that Governor Jay Nixon was on campus last evening to speak at Missouri Boys State. He expressed appreciation for the many staff members involved in helping to make Missouri Boys State and Missouri Girls State successful each year. President Ambrose said UCM is fortunate to have so many good people as part of its team.

He recognized several academic and athletic student achievements, as well as those of faculty and staff. In closing, President Ambrose reminded the Board that a grand opening event for The Crossing is planned for August 20 and that the campus will begin implementing the Strategic Resource Allocation model this summer.

General Session

Consent Agenda – Agenda Item No. 4

Dr. Long moved that the Board of Governors approve recommendations included as part of the consent agenda including (1) minutes of the April 30, 2015, Work and Plenary Sessions and April 30, 2015, Finance and Administration Committee of the Whole meeting; (2) the establishment of a Master of Science degree in Human Development and Family Science, pending approval of the Coordinating Board for Higher Education (Attachment 1); and (3) emeritus status for Dr. Wayne Williams, Dr. Karen Waner, Dr. Dane Miller, Dr. Carol Mihalevich, Ms. Linda Medaris and Ms. Sarah Bailey (Attachment 2). The motion was seconded by Mr. Collier and carried unanimously.

Reports/Updates

Strategic Resource Allocation Model Update – Agenda Item No. 5

President Ambrose expressed appreciation to the Board for its investment of time to the Strategic Resource Allocation Model (SRAM). He also expressed appreciation to the SRAM teams who contributed greatly to this initiative of both their time and talents. Mr. Staisloff added his appreciation and said that the SRAM is putting UCM ahead of the curve and serving as a model for other higher education institutions of how to do things better. It was noted that an in depth presentation was provided to the Board during its Work Session the previous afternoon.

Mr. Staisloff provided an overview of the Teams' responsibilities throughout the SRAM process and a summary (Attachment 3) of the previous day's presentation. President Ambrose then reviewed "UCM's Story" where the focus is on growth with quality; student success; driving a student-focused business model; and accelerating growth with quality, increasing efficiencies and maximizing innovation. The report also included updates from each of the Team leaders – Toni Kreke for Michael Wright; Jim Graham for Roger Best; and Jason Drummond.

President Ambrose said that implementation of the SRAM will involve a creative process and engage many more people. Provost Curtis added the SRAM provides an opportunity that encourages employees from all across the campus to communicate their creative and innovative ideas with Administration.

Mr. Staisloff stated that rpk's work is done for now and the University will now begin next steps to implement the SRAM. He added that communication will be critical in getting staff to think about how the SRAM relates to their work at UCM. Following Mr. Staisloff's review of next steps, President Ambrose asked the Board for direction on proceeding.

Dr. Wetzel moved that the Board of Governors accept the Strategic Resource Allocation Model report and direct the University to move forward with actively implementing the model. The motion was seconded by Dr. Long and carried unanimously.

Written Governance Groups Reports – Agenda Item No. 8

Mr. Wright thanked the governance groups for providing written reports of their activities to the Board, which helps to keep it informed of the important work they are doing (Attachment 4).

Legislative Update – Agenda Item No. 7

Senator David Pearce and Representative Denny Hoskins were present to give a legislative update. President Ambrose expressed appreciation to both men for their active leadership during the session. He noted that the session was favorable to higher education and to UCM, which would not have been possible without the leadership of Senator Pearce and Representative Hoskins.

Senator Pearce provided an overview of the budget which resulted the passage of a \$200 million bonding bill for capital improvements, of which UCM will receive \$12.2 million for the renovation of the WC Morris Science Building; and a 1.3% state appropriations increase for FY 2016 after meeting five out of five performance funding criteria. Senator Pearce said that revenue is greater than expected and is estimated to be up by 7.8%. Next year's revenues will be based on 4.2%, which the State is well above now. Senator Pearce predicts there will no withholds made in FY 2016. He congratulated Provost Curtis on her Senate Confirmation Hearing that appointed her to the Missouri Public Charter School Board. He stated that both Provost Curtis and Dr. Vici Hughes are valuable assets to the Charter Schools.

Representative Hoskins provided updates on welfare reform and HB 116 – Right to Work. Due to a filibuster of HB 116 in the Senate, time did not allow the Senate to discuss other bills passed by the House before the session ended. He added that HB 298 that would permit employers to retain withholding taxes if they hire a Missouri Innovation Campus graduate did not pass.

President Ambrose asked Senator Pearce if there is anything more UCM could do prior to the Governor making his State of the State Address in January to better position higher education and UCM. Senator Pearce stated that Senator Kurt Schaeffer will serve as Chair of the Senate Appropriations Committee and he always looks favorably on higher education. Additionally, he anticipates the Governor will continue to do what he can for higher education.

President Ambrose also raised the issue of Title IX, and more specifically its relationship to the Legislative Internship Program. He asked Representative Hoskins about the status of the Internship Program. Representative Hoskins said a task force has been established to look into this and that Speaker of the House Richardson will be calling all university presidents to discuss ways to prevent recent incidences from happening again. President Ambrose said UCM has specific thoughts that include training for interns, a COPHE ombudsman, and updates to policy and procedures to align the Senate and House with Title IX. Senator Pearce complimented the University for its Title IX procedures and for being proactive. Both Senator Pearce and Representative Hoskins expressed their interest in the Internship Program continuing.

The last issued raised by President Ambrose was an initiative currently under way related to Missouri Promise, that targets a new pool of resources for student scholarships under the tobacco tax. He asked if either Senator Pearce or Representative Hoskins has been contacted about the initiative and what guidance they might have to move it forward. Senator Pearce stated that he has not been engaged in the initiative, noting that other interests such as early childhood is also looking at the tobacco tax as a possible source for additional funding, which could place some legislators in a difficult position. He suggested quickly reaching out to those who have typically opposed the use of the tobacco tax. Representative Hoskins also suggested looking back through the years at past initiatives involving the tobacco tax to see what was done and the messages conveyed.

Mr. Wright asked Senator Pearce and Representative Hoskins to let UCM know if there is anything more UCM can be doing as the initiative progresses. He thanked both for all that they do for higher education and for UCM.

Construction Updates – Agenda Item No. 8

- *UCM – Lee’s Summit* - Mr. Dennis Straight of Gould Evans Architects presented a schematic design of the new Missouri Innovation Campus (Attachment 5) that will be constructed in Lee’s Summit in partnership with the Lee’s Summit R-7 School District. President Ambrose noted that the expansion of Tudor Road, which is the new location for the facility, has already started and that the Lee’s Summit City Council has approved all of the infrastructure work that is needed for the facility.

- *The Crossing – South at Holden* – Following a “time lapse” video reflecting the progress of construction for The Crossing, Mr. Dennis Strait of Gould Evans Architects provided an update on the construction of the facility (Attachment 6). He stated that the project remains on budget. However, there have been some schedule challenges due to all of the rainfall and the timeline for completion has been modified. The schedule for the apartments and the University Store are ahead of schedule and will be turned over to UCM on Monday, July 6. There are some construction delays to the facility’s exterior, but all is still on schedule for the retail ribbon cutting ceremony on August 12 and the Grand Opening and tours on August 20. President Ambrose stated that occupancy for The Crossing is currently at 91% for apartments.

Learning to a Greater Degree Contract for Completion Update – Agenda Item No. 9

Agenda item no. 8 was inclusive of this report.

Note: The Board took a 10-minute break at 10:30 a.m. and resumed meeting at 10:40 a.m.

Board Committee on Student Engagement & University Advancement

The Board Committee on Student Engagement & University Advancement did not meet this month. However, an End of Semester report on Student Experience and Engagement Activities was distributed to the Board (Attachment 7).

Board Committee on Academic Affairs

Dr. Long, a member of the Board Committee on Academic Affairs, reported that the Committee met yesterday afternoon. She thanked Drs. Patricia Antrim, Ryan Peterson, and Adriatik Likcani for their work in developing the Master of Science in Human Development and Family Science program that was approved as part of the consent agenda. She also congratulated and expressed appreciation to Drs. Wayne Williams, Carol Mihalevich, Karen Waner, and Dane Miller and to Miss Linda Medaris and Sarah Bailey who are retiring from the University and that were granted emeritus status by the Board as part of the consent agenda. Dr. Long asked Provost Curtis to present the following agenda items.

Spring 2015 Hires in Provost Area – Agenda Item No. 10

Provost Curtis reviewed several hires that have been made during Spring 2015 (Attachment 8). She noted there are two remaining searches – International Center Director and Director for UCM-Lee’s Summit. Dr. Long expressed appreciation to Provost Curtis for bringing such capable individuals to UCM in such a short period of time.

Enrollment and Scholarship Updates – Agenda Item No. 10

Dr. Betsy Kreisel presented an enrollment and scholarship update (Attachment 9). Her presentation included updated information to the report included with the June Board meeting materials:

(Over Last Year)

Slide	As of May 25, 2015	As of June 19, 2015
Fall 2015 Freshmen/Transfer Applicants	+7.4%	+6.6%
First Year Housing Agreements	+7.4%	2.6%
Orientation Reservations	Flat	Flat
Incoming Honors Freshmen Admits	+22%	+36%
Fall Grad. & UG Enrollment	+1.8% (SCH) +2.3% (Headcount)	+6.8% (SCH) +6% (Headcount)

Dr. Long expressed the Board’s appreciation for Dr. Kreisel’s willingness to step in to the Interim Vice Provost for Enrollment Management position over the past year and commended her for the quality work she has provided.

Board Committee on Finance & Administration

Mr. Brady, Chair of the Board Committee on Finance & Administration, reported that the Committee met the previous afternoon. In the absence of Dr. Ron Core, Interim Senior Vice President for Finance and Administration, Mr. Brady asked President Ambrose to present the following agenda items.

Fiscal Year 2017 Capital Appropriations Request – Agenda Item No. 12

President Ambrose reviewed the FY 2017 Capital Appropriations Request included under Tab 14 of the meeting materials (Attachment 10). The request must be submitted to the Missouri Department of Higher Education by July 15, 2015. *Mr. Brady moved that the Board of Governors approve UCM’s FY 2017 Capital Appropriations Request and subsequent cost adjustments that will be based on an expected formula modification by the State. The motion was seconded by Mr. Hicklin and carried unanimously.*

Fiscal Year 2017 State Operating Appropriations Request – Agenda Item No. 13

President Ambrose also reviewed the FY 2017 State Operating Appropriations Request included under Tab 15 of the meeting materials (Attachment 11). The requested amount is \$69,449,456 and must be submitted to the Missouri Department of Higher Education by August 1, 2015. *Dr. Wetzel moved that the Board of Governors approve UCM's FY 2017 State Operating Appropriations Request of \$69,449,456. The motion was seconded by Mr. Collier and carried unanimously.*

Max B. Swisher Airport – Primary Surface Grading & Obstruction Removal – Agenda Item No. 14

Mr. Chris Bamman presented information contained in a briefing paper under Tab 16 of the meeting materials (Attachment 12) related to the primary surface grading and obstruction removal for the Max B. Swisher Airport. He noted that this project will provide additional safety margins at the airport. The project will be financed by federal and state grant funds (90%) with matching University funds (10%). *Mr. Collier moved that the Board of Governors approve the airport primary surface grading and obstruction removal project and the total project cost for an amount not to exceed \$724,000, with University matching funds not to exceed \$72,400. The motion was seconded Mr. Brady and carried unanimously.*

Award of Contract – Shuttle Bus Service – Agenda Item No. 15

Dr. Shari Bax presented information contained in a briefing paper under Tab 17 of the meeting materials (Attachment 13) related to shuttle bus services between Warrensburg and Lee's Summit. The contractor being recommended following an Invitation for Bid – Apple Bus Company – would provide the service six days a week for an initial three-year period of August 2015 – May 2018 and two one-year renewal options through May 2020.

Mr. Hicklin asked what the reason is for providing the shuttle service. Dr. Bax explained that UCM has a large number of international students whose classes are held at the Summit Center due to limited classroom space on UCM's main campus. The shuttle bus service will be funded with a combination of student rider fees and UCM General Fund operating dollars. The service generated approximately \$75,000 in revenue in the last academic year and is expected to generate more than \$100,000 in the next year. Dr. Wetzel asked if the buses are always filled. Dr. Bax stated the service is monitored and adjustments are made to accommodate ridership.

Mr. Brady moved that the Board of Governors approve the award of contract to Apple Bus Company for the use of two buses to provide shuttle bus services between Warrensburg and Lee's Summit six days a week for an initial three-year period of August 2015 – May 2018, with an option of two one-year renewal options through May 2020. The cost for year one of the contract is \$527,028.

WC Morris Science Building Renovation Architectural Consultant Selection – Agenda Item No. 16

Mr. Bamman reviewed information contained in a briefing paper under Tab 18 of the meeting materials (Attachment 14) related to professional design services for renovations to the WC Morris Science Building. He reminded the Board that in April 2015, the State of Missouri approved a \$12,262,250 capital appropriation for the renovation of the WC Morris Science Building.

Mr. Bamman stated that the University is engaged with Gould Evans to provide “on-call,” task-ordered professional design services to support many important renovations, studies and improvements across campus. He added that Gould Evans was identified as the preferred professional design services firm due to its experience with the campus through the many completed projects they have supported and the in depth knowledge the firm has gained through the space utilization study it completed for the WC Morris Science Building in August 2014. Gould Evans has provided a professional design fee proposal in the amount of \$977,500 with additional reimbursable expenses in the amount of \$20,000 for a total maximum design fee of \$997,500.

Mr. Collier moved that the Board of Governors approve the Gould Evans Professional Design Services Proposal for a maximum design fee and reimbursable expenses not to exceed \$997,500. The motion was seconded by Ms. Dandurand and carried unanimously.

Lovinger Building – Parapet and Exterior Repairs – Agenda Item No. 17

Mr. Bamman reviewed information contained in a briefing paper under Tab 19 of the meeting materials (Attachment 15) related to repairs of the Lovinger Building parapet wall around the roof and repair of cracked and damaged concrete at several areas around the building exterior. This item was originally presented to the Board at its April meeting and has since been revised to clarify that the project cost includes a 15% contingency allowance for unknown or unforeseen conditions that may be encountered during construction. *Mr. Brady moved that the Board of Governors approve up to \$1,779,000 to complete the parapet wall and exterior building repairs to the Lovinger Building as a two-year phased project. The motion was seconded by Mr. Collier and carried unanimously.*

Hazardous Material Storage Building Construction Contract Award – Agenda Item No. 18

Provost Curtis and Mr. Bamman presented information contained in a briefing paper under Tab 20 of the meeting materials (Attachment 16) related to award of contract for general construction to build a new Hazardous Material Storage and Handling Facility. The Board

of Governors previously approved a construction budget of \$600,000 for the facility, which included extending the primary utilities from the Agriculture Mechanization Building to the new Hazardous Material Storage Facility.

After surveying began, it was discovered that the natural gas utility line, the domestic waters service line and the sanitary sewer main of the Agriculture Mechanization Building were not adequate to support the needs of the new facility. The revised design requirements of the Hazardous Material Facility now includes a separate and dedicated water and fire service main, sanitary sewer main and natural gas service to support the infrastructure needs of the facility, which increased the cost by \$86,835. *Mr. Hicklin moved that the Board of Governors approve the additional funding for the Hazardous Materials Storage Facility in the amount of \$86,835, and approve the bid from Reasbeck Construction, Inc. of Warrensburg, Missouri for a total project amount of \$686,835 to complete this project. The motion was seconded by Mr. Collier and carried unanimously.*

Pertle Springs Outdoor Recreation Improvements – Resolution – Agenda Item No. 19

Ms. Susan Brockhaus and Ms. Beth Rutt reviewed information contained in a handout (Attachment 17) related to Pertle Springs Outdoor Student Recreation Improvements approved by the Board at its April meeting. These improvements will be paid for through a Missouri Department of Conservation grant (75%) and Student Recreation Center student fee surplus (25%). UCM management consulted with the bondholder of the UCM debt service, Commerce Bank (Clayton Holdings) and the University's bond counsel, who concurred that surplus funds of not less than \$2.2 million in excess of the sum of the amounts due for the next two scheduled loan payments (the "liquidity covenant") could be used for the Pertle Springs outdoor recreation improvements which are designed for UCM student recreational usage.

Ms. Brockhaus said that the First Amendment to the Loan Agreement would amend the original Series 2013A loan agreement (December 1, 2013) between the Health and Educational Facilities Authority of the State of Missouri (MoHEFA) and the University, authorizing use of the Student Recreation Center fee to pay costs of the Pertle Springs Project and establish a liquidity covenant.

Mr. Brady moved that the Board of Governors, contingent upon MoHEFA approval of the First Amendment to Loan Agreement, approve (1) the Pertle Springs Outdoor Recreation Improvement Project, and (2) a bond resolution allowing for the Student Recreation Center fee surplus to be used to fund the Pertle Springs Outdoor Student Recreation Improvements. The motion was seconded by Mr. Collier and carried unanimously.

Renovation of Keth Memorial Golf Course – Change Orders – Agenda Item No. 20

President Ambrose reviewed proposed changes to the Keth Memorial Golf Course. Mr. Chris Port provided an update on some of the renovations occurring at the Golf Course and discussed the benefits of adding an island green at Hole #18. Ms. Brockhaus discussed details of the proposed amendments to the contract, the change order, and a repayment plan (Attachment 18). The Board approved the original project at its November 2014 meeting, contingent upon security donations that in combination with Pertle Springs reserves, would equate to approximately one-third of the projected maximum project cost. The UCM Foundation will fund the remainder of the project with a financed loan of 4% interest over a 15-year term to be repaid by future golf course revenues.

Mr. Brady moved that the Board of Governors approve (1) Change Order #2 to Burns & McDonnell in the amount of \$23,000 for additional professional design fees; (2) Change Order #4 in the amount of \$214,955 to Frontier Construction Company for construction of an island green at Hole #18; and the financing of \$2,389,552.54 from the UCM Foundation for the project, for a total project cost not-to-exceed \$3,639,552.24. The motion was seconded by Mr. Collier and carried unanimously.

Annual Compliance Checklist – Agenda Item No. 21

Mr. John Merrigan provided an update on compliance reporting for UCM's tax-exempt financing (Attachment 19).

Insurance Recoveries – Roof Replacements – Agenda Item No. 22

Mr. Merrigan provided an update regarding the status of the building roofs insurance claim related to the April 3, 2014, flood (Attachment 20).

Quarterly Investment Report – Agenda Item No. 23

Mr. Merrigan reviewed the Quarterly Investment Report included under Tab 23 of the meeting materials (Attachment 21).

Quarterly Statement of Revenues & Expenditures – Agenda Item No. 24

Mr. Merrigan reviewed the Quarterly Statement of Revenues & Expenditures included under Tab 24 of the meeting materials (Attachment 22).

Board Business

Report of the Nominating Committee – Agenda Item No. 25

Mr. Wright asked Dr. Long, chair of the Nominating Committee and Mr. Brady, who also served on the Committee to give their report. Dr. Long presented the recommended slate of officers for Fiscal Year 2016:

President	Marvin E. Wright
Vice President	Gus Wetzel II
Secretary	Mary Dandurand
Treasurer	Toni Kreke
Assistant Secretary	Monica Huffman

Mr. Wright asked if there were any other nominations. There were none.

Dr. Long moved that the Board of Governors approve the recommended slate of Board officers for Fiscal Year 2016. The motion was seconded by Mr. Hicklin and carried unanimously.

Adjournment – Agenda Item No. 26

There being no further business to conduct, *Ms. Dandurand moved that the meeting adjourn. The motion was seconded by Mr. Collier and carried unanimously.*

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Attachments Listing

<u>Attachment No.</u>	<u>Attachment Descriptions</u>
1	<i>Briefing Paper – Master of Science in Human Development and Family Science</i>
2	<i>Briefing Paper – Emeritus Status Requests</i>
3	<i>PowerPoint – Strategic Resource Allocation Model</i>
4	<i>Governance Groups Reports</i>
5	<i>PowerPoint – Missouri Innovation Campus</i>
6	<i>PowerPoint – The Crossing-South at Holden</i>
7	<i>End of Semester Report – Student Experience & Engagement</i>
8	<i>Briefing Paper - Spring 2015 Hires in Provost Area</i>
9	<i>PowerPoint – Enrollment and Scholarship Update</i>
10	<i>Briefing Paper – FY 2017 Capital Appropriations Request</i>
11	<i>Briefing Paper – FY 2017 State Operating Appropriations Request</i>
12	<i>Briefing Paper – Max B. Swisher Airport – Primary Surface Grading and Obstruction Removal Project</i>
13	<i>Briefing Paper - Award of Contract – Shuttle Bus Service</i>
14	<i>Briefing Paper – WC Morris Science Building Renovation Architectural Consultant Selection</i>

15	<i>Briefing Paper – Lovinger Building Parapet and Exterior Repairs</i>
16	<i>Briefing Paper – Hazardous Material Storage Building Construction Contract Award</i>
17	<i>Briefing Paper – Pertle Springs Outdoor Student Recreation Improvements Bond Resolution</i>
18	<i>Briefing Paper – Renovation of Keth Memorial Golf Course – Change Orders</i>
19	<i>Briefing Paper – Annual Compliance Checklist</i>
20	<i>Briefing Paper – Insurance Recoveries – Roof Replacements</i>
21	<i>Quarterly Investment Report</i>
22	<i>Quarterly Statement of Revenues & Expenses</i>