

**THE UNIVERSITY CORPORATION
BOARD OF DIRECTORS
MAY 24, 2012 - SUMMARY**

ITEM I. APPROVAL OF DECEMBER 16, 2011 BOARD OF DIRECTORS MINUTES

The minutes were approved.

ITEM II. RECEIPT OF MAY 3, 2012 EXECUTIVE COMMITTEE MINUTES AND CONSIDERATION OF ACTION ITEMS

A. Retirement Plan

New IRS and US Department of Labor regulations necessitated a review of the Corporation retirement plan to ensure compliance. It was determined that the current plan should be replaced with a new 403(b) plan that would comply with all current requirements.

The Corporation sought a new vendor and the Retirement Committee selected Principal Financial Group, which focuses on smaller plans and offers enhanced service at a lower cost.

PASSED: **That The University Corporation Board of Directors approve transferring The University Corporation retirement plan from TIAA-CREF to The Principal Group, effective July 1, 2012, provided that the new plan document include a provision, which allows the Board of Directors to delay, suspend or change the Corporation match due to current economic conditions.**

B. Investment Policy

Proposed revisions to the asset guidelines and allocations were developed with assistance from investment advisors and the university CFO.

PASSED: **That The University Corporation Board of Directors approve the proposed revisions to The University Corporation investment policy.**

C. 2012/2013 Operating Budget

Continued strong performance is expected in the coming year. Significant items impacting the budget include: continued decline in bookstore commissions; a 3% cost of living adjustment (tied to passage of the Governor's tax initiative); continued growth in sponsored programs; and a 3% increase in College Court rents. Oviatt Library administrators have asked that a permanent Freudian Sip unit replace the current coffee cart as part of their first floor renovation; a five-year return on investment is projected. The loan to the North Campus Development Corporation has been fully repaid. The budget includes over \$1.4 million in net cash generated to replenish reserves.

The university is quickly repaying the Valley Performing Arts Center loan; payments for the current year total \$4.4 million. University House repairs total \$115,000, including \$75,000 in renovation approved by the Board; \$20,000 in repairs & maintenance; and \$20,000 from the Real Estate repairs & maintenance reserve. The proposed 2012/13 budget includes two new reserves - for the Arbor Court building and for University House.

Foodservices. Next year's budget assumes flat enrollment. Foodservices will focus on sustaining efficiencies and driving sales through service.

Real Estate. The proposed 3% rent increase for College Court is the first in three years. Corporation rental rates are currently 33% below market and area rents continue to rise, making the subsidy even greater.

Sponsored Programs. Several multi-year grants resulted in higher than anticipated grants revenue, making 2011/12 the best year to date for sponsored programs. A two-part give-back program is proposed. First, fund for a minimum of three years a new pre-award support position in the Office of Research and Sponsored Projects (ORSP). Reporting to the ORSP Director, this position would support principal investigators during the grant submission process. Second, fund a one-time study to develop recommendations on increasing sponsored activities. The 'give back' would be funded with Corporation surplus.

Capital Outlay. The capital budget includes a Burger King remodel required under franchise renewal agreement, a generator for Arbor Court to support the university's emergency operations, and the PeopleSoft upgrade.

PASSED:

That The University Corporation Board of Directors approve the 2012/2013 operating budget as presented.

ITEM IV.

APPOINTMENTS TO THE BOARD OF DIRECTORS

New appointees will assume their seats on July 1, 2012.

Administration:

Dianne Harrison assumes the presidency on June 11, 2012, as well as her seat on the Corporation board, per Section 5.3 of the Corporation bylaws.

Faculty:

Ana Cristina Cadavid Three-year term (2012-2015)
(reappointed)

Michael Neubauer Three-year term (2012-2015)
(reappointed)

Community:

Ron Friedman Three-year term (2012-2015)
(reappointed)

Students:

The University President will appoint three students to serve two-year terms (2012-2014) and one student to serve the one year (2012-2013).

ITEM IV. REPORT OF NOMINATING COMMITTEE AND ELECTION OF OFFICERS

The nominating committee made the following recommendations for officers:

<i>Chair:</i>	Dianne Harrison
<i>First Vice President:</i>	Ben Yaspelkis
<i>Second Vice President:</i>	Sydni Powell
<i>Recording Secretary:</i>	Jennifer Matos
<i>Treasurer:</i>	Michael Neubauer

***PASSED:* That The University Corporation Board of Directors elect officers per the recommendations of the nominating committee, one-year terms to begin July 1, 2012.**