

Contact: Andrea Anania

MINUTES OF FEBRUARY 6-7, 2012, BOARD MEETING

**SUN ROOM, MEMORIAL UNION
IOWA STATE UNIVERSITY
AMES, IOWA**

Board Members

Nicole Carroll
Robert Downer
Jack Evans
Ruth Harkin
Greta Johnson
Craig Lang
David Miles
Katie Mulholland
Bruce Rastetter

February 6, 2012

Present
Present
Present
Present
Present
Present
Present
Present
Present

February 7, 2012

Present
Present
Present
Present
Present
Present
Present
Present
Present

Staff Members

Andrea Anania, Brad Berg, Marcia Brunson, Aimee Clayton, Tim Cook, Bob Donley, Sheila Doyle Koppin, Tom Evans, Diana Gonzalez, Ann McCarthy, Joan Racki, Patrice Sayre, Todd Stewart, Ilene Tuttle

Regent Institutions

SUI Sally Mason, P. Barry Butler, Ken Fisher, Ken Kates, Rod Lehnertz, Jean Robillard, Paul Rothman, Doug True, Anne Zalenski

ISU Steven Leath, Doug Gruenewald, Elizabeth Hoffman, Dave Holger, Warren Madden, Jake Schaefer

UNI Ben Allen, Gloria Gibson, Michael Hager, Kent Johnson

ISD Jeanne Prickett, Jim Heuer

IBS Patrick Clancy, Don Boddicker

Others

Barry Fick, Springsted Incorporated
Patrick Hall, Iowa Department of Homeland Security and Emergency Management
Mark Schouten, Iowa Department of Homeland Security and Emergency Management
Kimberly Stanley, Stanley Beaman & Sears Architecture & Interiors
David Vaudt, Auditor of State

The corresponding memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

Call to Order for February 6, 2012

President Lang called the Board of Regents meeting to order at 9:09 a.m.

Roll Call:

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Present	x	x	x	x	x	x	x	x	x
Absent									

Evaluation of Institutional Heads and Executive Director

➤ MOVED by EVANS, SECONDED by CARROLL, to enter into closed session pursuant to:

- ♦ Iowa Code §21.5(1)(i) upon request of individuals whose performance is being considered. Each individual has requested that his or her performance be discussed by the Board in closed session; and
- ♦ Iowa Code §21.5(1)(j) to discuss the purchase of particular real estate where the premature disclosure could reasonably be expected to increase the price the institution would have to pay for that property.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Absent									

MOTION APPROVED by ROLL CALL.

The Board convened in closed session at 9:10 a.m.

The Board reconvened in open session at 1:47 p.m.

Roll Call:

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Present	x	x	x	x	x	x	x	x	x
Absent									

University of Iowa Hospitals and Clinics Committee

The University of Iowa Hospitals and Clinics met at this time.

Board Receipt of UIHC Committee Report

➤ MOVED by DOWNER, SECONDED by EVANS, to receive the:

- ♦ Informational report on operational and financial performance;
- ♦ Report on University of Iowa Health Care Master Plan and UI New Children's Hospital; and
- ♦ Report of the University of Iowa Hospitals and Clinics Committee.

MOTION APPROVED UNANIMOUSLY.

President Lang announced that the Economic Development Committee and the Education and Student Affairs Committee would meet at 4:00 p.m. today.

Adjourn

President Lang adjourned the meeting at 2:50 p.m.

Call to Order for February 7, 2012

President Lang called the Board of Regents meeting to order at 8:35 a.m.

Roll Call:

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Present	x	x	x	x	x	x	x	x	x
Absent									

Audit/Compliance and Investment Committee

The Audit/Compliance and Investment Committee met at this time.

Board Receipt of Audit/Compliance and Investment Committee Report

➤ MOVED by EVANS, SECONDED by CARROLL, to:

- ◆ Receive the report of the State Auditor Special Investigation, the Internal Audit Reports, and the External Audit Reports;
- ◆ Approve the selection of Wilshire Consulting Group as Investment Advisor to the Regent universities and authorize the Executive Director to execute the investment advisor contract on behalf of the Board;
- ◆ Approve the addition of the following short-term fixed income investment managers
 - ▶ Dimensional Fund Advisors
 - ▶ PIMCO
 - ▶ State Street Global Advisors
 - ▶ Vanguard Group; and
- ◆ Receive the report of the Audit/Compliance and Investment Committee.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x		x	x	x	x	x
Absent				x					

MOTION APPROVED by ROLL CALL.

Economic Development Committee

President Pro Tem Rastetter provided an overview of the discussion at the Committee's February 6, 2012, meeting.

➤ MOVED by RASTETTER, SECONDED by MILES, to receive the report of the Economic Development Committee.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Education and Student Affairs Committee

Regent Mulholland provided an overview of the discussion at the Committee's February 6, 2012, meeting.

➤ MOVED by JOHNSON, SECONDED by MULHOLLAND, to:

- ◆ Approve the request by Iowa State University to establish a new Bachelor of Science Program in Athletic Training/Athletic Trainer in the Department of Kinesiology in the College of Human Sciences;
- ◆ Approve the request by the University of Iowa to terminate the Master of Arts in Science Teaching (MAT), Master of Science (MS), and Ph.D. Programs in Science Education in the College of Education; and
- ◆ Receive the accreditation reports from the Carver College of Medicine at the University of Iowa, and the College of Liberal Arts and Sciences at the University of Iowa for the Master of Arts Program in Speech-Language Pathology and the Doctor of Audiology Program in Audiology.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Board President Report

President Lang:

- ◆ Welcomed ISU President Steven Leath to his first Board of Regents meeting;
- ◆ Recognized President Allen who introduced UNI's new Vice President for Administration and Financial Services Michael Hager; and
- ◆ Recognized Regent Downer who provided an overview the 2012 Dance Marathon, an annual student-led event that helps support patients and their families at the University of Iowa Children's Hospital. He reported that SUI raised almost \$1,370,000, ISU raised over \$380,000, and UNI has a goal of \$14,000 for its first dance on February 25th.

➤ The Board received the report by GENERAL CONSENT.

CONSENT AGENDA

- ◆ Minutes of December 8, 2011, Board Meeting
- ◆ Semi-Annual Claims Activity Reports: July 1, 2011 – December 31, 2011
- ◆ Annual Diversity Report
- ◆ Selection of Master Lease Agreement Provider
- ◆ Appointments and Other Personnel Actions
- ◆ Adoption of Amendments to Iowa Administrative Code 681 – Chapters 1, 2, and 9
- ◆ Ratification of Equipment Purchase – University of Iowa
- ◆ Comprehensive Human Resources Report
- ◆ Facilities Governance Report

➤ MOVED by MULHOLLAND, SECONDED by DOWNER, to approve and receive the CONSENT AGENDA, excluding Adoption of Amendments to Iowa Administrative Code 681, Chapter 2.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

➤ MOVED by CARROLL, SECONDED by DOWNER, to:

- ◆ Defer approval of Iowa Administrative Code 681, Chapter 2; and
- ◆ Hold the March 21, 2012, Board meeting in person, rather than telephonic.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Update on the Safety of Minors on Campus

University Presidents and Special School Superintendents provided oral updates on policies and procedures related to the safety of minors on Regent campuses.

President Lang thanked them for their efforts and stated that the Regents take this issue very seriously.

➤ The Board received the updates by GENERAL CONSENT.

Faculty Presentation at Iowa State University: ISU Learning Communities

Provost Elizabeth Hoffman introduced ISU Learning Communities Co-Director Dr. Doug Gruenewald, who provided an overview of learning communities and their impact on students and student success at ISU. ISU student Jake Schaefer shared his perspective on ISU's learning communities.

Discussion was held on how learning communities and Greek systems intersect.

Regent Miles underscored the importance of learning communities and the difference they make in student success.

➤ The Board received the presentation by GENERAL CONSENT.

Register of University of Iowa Capital Improvement Business Transactions

Vice President Doug True highlighted the proposed transactions. In response to Regent Evans, Vice President True described flood protection for the power plant boilers.

➤ MOVED by EVANS, SECONDED by HARKIN, to:

- ◆ Approve project descriptions and budgets for the **Power Plant – Install Boiler 10 Natural Gas Burners** (\$5,500,000) and **Utilities Distribution System – Connect Boyd Law Building to Chilled Water System** (\$3,125,000) projects.
- ◆ Receive the **University of Iowa Health Care Facilities Master Plan – Building Iowa's Health Care Future** as part of the University of Iowa Hospitals and Clinics Committee.

MOTION APPROVED UNANIMOUSLY.

Register of Iowa State University Capital Improvement Business Transactions

Vice President Warren Madden highlighted the proposed transactions.

➤ MOVED by MILES, SECONDED by EVANS, to approve the project description and budget (\$12,000,000) for the **Friley Hall – Fire Safety Improvements - Install Fire Sprinkler System** project and a revised project budget (\$13,134,800) for **Curtiss Hall Renovation – Phase 1** project.

MOTION APPROVED UNANIMOUSLY.

Register of University of Northern Iowa Capital Improvement Business Transactions

Vice President Michael Hager highlighted the proposed transaction.

- MOVED by EVANS, SECONDED by CARROLL, to approve the following actions for the **Redeker Center Expansion** project, a major capital project as defined by Board policy:
 - ◆ Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria (see Attachment A in the memorandum);
 - ◆ Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - ◆ Approve the schematic design for Phases 1 and 2, and project description and budget for Phase 1 (\$1,150,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction on Phase 1.

MOTION APPROVED UNANIMOUSLY.

University of Northern Iowa Demolitions

Vice President Michael Hager highlighted the proposed demolitions.

- MOVED by MULHOLLAND, SECONDED by MILES, to approve the demolition of two houses located at 3214 and 3104 Hudson Road, Cedar Falls, Iowa.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Private College Grow Iowa Values Fund (GIVF) Projects

State Relations Office Ann McCarthy explained the proposed projects.

- MOVED by MILES, SECONDED by DOWNER, to approve GIVF funding for projects submitted by Grand View University (\$50,000) and Central College (\$10,000).

MOTION APPROVED UNANIMOUSLY.

Revised Addendum to FY 2013 Legislative Request

State Relations Officer Ann McCarthy explained the revised addendum. Discussion was held on revising Iowa Code Chapter 262.

- MOVED by MILES, SECONDED by DOWNER, to approve the review of statutory requirements and authorize the State Relations Officers to seek changes in the Iowa Code that will provide the greatest tangible benefit to the Regents, state of Iowa, and its citizens.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Legislative Update

State Relations Office Ann McCarthy provided an update on legislative activities and noted the Regents, Presidents, and Superintendents were scheduled to appear before the Education Appropriations Committee on February 8th.

President Pro Tem Rastetter thanked the State Relations Officers and talked about the positive outlook for this year's funding for the Regents institutions.

- The Board received the update by GENERAL CONSENT.

Update on Board's Accountability Initiative

Regent Miles provided a progress report on the accountability initiative.

- The Board received the update by GENERAL CONSENT.

University of Iowa Update of Flood Recovery Status

Vice President Doug True and Director of Planning, Design and Construction in Facilities Management Rod Lehnertz gave a presentation on the update of flood recovery status.

- The Board received the report by GENERAL CONSENT.

Iowa State University Flood/Storm Recovery

Vice President Warren Madden updated the Board on the flood/storm recovery.

- The Board received the report by GENERAL CONSENT.

Special Schools Storm Recovery/Restoration

ISD Superintendent Jeanne Prickett and IBSSS Superintendent Patrick Clancy reported on severe weather damage recovery activities to date.

- The Board received the reports by GENERAL CONSENT.

Bond Sales and Reimbursement Resolution

Policy and Operations Officer Joan Racki introduced Barry Fick from Springsted, Incorporated, the Board's financial advisor.

Resolution for the Sale and Issuance of \$25,845,000 Athletic Facility Revenue Bonds, Series I.S.U. 2012

Barry Fick reported that: (1) seven bids were received; (2) the winning bid was submitted by Piper Jaffray & Co.; and (3) the true interest cost was 3.158%.

- MOVED by EVANS, SECONDED by HARKIN, to approve A Resolution providing for the current refunding of the Indoor Multipurpose Use and Training Facility Revenue Bonds, Series I.S.U. 2003, the transfer of the Indoor Multipurpose Use and Training Facility into the Athletic Facilities System, and providing for the sale and authorizing and providing for the issuance and securing the payment of \$25,845,000 Athletic Facilities Revenue Bonds, Series I.S.U. 2012, funding the debt service reserve fund, and paying costs of issuance.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	X	X	X	X	X	X	X	X	X
Nay									

MOTION APPROVED by ROLL CALL.

University of Iowa Facilities Corporation Revenue Refunding Bonds (Roy J. and Lucille A. Carver Biomedical Research Building) Series 2012

Barry Fick reported that: (1) four bids were received; (2) the winning bid was submitted by Morgan Stanley in conjunction with Raymond James & Associates, Inc. and U.S. Bancorp Investments, Inc.; and (3) the true interest cost was 2.5482%.

- MOVED by MILES, SECONDED by DOWNER, to approve A Resolution Authorizing and Approving the Execution and Delivery of the Third Amendment to Lease, the Third Supplemental Indenture, the Bond Purchase Agreement, the Tax Exemption Certificate and the Continuing Disclosure Certificate, Authorizing and Providing for the Issuance of University of Iowa Facilities Corporation (Roy J. and Lucille A. Carver Biomedical Research Building Project) in an amount of \$12,555,000 Revenue Refunding Bonds, Series 2012, Providing for the Payment Thereof and Directing the Issuer to Accomplish Said Refunding.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

University of Iowa Reimbursement Resolution

Policy and Operations Officer Joan Racki explained the reimbursement resolution.

- MOVED by EVANS, SECONDED by HARKIN, to adopt a Resolution declaring an official intent under Treasury Regulation 1.150-2 to issue debt to reimburse the State University of Iowa for certain original expenditures paid in connection with the Football Operations Facility – Indoor Athletics Practice and Recreation Facility.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	
Abstain									x

MOTION APPROVED by ROLL CALL.

2010-2011 Distance Education Report

Chief Academic Officer Dr. Diana Gonzalez, SUI Associate Dean of Distance Education Anne Zalenski, ISU Associate Provost for Academic Programs and Dean of the Graduate College Dr. Dave Holger, ISU Provost Elizabeth Hoffman, and UNI Dean of Continuing Education and Special Programs Kent Johnson discussed distance education at the three universities.

- The Board received the report by GENERAL CONSENT.

Other

SUI Vice President Doug True introduced Iowa Department of Homeland Security and Emergency Management (IDHSEM) Administrator Mark Schouten and IDHSEM Recovery Bureau Chief Patrick Hall and thanked them for their help with the University's flood recovery efforts.

Promotional Services Recommendation

Regent Johnson provided an overview on the promotional services recommendation.

➤ MOVED by DOWNER, SECONDED by JOHNSON, to:

- ◆ Approve the selection of the following promotional services vendor: ZLR/IGNITION; and
- ◆ Authorize the Executive Director to execute the promotional services contract on behalf of the Board.

<u>Regent</u>	<u>Carroll</u>	<u>Downer</u>	<u>Evans</u>	<u>Harkin</u>	<u>Johnson</u>	<u>Lang</u>	<u>Miles</u>	<u>Mulholland</u>	<u>Rastetter</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Adjourn

President Lang adjourned the meeting at 11:53 a.m.