

Contact: Andrea Anania

MINUTES OF AUGUST 5, 2015, TELEPHONIC BOARD MEETING

**SCHEMAN BUILDING, ROOM 4
IOWA STATE UNIVERSITY
AMES, IOWA**

Board Members

August 5, 2015

Mary Vermeer Andringa	Present
Sherry Bates	Present
Patty Cownie	Present
Milt Dakovich	Present
Rachael Johnson	Present
Larry McKibben	Present
Katie Mulholland	Present
Bruce Rastetter	Present
Subhash Sahai	Present

Staff Members

Present: Andrea Anania, Brad Berg, Mark Braun, Mary Braun, Aimee Claeys, Tim Cook, Josh Lehman, Joe Murphy, Joan Racki, Patrice Sayre

Via phone: Bob Donley, Diana Gonzalez, Todd Stewart

Regent Institutions

SUI Jean Robillard, Barry Butler, Rod Lehnertz

ISU Steven Leath, Warren Madden, Jonathan Wickert

UNI Bill Ruud, Michael Hager, Jim Wohlpart

ISD/IBSSS Steve Gettel (via phone)

Others

Mark LeMay, Springsted Incorporated

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. Audio of the meeting is also available on the website.

August 5, 2015

The Property and Facilities Committee met at 11:00 a.m.

Call to Order for August 5, 2015

President Rastetter called the Board of Regents meeting to order at 12:30 p.m.

Roll Call:

<u>Regent</u>	<u>Andringa</u>	<u>Bates</u>	<u>Cownie</u>	<u>Dakovich</u>	<u>Johnson</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>
Present	x	x	x	x	x	x	x	x	x
Absent									

CONSENT AGENDA

➤ MOVED by ANDRINGA, SECONDED by COWNIE, to approve and receive the following items:

- ▶ Minutes of the June 4-5, 2015, Board Meeting
- ▶ Personnel Appointments
- ▶ Agreements with the Nebraska Department of Education
- ▶ Transfer of Administration of University of Northern Iowa Energy Bank Loan
- ▶ Renewal of Associated Bond Contracts
- ▶ Semi-Annual Claims Activity Reports: January 1, 2015 – June 30, 2015
- ▶ Equipment Purchases – University of Iowa and Iowa State University
- ▶ Appointments to Committees, Boards, and Commissions
- ▶ Revisions to Board of Regents Policy Manual – Chapter 3
- ▶ Report of Early Retirement Programs

<u>Regent</u>	<u>Andringa</u>	<u>Bates</u>	<u>Cownie</u>	<u>Dakovich</u>	<u>Johnson</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Board President Report

➤ MOVED by BATES, SECONDED by MULHOLLAND to approve the following compensation changes for FY 2016:

- ▶ IOWA STATE UNIVERSITY PRESIDENT STEVEN LEATH:
 - ◆ Increase his base salary 5.0% from \$500,000 to \$525,000;
 - ◆ Authorize a 5-year deferred compensation plan commencing on July 1, 2015, and ending on June 30, 2020, with an annual contribution of \$125,000; and
 - ◆ Authorize a 5-year appointment term commencing on July 1, 2015, and ending on June 30, 2020.

- ▶ UNIVERSITY OF NORTHERN IOWA PRESIDENT WILLIAM RUUD:
 - ◆ Increase his base salary 2.5% from \$348,400 to \$357,110; and
 - ◆ Authorize a two-year deferred compensation plan commencing on July 1, 2015, and ending on June 30, 2017, with an annual contribution of \$75,000.

- ▶ SUPERINTENDENT OF SPECIAL SCHOOLS STEVE GETTEL:
 - ◆ Increase his base salary 3% from \$180,000 to \$185,400;
 - ◆ Award the performance incentive of \$20,000 resulting from his FY 2015 evaluation; and
 - ◆ Create a performance incentive of \$20,000 to be paid, if awarded, following his FY 2016 evaluation.

- ▶ EXECUTIVE DIRECTOR ROBERT DONLEY:
 - ◆ Award the performance incentive of \$5,000 resulting from his FY 2015 evaluation;
 - ◆ Create a performance incentive of \$8,000 to be paid, if awarded, following his FY 2016 evaluation; and
 - ◆ Authorize a two-year deferred compensation plan commencing on July 1, 2015, and ending on June 30, 2017, with:
 - ◆ An annual contribution of \$20,000 effective July 1, 2015, through June 30, 2016; and
 - ◆ An annual contribution of \$120,000 effective July 1, 2016, through June 30, 2017.

<u>Regent</u>	<u>Andringa</u>	<u>Bates</u>	<u>Cownie</u>	<u>Dakovich</u>	<u>Johnson</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

FY 2016 Budgets – Universities, Special Schools, Iowa Public Radio and Board Office

Policy and Operations Officer Brad Berg provided an overview of the proposed budgets. Interim President Robillard, President Leath, President Ruud, and Superintendent Gettel discussed the budget for their respective institution.

At Executive Director Donley’s request, President Leath also commented on the challenges at ISU’s Thielen Student Health Center and recent improvements implemented to assure students receive the highest quality care and support.

President Rastetter expressed the Board’s appreciation to Interim President Robillard for continuing to move things forward at the University and Regent McKibben expressed the Board’s appreciation to the presidents for their commitment to TIER.

- MOVED by MCKIBBEN, SECONDED by DAKOVICH, to approve the:
 - ▶ Regent university FY 2016 budgets as presented on pages 5-8 and in the attachments in the memorandum;
 - ▶ Iowa Public Radio FY 2016 budget as presented in Attachment F in the memorandum; and
 - ▶ Board Office FY 2016 budget as shown in Attachment G in the memorandum.

<u>Regent</u>	<u>Andringa</u>	<u>Bates</u>	<u>Cownie</u>	<u>Dakovich</u>	<u>Johnson</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Proposed Spring FY 2016 Tuition Increase

Chief Business Officer Patrice Sayre provided an overview of the proposed Spring FY 2016 tuition increase.

Discussion was held on the history behind why tuition amounts differ for the same programs at different Regent universities.

- The Board received the report by GENERAL CONSENT.

University of Iowa Presidential Search Update

Presidential Search Committee Chair Interim President Robillard provided an update to the Board on the status of the University of Iowa presidential search.

- The Board received the update by GENERAL CONSENT.

TIER Update

TIER Transformation Project Manager Mark Braun provided a general overview on the final business reports from Huron Consulting Group and Chazey Partners.

Regent McKibben thanked Huron Consulting Group and Chazey Partners, provided comments on culture changes occurring at the universities, thanked institutional personnel for their hard work and asked the presidents to convey the Regents appreciation, and reported the academic reports will be presented to the Board at its October meeting.

- The Board received the reports from Huron Consulting Group and Chazey Partners by GENERAL CONSENT.

Report of the Property and Facilities Committee

The Property and Facilities Committee meeting was held at 11:00 a.m.

- MOVED by DAKOVICH, SECONDED by JOHNSON, to:
 - ▶ Approve the actions detailed on page one of the docket memorandum (P&F 2) for the University of Iowa Kinnick Stadium and Paul W. Breachler Press Box – Renovate North Stands, Construct New West Campus Residence Hall, Construct New Indoor Track and Field Facility, College of Public Health Building – Fit-Out the Fifth Floor, Main OR (Operating Room) Air Handling Unit Fan Array and Central Sterilizing Service – AHU (Air Handling Unit) 23 projects;
 - ▶ Approve the actions detailed on page one of the docket memorandum (P&F 3) for the Iowa State University Student Innovation Center project;
 - ▶ Authorize Iowa State University, in cooperation with the ISU Foundation, to establish the ISU Facilities Corporation to provide for the issuance of certain indebtedness on behalf of the Board of Regents, State of Iowa, for the benefit of Iowa State University;
 - ▶ Approve a five-year agreement between Iowa State University and Fans4Ever for the marketing, construction and management of a cremation garden within the Iowa State University Cemetery, subject to approval of the final documents by the Board Office and Attorney General’s Office;
 - ▶ Approve, for the benefit of the University of Northern Iowa, the sale of fifty acres of land on the southwest corner of the campus to Sartori Memorial Hospital, Inc. at a price of \$4,300,000, subject to approval of the final documents by the Board Office and Attorney General’s Office;
 - ▶ Approve one lease agreement with the ISU Research Park Corporation and one lease as detailed in the docket memorandum (P&F 7) with Jensen Five L.C. for apartments located at 3732 Tripp Street in Ames, Iowa, subject to approval of the final documents by the Board Office and Attorney General’s Office;
 - ▶ Approve the Five-Year Institutional Roads program with capital projects totaling \$10,810,000 for calendar years 2016 through 2020, including projects totaling \$2,370,000 for calendar year 2016;
 - ▶ Receive the University of Iowa Flood Recovery Status Update; and
 - ▶ Receive the report of the Property and Facilities Committee.

<u>Regent</u>	<u>Andringa</u>	<u>Bates</u>	<u>Cownie</u>	<u>Dakovich</u>	<u>Johnson</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Bond Sales

SALE AND AWARD OF \$34,680,000 DORMITORY REVENUE BONDS, S.U.I. 2015

Policy and Operations Officer Brad Berg introduced Mark LeMay from Springsted, Incorporated, the Board's municipal advisor.

Mark LeMay reported that: (1) nine bids were received; (2) the winning bid was submitted by Wells Fargo; and (3) the true interest cost was 3.399%.

- **MOVED** by DAKOVICH, **SECONDED** by JOHNSON, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$34,680,000 Dormitory Revenue Bonds, Series S.U.I. 2015, for the purpose of paying a portion of the costs of constructing and equipping a new residence hall for student housing and related facilities, funding a debt service reserve fund, and paying costs of issuance.

<u>Regent</u>	<u>Andringa</u>	<u>Bates</u>	<u>Cownie</u>	<u>Dakovich</u>	<u>Johnson</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

SALE AND AWARD OF \$12,130,000 ATHLETIC FACILITIES REVENUE REFUNDING BONDS, SERIES S.U.I. 2015B (TAXABLE)

Mark LeMay reported that: (1) eight bids were received; (2) the winning bid was submitted by Piper Jaffray & Co.; and (3) the true interest cost was 3.2625%. Mr. LeMay reported the present value savings for the refunding bonds is approximately \$1,303,000.

- **MOVED** by MCKIBBEN, **SECONDED** by COWNIE, to approve A Resolution providing for the sale and authorizing and providing for the issuance and securing the payment of \$12,130,000 of Athletic Facilities Revenue Refunding Bonds, Series S.U.I. 2015B (taxable), for the purpose of advance refunding the \$15,000,000 Athletic Facilities Revenue Bonds, Series S.U.I. 2005B (taxable), and paying costs of issuance.

<u>Regent</u>	<u>Andringa</u>	<u>Bates</u>	<u>Cownie</u>	<u>Dakovich</u>	<u>Johnson</u>	<u>McKibben</u>	<u>Mulholland</u>	<u>Rastetter</u>	<u>Sahai</u>
Aye	x	x	x	x	x	x	x	x	x
Nay									

MOTION APPROVED by ROLL CALL.

Adjourn

President Rastetter adjourned the meeting at 1:32 p.m.