

UNIVERSITY OF MISSOURI
Columbia . Kansas City . Rolla . St. Louis



BOARD OF CURATORS

Minutes of Board of Curators Meeting
Teleconference
July 25, 2008

BOARD OF CURATORS MEETING - OPEN SESSION

The open session of the University of Missouri Board of Curators meeting convened at 9:05 A.M., on Friday, July 25, 2008, at remote locations via conference telephone, pursuant to public notice given of said meeting. Cheryl Walker, Chairwoman of the Board of Curators, presided over the meeting.

Curators Present

The Honorable Marion H. Cairns
The Honorable John M. Carnahan III
The Honorable Warren K. Erdman
The Honorable Bo Fraser
The Honorable Judith G. Haggard
The Honorable Doug Russell
The Honorable Cheryl D.S. Walker
The Honorable Don Walsworth
The Honorable David G. Wasinger
Student Representative Anton H. Luetkemeyer

Also Present

Mr. Gary Forsee, President, University of Missouri System
Mr. Stephen J. Owens, General Counsel and Assistant Secretary of the Board of Curators
Dr. Gordon H. Lamb, Executive Vice President
Dr. Brady J. Deaton, Chancellor, University of Missouri-Columbia
Dr. Steven W. Graham, Interim Vice President for Academic Affairs
Mr. Stephen C. Knorr, Vice President for Government Relations
Ms. Natalie "Nikki" Krawitz, Vice President for Finance and Administration
Dr. Michael F. Nichols, Vice President for Research and Economic Development
Ms. Betsy Rodriguez, Vice President for Human Resources
Mr. David R. Russell, Chief of Staff
Ms. Jennifer Hollingshead, Assistant Director of University Communications
Media Representatives

General Business

Consent Agenda

It was endorsed by President Forsee, moved by Curator Russell and seconded by Curator Haggard that the following items be approved by consent agenda:

- 1. Minutes of the Board of Curators meeting(s):
 Board of Curators Meeting, June 5-6, 2008
 Board of Curators Executive Committee Meeting, June 19, 2008
- 2. Degrees, Summer 2008
 the action of the President of the University of Missouri System in awarding degrees and certificates to candidates recommended by the various faculties and committees of the four University of Missouri campuses who fulfill the requirements for such degrees and certificates at the end of the Summer Session 2008, be approved, and that the lists of said students who have been awarded degrees and certificates be included in the records of this meeting.

- 3. Spinal Cord Injuries and Congenital or Acquired Disease Processes Research Program Proposal

that the research proposal approved by the Spinal Cord Injuries Research Program Advisory Board be approved as follows:

SPINAL CORD INJURIES AND CONGENITAL OR ACQUIRED DISEASE PROCESSES RESEARCH PROGRAM

PROPOSALS RECOMMENDED FOR FUNDING

2008

I.	Computerized Wheelchair Treadmill	\$49,528
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Joseph Klaesner
 Research Assistant Professor
 Program in Physical Therapy
 Washington University

Total funding recommended	\$ 49,528
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Program Abstract on file with the minutes of this meeting

- 4. Change of Title of General Counsel

that effective July 25, 2008, the title and responsibilities of Stephen J. Owens be changed from General Counsel of the University to General Counsel of the University and Assistant Secretary of the Board of Curators.

Roll call vote on consent agenda:

Curator Cairns was absent for the vote.

Curator Carnahan voted yes.

Curator Erdman voted yes.

Curator Fraser voted yes.

Curator Haggard voted yes.

Curator Russell voted yes.

Curator Walker voted yes.

Curator Walsworth voted yes.

Curator Wasinger voted yes.

The motion carried.

Finance and Audit

Curator Doug Russell, Chair

Curator Marion H. Cairns

Curator Bo Fraser

Curator Don Walsworth

Curator Russell provided a brief recap of the Finance and Audit Committee meeting held on July 24, 2008, at which meeting the Finance and Audit Committee considered the following information items and recommended actions:

Information

Hedge Fund of Funds Overview – presented by Nikki Krawitz, Vice President for Finance & Administration; Shirley S. DeJarnette, Treasurer; and Robin Pellish, Rocaton Investment Advisors

Investment Manager Interviews:

Blackstone Alternative Asset Management, L.P. – Halbert D. Lindquist, Chief Investment Strategist, Sr. Managing Director; and Brian M. Schwartz, Vice President

Corbin Capital Partners, L.P. – Tracy McHale Stuart, CEO, Partner; David Ben-Ur, Portfolio Manager & Director of Research, Partner

EnTrust Capital Inc. – Gregg S. Hymowitz, Managing Partner; and Jill Zelenko, Chief Risk Officer, Managing Director, CFO

Harris Alternatives, LLC – Scott Schweighauser, Partner, CIO, and
Portfolio Manager

Action

1. Selection of Hedge Fund of Funds Investment Manager(s), UM
2. Termination of RREEF America REIT II as Investment Manager, UM
3. Termination of TCW Value Opportunities as Investment Manager, UM

Selection of Hedge Fund of Funds Investment Manager(s), UM

It was recommended by Vice President Krawitz, endorsed by President Forsee, recommended by the Finance and Audit Committee, moved by Curator Russell, and seconded by Curator Walsworth, that the following action be approved:

the Vice President for Finance and Administration shall be authorized to hire hedge fund of funds managers Corbin Capital Partners and EnTrust Capital Inc. for 2.5% of the portfolio, split evenly between the two, for the University of Missouri Endowment Fund and the University of Missouri Retirement, Disability and Death Benefit Plan.

Agreements entered into by the University are subject to review and approval by the Vice President for Finance and Administration and General Counsel.

Roll call vote:

Curator Cairns was absent for the vote.
Curator Carnahan voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.
Curator Walsworth voted yes.
Curator Wasinger voted yes.

The motion carried.

Termination of RREEF America REIT II as Investment Manager, UM

It was recommended by Vice President Krawitz, endorsed by President Forsee, recommended by the Finance and Audit Committee, moved by Curator Russell, and seconded by Curator Fraser, that the following action be approved:

the Vice President for Finance and Administration shall be authorized to terminate the investment management agreements between the Curators and RREEF America REIT II.

Roll call vote:

Curator Cairns voted yes.
Curator Carnahan voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.
Curator Walsworth voted yes.
Curator Wasinger voted yes.

The motion carried.

Termination of TCW Value Opportunities as Investment Manager, UM

It was recommended by Vice President Krawitz, endorsed by President Forsee, recommended by the Finance and Audit Committee, moved by Curator Russell, and seconded by Curator Walsworth, that the following action be approved:

the Vice President for Finance and Administration shall be authorized to terminate the investment management agreements between the Curators and TCW Value Opportunities.

Roll call vote:

Curator Cairns voted yes.
Curator Carnahan voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.
Curator Walsworth voted yes.
Curator Wasinger voted yes.

The motion carried.

The minutes shall reflect that the following action item was not considered at the July 24, 2008 Finance and Audit Committee meeting, but was considered and voted on by the committee, and recommended to the full Board, at the July 25, 2008 Board of Curators meeting:

FY 2010 Appropriations Request for Operations, UM – presented by President Forsee and Vice President Krawitz

It was recommended by Vice President Krawitz, endorsed by President Forsee, moved by Curator Cairns and seconded by Curator Fraser, that the following action be recommended to the Board of Curators for approval:

the President is authorized to file a request for state appropriations for operations of the University's various programs in FY 2010 to include the FY 2009 recurring appropriations for operations of \$451.5 million and recurring for health care and other curator programs of \$46.3 million plus the following:

- (1) An increase of \$32.1 million to the University's operations fund budget for annual merit increase in compensation. Of this amount, approximately \$14.1 million will be requested from the state.
- (2) An increase of \$11.0 million in recurring funds for technology, infrastructure, and ongoing costs of operations of which approximately \$4.8 million will be requested from the state.
- (3) An investment increase of \$10.8 million for competitive compensation for faculty. Of this amount, approximately \$7.2 million will be requested from the state.
- (4) An increase of \$2.2 million for St. Louis Equity. Of this amount, approximately \$1.9 million will be requested from the state.
- (5) An increase of \$6.8 million from the state for enrollment growth.
- (6) An increase of \$14.5 million from the state for protecting the University's infrastructure.
- (7) Approximately \$24.2 million increase for Preparing to Care for Missouri's Citizens to be funded by the state.
- (8) An increase of \$1.5 million from the state for the Growth Engine for Economic Development.

- (9) An increase in state appropriations of 4.2% for the University of Missouri Health Care to sustain quality and service in the amount of approximately \$1.0 million.
- (10) An increase in state appropriations of 4.2% for the Other Curator programs of approximately \$0.9 million to allow them to sustain their current levels of quality and service.
- (11) A recurring increase of \$2.7 million and a one-time appropriation of \$3.3 million for MOREnet for increased capacity for public higher education and K-12 connections and shared network.
- (12) A recurring appropriation of \$0.5 million and a one-time appropriation of \$2.0 million for MOBIUS to fund the purchase, implementation, and maintenance of improved common library platform software.
- (13) An increase of approximately \$0.5 million for the State Historical Society of Missouri to fund new positions, and deficiencies in compensation, travel, and equipment.
- (14) Alzheimer's Research Program funds for FY 2010 in the amount stipulated by law, which is estimated at approximately \$420,000.
- (15) Spinal Cord Injury Funds for FY 2010 for research of spinal cord injuries of \$400,000.
- (16) State Seminary funding totaling approximately \$3.2 million in interest income and reinvestment of maturing principal.

Roll call vote of Committee:

Curator Cairns voted yes.
Curator Fraser voted yes.
Curator Russell voted yes.
Curator Walsworth was absent for the vote.

The motion carried.

It was recommended by Vice President Krawitz, endorsed by President Forsee, recommended by the Finance and Audit Committee, moved by Curator Fraser, and seconded by Curator Walker, that the following recommendation be approved:

the President is authorized to file a request for state appropriations for operations of the University's various programs in FY 2010 to include the FY

2009 recurring appropriations for operations of \$451.5 million and recurring for health care and other curator programs of \$46.3 million plus the following:

- (1) An increase of \$32.1 million to the University's operations fund budget for annual merit increase in compensation. Of this amount, approximately \$14.1 million will be requested from the state.
- (2) An increase of \$11.0 million in recurring funds for technology, infrastructure, and ongoing costs of operations of which approximately \$4.8 million will be requested from the state.
- (3) An investment increase of \$10.8 million for competitive compensation for faculty. Of this amount, approximately \$7.2 million will be requested from the state.
- (4) An increase of \$2.2 million for St. Louis Equity. Of this amount, approximately \$1.9 million will be requested from the state.
- (5) An increase of \$6.8 million from the state for enrollment growth.
- (6) An increase of \$14.5 million from the state for protecting the University's infrastructure.
- (7) Approximately \$24.2 million increase for Preparing to Care for Missouri's Citizens to be funded by the state.
- (8) An increase of \$1.5 million from the state for the Growth Engine for Economic Development.
- (9) An increase in state appropriations of 4.2% for the University of Missouri Health Care to sustain quality and service in the amount of approximately \$1.0 million.
- (10) An increase in state appropriations of 4.2% for the Other Curator programs of approximately \$0.9 million to allow them to sustain their current levels of quality and service.
- (11) A recurring increase of \$2.7 million and a one-time appropriation of \$3.3 million for MOREnet for increased capacity for public higher education and K-12 connections and shared network.
- (12) A recurring appropriation of \$0.5 million and a one-time appropriation of \$2.0 million for MOBIUS to fund the purchase, implementation, and maintenance of improved common library platform software.
- (13) An increase of approximately \$0.5 million for the State Historical Society of Missouri to fund new positions, and deficiencies in compensation, travel, and equipment.

- (14) Alzheimer's Research Program funds for FY 2010 in the amount stipulated by law, which is estimated at approximately \$420,000.
- (15) Spinal Cord Injury Funds for FY 2010 for research of spinal cord injuries of \$400,000.
- (16) State Seminary funding totaling approximately \$3.2 million in interest income and reinvestment of maturing principal.

Roll call vote:

Curator Cairns voted yes.
Curator Carnahan voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.
Curator Walsworth was absent for the vote.
Curator Wasinger voted yes.

The motion carried.

Physical Facilities and Management Services Committee

Curator Don Walsworth, Chair
Curator Judith G. Haggard
Curator David G. Wasinger

Information

Campus Capital Plans – presented by Vice President Krawitz

State Capital Appropriations Request, Fiscal Year 2010, UM - presented by Vice President Krawitz

It was recommended by Chancellor Deaton, Chancellor Bailey, Chancellor George, Chancellor Carney, Chief Executive Officer Ross, and President Forsee, moved by Curator Haggard and seconded by Curator Wasinger, that the Physical Facilities and Management Services Committee recommend to the Board of Curators the following action for approval:

that the President of the University be authorized to submit to the appropriate state offices the University's Fiscal Year 2010 State Capital Appropriations Request, as on file with the minutes of this meeting.

Roll call vote of Committee:

Curator Haggard voted yes.
Curator Walsworth voted yes.
Curator Wasinger voted yes.

The motion carried.

Design-Build Project Approval of the New Soccer/Intramural Stadium, UMKC –
presented by Vice President Krawitz

It was recommended by Chancellor Bailey, endorsed by President Forsee, moved by Curator Haggard and seconded by Curator Walsworth, that the Physical Facilities and Management Services Committee recommend to the Board of Curators the following action for approval:

the design-build project to build a New Soccer/Intramural Stadium for the University of Missouri-Kansas City, as on file with the minutes of this meeting.

Funding is from:	
Revenue Bonds	\$8,000,000
Private Funds	<u>1,000,000</u>
Total Funding	\$9,000,000

Roll call vote of Committee:

Curator Haggard voted yes.
Curator Walsworth voted yes.
Curator Wasinger voted yes.

The motion carried.

State Capital Appropriations Request, Fiscal Year 2010, UM

It was recommended by Chancellor Deaton, Chancellor Bailey, Chancellor George, Chancellor Carney, Chief Executive Officer Ross, and President Forsee, recommended by the Physical Facilities and Management Services Committee, moved

by Curator Erdman and seconded by Curator Cairns, that the following action be approved:

the President shall be authorized to submit to the appropriate state offices the University's Fiscal Year 2010 State Capital Appropriations Request, as on file with the minutes of this meeting.

Roll call vote:

- Curator Cairns voted yes.
- Curator Carnahan voted yes.
- Curator Erdman voted yes.
- Curator Fraser voted yes.
- Curator Haggard voted yes.
- Curator Russell voted yes.
- Curator Walker voted yes.
- Curator Walsworth voted yes.
- Curator Wasinger voted yes.

The motion carried.

Design-Build Project Approval of the New Soccer/Intramural Stadium, UMKC

It was recommended by Chancellor Deaton, Chancellor Bailey, Chancellor George, Chancellor Carney, Chief Executive Officer Ross, and President Forsee, recommended by the Physical Facilities and Management Services Committee, moved by Curator Erdman and seconded by Curator Cairns, that the following action be approved:

the design-build project to build a New Soccer/Intramural Stadium for the University of Missouri-Kansas City, as on file with the minutes of this meeting.

Funding is from:	
Revenue Bonds	\$8,000,000
Private Funds	<u>1,000,000</u>
Total Funding	\$9,000,000

Roll call vote:

- Curator Cairns voted yes.
- Curator Carnahan voted yes.
- Curator Erdman voted yes.

Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.
Curator Walsworth voted yes.
Curator Wasinger voted yes.

The motion carried.

General Business

It was moved by Curator Erdman and seconded by Curator Fraser, that there shall be a closed session of the Board of Curators meeting with a closed record and closed vote of the Board of Curators, on Friday, July 25, 2008, for consideration of:

- Section 610.021(1), RSMo, relating to matters identified in that provision, which include legal actions, causes of action or litigation, and confidential or privileged communications with counsel; and
- Section 610.021(2), RSMo, relating to matters identified in that provision, which include leasing, purchase, or sale of real estate; and
- Section 610.021(3), RSMo, relating to matters identified in that provision, which include hiring, firing, disciplining, or promoting of particular employees; and
- Section 610.021(12), RSMo, relating to matters identified in that provision, which include sealed bids and related documents and sealed proposals and related documents or documents related to a negotiated contract; and
- Section 610.021(13), RSMo, relating to matters identified in that provision, which include individually identifiable personnel records, performance ratings, or records pertaining to employees or applicants for employment; and

Roll call vote:

Curator Cairns voted yes.
Curator Carnahan was absent for the vote.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.

Curator Walsworth voted yes.
Curator Wasinger was absent for the vote.

The motion carried.

BOARD OF CURATORS MEETING - EXECUTIVE SESSION

An executive session of the University of Missouri Board of Curators meeting convened at 10:45 A.M., on Friday, July 25, 2008, at remote locations via conference telephone, pursuant to public notice given of said meeting. Cheryl Walker, Chairwoman of the Board of Curators, presided over the meeting.

Curators Present

The Honorable Marion H. Cairns
The Honorable John M. Carnahan III
The Honorable Warren K. Erdman
The Honorable Bo Fraser
The Honorable Judith G. Haggard
The Honorable Doug Russell
The Honorable Cheryl D.S. Walker
The Honorable Don Walsworth
Student Representative Anton H. Luetkemeyer

Also Present

Mr. Gary Forsee, President, University of Missouri System
Mr. Stephen J. Owens, General Counsel
Dr. Gordon H. Lamb, Executive Vice President

Property Purchase, 12837 Flushing Meadows Drive, Town & Country, Missouri, UMSL

It was recommended by Chancellor George, endorsed by President Forsee, recommended by the Physical Facilities and Management Services Committee, moved by Curator Walsworth and seconded by Curator Cairns, that the following action be approved:

that the Vice President for Finance and Administration be authorized to purchase 12837 Flushing Meadows Drive, Town & Country, Missouri, from Robert Family Holdings, Inc., for \$3,700,000, for the University of Missouri-St. Louis.

The legal description is as follows:

Lot 8 of Bel Aire Office Park

Funding is from Continuing Education Revenues: \$3,700,000

Roll call vote:

Curator Cairns voted yes.
Curator Carnahan voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.
Curator Walsworth voted yes.
Curator Wasinger was absent.

The motion carried.

The University closed July 31, 2008 on the purchase of 12837 Flushing Meadows Drive, Town & Country, Missouri for the University of Missouri-St. Louis campus. The property was purchased from Robert Family Holdings for \$3,700,000.

The 1.74 acre site value is \$800,000 and the building value is \$2,900,000. This is deed # S172.

Interim Chancellor Leo E. Morton, UMKC

It was recommended by President Forsee, moved by Curator Walsworth and seconded by Curator Cairns, that the following action be approved:

the appointment of Leo E. Morton as Interim Chancellor for the University of Missouri-Kansas City, effective August 1, 2008, under such terms and conditions as set forth in the letter dated July 15, 2008, as on file with the minutes of this meeting.

Roll call vote:

Curator Cairns voted yes.
Curator Carnahan voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.

Curator Walker voted yes.
Curator Walsworth voted yes.
Curator Wasinger was absent.

The motion carried.

President's Update on Personnel, Property and Legal Issues – presented by President Forsee (no report on file)

General Counsel's Report – presented by General Counsel Owens (no report on file)

It was moved by Curator Fraser and seconded by Curator Cairns, that the July 25, 2008 Board of Curators meeting be adjourned.

Roll call vote:

Curator Cairns voted yes.
Curator Carnahan voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Walker voted yes.
Curator Walsworth voted yes.
Curator Wasinger was absent.

The motion carried.

There being no further business to come before the Board of Curators, the meeting was adjourned.

Respectfully submitted,

Kathleen M. Miller
Secretary of the Board of Curators

Approved by the Board of Curators on September 5, 2008.