

EXECUTIVE SESSION
TELEPHONE CONFERENCE CALL
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
SEPTEMBER 7, 2007

Minutes of the Executive Session of the Utah State University Board of Trustees held in the Champ Hall Conference Room, Old Main Room 136, Utah State University, Logan, Utah, at 9:30 a.m.

MEMBERS PRESENT

Richard L. Shipley	Chairman
Suzanne Pierce-Moore	Vice Chairman (By telephone)
David P. Cook	(By telephone)
Robert L. Foley	(By telephone)
David Johnson III	(By telephone)
Peter A. McChesney	
Paul D. Parkinson	
Scott R. Watterson	(By telephone)

MEMBERS EXCUSED

Douglas S. Foxley
Richard L. Nelson

UNIVERSITY REPRESENTATIVES PRESENT

Stan L. Albrecht	President
Raymond T. Coward	Executive Vice President and Provost
David T. Cowley	Associate Vice President for Financial Services/Controller
Sydney M. Peterson	Chief of Staff
Jodi Bailey	Chief Audit Executive (for part of the meeting)
Lee H. Burke	Assistant to the President and Board of Trustees Secretary

Chairman Shipley conducted the meeting and welcomed those present. He excused Trustees Foxley and Nelson.

Items Discussed: Personnel issues.

The Executive Session adjourned at 10:05 a.m.

Richard L. Shipley, Chairman

Lee H. Burke, Secretary

Date Approved

REGULAR MEETING
TELEPHONE CONFERENCE CALL
UTAH STATE UNIVERSITY BOARD OF TRUSTEES
SEPTEMBER 7, 2007

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MEMBERS PRESENT

Richard L. Shipley	Chairman
Suzanne Pierce-Moore	Vice Chairman (By telephone)
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Robert L. Foley	(By telephone)
David Johnson III	(By telephone)
Peter A. McChesney	
Paul D. Parkinson	
Scott R. Watterson	(By telephone)

MEMBERS EXCUSED

Douglas S. Foxley
Richard L. Nelson

UNIVERSITY REPRESENTATIVES PRESENT

Stan L. Albrecht	President
Raymond T. Coward	Executive Vice President and Provost
Noelle E. Cockett	Vice President and Dean for Extension and Agriculture
Gary A. Chambers	Vice President for Student Services
Fred R. Hunsaker	Interim Vice President for Business and Finance
M. Kay Jeppesen	Vice President and CIO for Information Technology
Brent C. Miller	Vice President for Research
F. Ross Peterson	Vice President for University Advancement
Ned M. Weinshenker	Vice President for Strategic Ventures and Economic Development
Robert D. Barclay	Assistant Attorney General
David T. Cowley	Associate Vice President for Financial Services/Controller
Sydney M. Peterson	Chief of Staff
John DeVilbiss	Executive Director of Public Relations and Marketing

Jodi Bailey	Chief Audit Executive
Janis Morales	Regional Campus and Distance Education Business Manager
Michael Parent	President-elect of Faculty Senate
Betsy H. Newman	President of the Professional Employees Association
Karen Hoffman	President of the Classified Employees Association
Lee H. Burke	Assistant to the President and Board of Trustees Secretary
Mira G. Thatcher	Secretary

MEMBER OF THE MEDIA PRESENT

Kim Burgess *The Herald Journal*

Chairman Shipley conducted the meeting and welcomed those present. He excused Trustees Foxley and Nelson.

I. Chairman's Report

A. Proposed Schedule of Meetings for 2008

Trustees were given the proposed Schedule of Meetings for 2008 (Appendix A) for their consideration.

B. Resolutions of Appreciation and Commendation to R. Brent Nyman and Kellie Schultz Wood

Trustees were given Resolutions of Appreciation and Commendation to R. Brent Nyman and Kellie Schultz Wood (Appendix B) for their information.

A dinner was held on August 28 to honor outgoing Trustees R. Brent Nyman and Kellie Schultz Wood and to welcome incoming Trustees Paul D. Parkinson and Scott R. Watterson. Trustees Nyman and Wood received Resolutions of Appreciation for their service on the Board of Trustees at that time.

C. Board of Regents Training for New Regents and Trustees

Chairman Shipley reminded new Trustees about the Board of Regents Training for new Regents and Trustees to be held on September 26, 2007 (Appendix C).

D. Report on Board of Trustees Workshop

The annual Board of Trustees Workshop was held on August 29 on the USU campus. Vice Chairman Pierce-Moore thanked those who attended and expressed appreciation to those who participated. She reported that:

- President Albrecht gave a presentation on the survey by the National Center for Public Policy and Higher Education, and discussed goals and challenges for USU as well as his expectations of the Trustees.
- Provost Coward gave a presentation on the Accountability University.
- Trustee Foxley presented information concerning the history of higher education in Utah, the responsibilities of the Utah State Board of Regents and the Board of Trustees, and how Trustees can serve USU.

Trustee Pierce-Moore asked those who attended the Workshop to complete a survey which will be helpful in structuring future discussions and training.

E. Committee Meeting Reports

1. Athletics Committee Meeting

An Athletics Committee Meeting was held on August 29. Athletics Committee Chairman Johnson reported that the Athletics Committee discussed ticket sales for football as well as basketball season tickets. They discussed needed funding to complete the complex at the North End Zone. Committee members received general information about Athletics and how Trustees can help.

2. Audit Committee Meeting

An Audit Committee Meeting was held on September 7. Audit Committee Chairman Cook reported that minutes of the July 13, 2007, meeting were approved. He said the focus of the Audit Committee has been on internal audits at the regional campuses, particularly the Uintah Basin. The committee received reports from the internal auditor and accepted the reports and recommendations. Audits will continue at the other regional campuses. Committee Chairman Cook expressed appreciation for the work of the internal auditors.

F. ASUSU Report

Trustee McChesney reported that the Week of Welcome for freshmen students has completed, and the feedback was positive. He said it is important for freshmen to feel welcome, and efforts will continue.

USU students set a new blood drive record by donating more than 1,000 units of blood.

G. Date of the Next Board of Trustees Meeting

The next Board of Trustees meeting will be held on Friday, October 19, 2007. Meetings of the Foundation Board and events in conjunction with Old Main Weekend will also be held that week. Trustees will be invited to a dinner on Thursday, October 18, to celebrate gifts donated for the North End Zone complex.

II. President's Report

President Albrecht reported on the following:

A. Open and Public Meetings Act

Trustees were given a copy of a "Summary of Eleven Key Changes to the Open and Public Meetings Act with Statewide Impact (2007 General Session)" and the Open and Public Meetings Act—2007 (Appendix D) for their information.

Robert Barclay, Assistant Attorney General, stated that the Attorney General is responsible to annually provide notice of any material changes to the requirements in the Open and Public Meetings Act to all public bodies that are subject to the law.

B. Enrollment Update

Provost Coward stated that it was Day 8 of the semester, and final enrollment numbers would not be complete until Day 15. He reported that FTE enrollment at the Logan campus will increase approximately 1 percent. After several years of decreasing enrollment, last year it stabilized, and this year it will increase. It is hoped that enrollment will continue to grow.

FTE enrollment at the regional campuses on Day 8 of the semester was at 83 percent of the enrollment total for the end of the previous year. Provost Coward reiterated that the report will not be finalized until Day 15. The number of students increased by 140 FTE from Day 7 to Day 8, so the numbers will increase.

Provost Coward stated that the total enrollment for the Logan campus and regional campuses combined as of Day 8 is 97 percent of the total enrollment for last year.

Minority enrollment at the Logan campus increased 6 percent, female enrollment at all campuses increased 5 percent, and graduate enrollment increased 3 percent. Provost Coward reported that one in four new freshmen students are nonresident students compared to one in five nonresident students last year.

According to Provost Coward, freshman enrollment has increased approximately 8 percent from last year. That is a 31 percent increase from two years ago, or 650 more freshmen students this year than two years ago. If that trend continues for two more years, the course of enrollment will increase the number of juniors and seniors in the next couple of years. President Albrecht said this is reflective of the accomplishments of the recruiting team, and he expressed appreciation to them.

Vice President Chambers reported that recruiting for next year has already started. The recruiters this week visited all of the Utah and Idaho high schools where they recruit heavily. They met with the counselors and provided information about scholarships programs, updated information, and served Aggie ice cream.

C. USTAR Report

Vice President Weinshenker reported that the Memorandum of Understanding requesting Jeff Muhs for the Executive Director of the Biofuels team was signed by the USTAR Governing Board. He will begin full-time this month.

USU presented final reports to the USTAR Governing Board in August for the 2006 fiscal year, and the Board agreed to continue funding for the coming year.

The programming phase for the new building will be completed in November, and the architectural phase will take twelve to fourteen months, a couple of months longer than expected because a vivarium will be added.

A new High Density Neutron Flux generator program, proposed by Professor Farrell Edwards, with potential for advanced imaging and detection purposes, will be presented to the USTAR Governing Board for consideration at an upcoming meeting. Dean Scott Hinton and Professor Ron Simms are also preparing a proposal in the area of Cell Engineering.

President Albrecht noted that senior team members are being hired from the finest institutions in the country. Michael Lefevre came from Pennington Biomedical

Research Center at Louisiana State University; Jeff Muhs from Oakridge National Laboratories in Oakridge, Tennessee; and David Ward starts this month as Adjunct Professor in Chemistry/Biochemistry. He will be working with several groups on campus in the area of biomarkers and is a member of the National Academy of Sciences.

D. Comprehensive Campaign Report

Trustees received the Campaign Progress Report (Appendix E) for their information. Vice President Peterson stated that the total on the August 23 report was \$113.7 million, but the current total for the comprehensive campaign had increased to more than \$115 million.

A comprehensive campaign event will be held in northern Virginia on September 18, and more than 80 people will attend. On September 19 there will be an event in New York City. Vice President Peterson stated that these two events will conclude the national campaign roll out events to announce the campaign.

Trustees will be invited to the opening of Café Sabor in Park City by owner Justin Hamilton on September 30. Individuals from Wasatch and Summit counties are being invited, and there has been good response.

There are a number of large gifts pending which will require time and patience.

Vice President Peterson said Advancement is changing the annual giving process. They are also working with individual colleges in order to be better informed and able to properly acknowledge gifts received. Vice President Peterson met with the development officers in each of the colleges last week and reported that they are doing great things to move individuals toward contributing.

Vice President Peterson expressed appreciation for the considerable support from Trustees and Foundation members.

President Albrecht added that there continues to be enthusiasm and excitement for the comprehensive campaign.

E. Search for Special Assistant to the President for State and Federal Relations Update

Dr. Lee H. Burke will retire as Assistant to the President for Government Relations and Secretary of the Board of Trustees effective November 16, 2007. President Albrecht expressed appreciation to Dr. Burke for his thirty years of service to USU and said he will be greatly missed.

Michael J. Kennedy has accepted the position of Special Assistant to the President for State and Federal Relations effective November 1, 2007 (see news release Appendix F), and Sydney M. Peterson will be the Secretary of the Board of Trustees effective October 1, 2007.

Vice President Miller, who was chairman of the selection committee, stated that Mr. Kennedy grew up in Salt Lake City and graduated from Harvard Business School. He has worked in a large corporate firm, as Chief Operating Officer in a start-up marketing company, and currently as Director of Legislative Affairs for Lee & Smith, P.C., a Washington, D.C. lobbying firm which works with USU. Vice President Miller said that Mr. Kennedy is a federal legislative expert and knows the federal appropriations process extremely well. He has worked with USU as a client for a number of years and will be a great asset to USU.

Dr. Burke stated that when he and President discussed his retirement a year ago, they both felt that Michael Kennedy was one of the individuals who would do a great job for USU in state and federal relations.

President Albrecht stated that they are pleased with Mr. Kennedy's experience on the federal side, and that he also has connections in the state. He said that Mr. Kennedy will be a great addition to the team.

F. Proposed Disposal of Donated Property Located in Lakeshore, Utah

Trustees were given information concerning the proposed disposal of donated property located in Lakeshore, Utah (Appendix G) for their information.

Vice President Hunsaker stated that the donated property located in Lakeshore, Utah, is a 220-acre farm which was donated to USU in 1997 with the stipulation that it be used as a demonstration farm for ten years under the direction of the College of Agriculture. The stipulation has been met and the property will be sold. The beneficiary is the College of Agriculture.

G. Proposed Disposal of Donated Property Located at 474 North 600 East, Logan, Utah

Trustees were given information concerning the proposed disposal of donated property located at 474 North 600 East, Logan Utah (Appendix H) for their information.

Vice President Hunsaker stated that the donated property located at 474 North 600 East, Logan, Utah, is a home formerly owned by the late Theodore H. Daniels. Mr. Daniels designated that the proceeds from the sale of the home go to the

Theodore H. Daniels Graduate Fellowship for Research in the Daniel Forest through the College of Natural Resources.

H. Planned Disposal of Donated Property Located in Vernal, Utah

Trustees were given information concerning the planned disposal of donated property located in Vernal, Utah (Appendix I) for their information.

Vice President Hunsaker stated that the donated property located at 350 North 500 West, Vernal, Utah, is 8.6 acres of horse pasture land currently zoned for residential use, but could possibly be re-zoned for commercial use. It is stipulated that the proceeds from the sale of the land be used to establish a faculty endowment fund to assist the Utah State University Uintah Basin campus College of Business.

I. Recent Events

President Albrecht participated in comprehensive campaign national roll-out events in Portland, Oregon; Seattle, Washington; Denver, Colorado; and Chicago, Illinois. The Dominican Republic signing ceremony was held on August 20, and also on August 20 USU hosted the Building Board, DFCM, and legislative leadership on capital facilities site visits which were arranged by the State Legislature.

J. Upcoming Events

Upcoming events include:

- Comprehensive campaign national travel to Washington, D.C. on September 18, 2007, and New York City on September 19, 2007
- Governor's Business Development Mission to India, October 29-November 2, 2007
- Homecoming, September 21-22, 2007
- Café Sabor Scholarship Night, September 25, 2007—tentative date
- NCAA Accreditation Site Visit, September 26-28, 2007
- Sunrise Sessions, Salt Lake City, October 5, 2007
- Aggie-to-Aggie Business Connections, Salt Lake City, October 9, 2007
- Foundation Board Meeting, October 19-20, 2007
- Old Main Weekend, October 19-20, 2007
- NWCCU Accreditation Site Visit, October 22-24, 2007
- Performance Hall Art Installation Reception and Fry Street Quartet Concert, October-tentative
- Utah State Board of Regents Meeting, October 25-26, 2007

President Albrecht stated that Trustees will be asked to meet with the NWCCU Accreditation team when they make the site visit on October 22-24.

III. Consent Agenda

Trustees were given the following consent agenda material for their consideration:

Minutes of the Executive Session Held on July 13, 2007;
Minutes of the Regular Meeting Held on July 13, 2007 as corrected;
Resolution 07-9-1 Faculty and Staff Adjustment (Appendix J);
Resolution 07-9-2 Report of Investments for May 2007 (Appendix K);
Resolution 07-9-3 Report of Investments for June 2007 (Appendix L);
Resolution 07-9-4 Approval of Authorization to Act in Capacity of Vice President for Business and Finance and Public Treasurer (Appendix M);
Resolution 07-9-5 Contract/Grant Proposals and Awards for June 2007 (Appendix N);
Resolution 07-9- 6Contract/Grant Proposals and Awards for July 2007 (Appendix O);
and
Executive Session to be held on October 19, 2007, to discuss those items which are permitted by law to be discussed in Executive Session.

Action: Trustee Foley moved approval of the Consent Agenda items, and Trustee Watterson seconded the motion. The voting was unanimous in the affirmative.

IV. Action Agenda

A. Certificate of the Treasurer for the Period 1 July 2006 to 31 May 2007 and Certificate of the Treasurer for the Period 1 July 2006 to 30 June 2007

The Certificate of the Treasurer for the Period 1 July 2006 to 31 May 2007 (Appendix P) and the Certificate of the Treasurer for the Period 1 July 2006 to 30 June 2007 (Appendix Q) were given to the Trustees for their consideration.

Trustee Foley pointed out that there were significant changes in some of the approved budgets May compared to June 2007. The Tooele Continuing Education Center changed from \$7.1 million approved budget to \$8.8 million, and the Uintah Basin budget dropped from \$7.2 million approved budget to \$5.5 million. Vice President Hunsaker explained that a significant portion of the budget is from tuition. Tuition amounts are forecast when the budgets are established at the beginning of the year. It was discovered toward the end of the year that tuition at the Uintah Basin was projected to be higher than what was

received. An adjustment was made to make the amount accurate. He said that traditional tuition payments were overestimated at some regional campuses. The number of concurrent student enrollments was also overstated.

Associate Vice President Cowley pointed out that the budget adjustment for the Uintah Basin was a decrease, and the budget adjustment for Brigham City and Tooele was an increase. He said adjustments are not always decreases. The adjustments are made in June as part of the year-end closing process to reconcile and report the correct revenues.

Trustee Foley suggested that adjustments be made throughout the year. He said if it becomes apparent as the year progresses that budget amounts are different than the amount projected, it might be appropriate to make an adjustment at that time so that money is not spent that is not available. He added that if there is more money than the amount projected, expenditures could be increased. Trustee Foley pointed out that the May report for the Uintah Basin lists 81 percent of the budget spent, and the June report lists 114 percent of the budget spent. If budgets are adjusted to decreased amounts throughout the year, hopefully spending would be reduced. Overall, 85 percent of the total budget was spent.

Chairman Shipley agreed that reports should indicate earlier in the year if the estimated budgets are not correct. He said campuses need to know the budget and keep spending in line. Vice President Hunsaker said they are willing to adjust the budget report when they receive final collection amounts.

Trustee Foley said it would be good for Trustees to receive reports throughout the year so they could review whether changes in spending were appropriate to what increases or decreases in the budget.

Ms. Morales stated that budgets were reviewed throughout the year, but adjustments were not made until year end. A policy has been put into place for the next fiscal year which will correct the situation, and adjustments will be reported throughout the year. She said there were surprises at the Uintah Basin which caused the differences this year.

Chairman Shipley said the adjustments are specifically related to enrollment. Ms. Morales said they can get reports after fall and after spring semesters and make adjustments at those times. Vice President Hunsaker said they will bring that information to the Trustees as a supplement to the Certificate of the Treasurer during the year.