

UNIVERSITY OF MISSOURI
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BOARD OF CURATORS

Minutes of the Board of Curators Meeting
Century Rooms A&B Millennium Student Center
University of Missouri-St. Louis Campus
St. Louis, Missouri
December 1011, 2009

BOARD OF CURATORS MEETING – PUBLIC SESSION

A meeting of the University of Missouri Board of Curators was convened in public session at 440 P.M., on Thursday December 10 2009, in Century Room A&B of the Millennium Student Center, on the University of Missouri St. Louis Campus So

Dr. Thomas F. George, Chancellor, University Missouri-St. Louis
Dr. Steven Graham, Senior Associate Vice President for Academic Affairs
Mr. Stephen C. Knorr, Vice President for Government Relations
Mr. Leo E. Morton, Chancellor, University of Missouri Kansas City
Dr. Michael F. Nichols, Vice President for Research and Economic Development
Dr. Betsy Rodriguez, Vice President for Human Resources
Ms. Jennifer Hollingshead, Assistant Director University Communications
Media Representatives

Ms. Natalie "Nikki" Krawitz, Vice President for Finance and Administration, Dr. John F. Carney III, Chancellor, Missouri University of Science and Technology, Dr. David R. Russell, Senior Associate Vice President and Chief of Staff, and Ms. Cindy Pollard, Associate Vice President of Strategic Communications were ~~abs~~ from the meeting.

Roll call vote:

Curator Bradley voted yes.
Curator Carnahan voted yes.
Curator Downing voted yes
Curator Erdman was absent.
Curator Fraser voted yes.
Curator Goode voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Wasinger voted yes.

The motion carried.

Meeting Break – 4:40 P.M., December 10, 2009

BOARD OF CURATORS MEETING EXECUTIVE SESSION

A meeting of the University of Missouri Board of Curators was convened in executive session at 4:50 P.M., on Thursday, December 10, 2009, in Century Rooms A&B of the Millennium Student Center, on the University of Missouri St. Louis campus, pursuant to public notice given of said meeting. Curator Bo Fraser, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable David R. Bradley
The Honorable John M. Carnahan III
The Honorable Don M. Downing
The Honorable Bo Fraser
The Honorable Wayne Goode
The Honorable Judith G. Haggard
The Honorable Doug Russell
The Honorable David G. Wasinger
Student Representative Laura A. Confer

The Honorable Warren K. Erdman was absent from the meeting on December 10, 2009.

Also Present

Mr. Gary D. Forsee, President, University of Missouri System
Mr. Stephen J. Owens, General Counsel

Ms. Kathleen M. Miller, Secretary of the Board of Curators

Curators' Professorships– presented by Senior Associate Vice President Graham

It was recommended by Chancellor Deaton, endorsed by President Forsee, recommended by the Academic, Student and External Affairs Committee, moved by Curator Carnahan and seconded by Curator Haggard, that the following recommendations be approved:

Professor Puncky PauHeppner, MU

Upon the recommendation of Chancellor Deaton, the Provost and the Interim Dean of the College of Education, Professor Puncky Heppner shall be named to the position of University of Missouri Curators' Professor, effective January 1, 2010. Professor Heppner will receive a \$10,000 annual stipend as long as he holds this position. \$5,000 will go to increased compensation (salary and benefits less applicable taxes) with the remaining \$5,000 available for professional expenses associated with his teaching, research, or creative activities. In accordance with Collected Rules and Regulations 320.070, this appointment is for a period of five years which may be renewed at the discretion of the chancellor.

Professor David H. Jonassen, MU

Upon the recommendation of Chancellor Deaton, the Provost and the Dean of the College of Education, Professor David H. Jonassen shall be named to the position of University of Missouri Curators' Professor, effective January 1, 2010. Professor Jonassen will receive a \$10,000 annual stipend as long as he holds this position. \$5,000 will go to increased compensation (salary and benefits less applicable taxes) with the remaining \$5,000 available for professional expenses associated with his teaching, research, or creative activities. In accordance with Collected Rules and Regulations 320.070, this appointment is for a period of five years which may be renewed at the discretion of the chancellor.

Professor Igor E. Verbitsky, MU

Upon the recommendation of Chancellor Deaton, the Provost, the Dean of the College of Arts and Science and the Chair of the Department of Mathematics, Professor Igor E. Verbitsky shall be named to the position of University of Missouri Curators' Professor, effective January 1, 2010. Professor Verbitsky

will receive a \$10,000 annual stipend as long as he holds this position. \$5,000 will go to increased compensation (salary and benefits less applicable taxes) with the remaining \$5,000 available for professional expenses associated with his teaching, research, or creative activities. In accordance with Collected Rules and Regulations 320.070, this appointment is for a period of five years which may be renewed at the discretion of the chancellor.

Professor Paul Weirich, MU

Upon the recommendation of Chancellor Deaton, the Provost and the Dean of the College of Arts and Science, and the Chair of the Department of Philosophy, Professor Paul Weirich shall be named to the position of University of Missouri Curators' Professor, effective January 1, 2010. Professor Weirich will receive a \$10,000 annual stipend as long as he holds this position. \$5,000 will go to increased compensation (salary and benefits less applicable taxes) with the remaining \$5,000 available for professional expenses associated with his teaching, research, or creative activities. In accordance with Collected Rules and Regulations 320.070, this appointment is for a period of five years which may be renewed at the discretion of the chancellor.

Complete nomination materials are on file with the Office of the Chancellor

Roll call vote on the four curators' professorships for MU

Curator Bradley voted yes.

General Counsel's Report to the Board of Curators – presented by General Counsel Owens

The Board of Curators meeting executive session concluded at 6:00 P.M., on Thursday, December 10, 2009.

7:30 p.m. Board of Curators Dinner Reception with Business Program
Pilot House, Millennium Student Center, UNL St. Louis campus
6:00 – 7:30 P.M.
Thursday, December 10, 2009

Present

The Honorable David R. Bradley
The Honorable John M. Carnahan III
The Honorable Don M. Downing
The Honorable Bo Fraser
The Honorable Wayne Goode
The Honorable Judith G. Haggard

Program: University of Missouri-St. Louis School of Nursing presented by Juliann G. Sebastian, Dean of Nursing, UMSL

BOARD OF CURATORS MEETING – PUBLIC SESSION

A meeting of the University of Missouri Board of Curators was convened in public session at 8:05A.M., on Friday, December 11, 2009, in Century Rooms A&B of the Millennium Student Center, on the University of Missouri-St. Louis campus, pursuant to public notice given of said meeting. Curator Bo Fraser, Chairman of the Board of Curators, presided over the meeting.

Present

The Honorable David R. Bradley
The Honorable John M. Carnahan III
The Honorable Don M. Downing
The Honorable Warren K. Erdman, via conference telephone
The Honorable Bo Fraser
The Honorable Wayne Good
The Honorable Judith G. Haggard
The Honorable Doug Russell
The Honorable David G. Wasinger
Student Representative Laura A. Confer

Also Present

Mr. Gary D. Forsee, President, University of Missouri System
Mr. Stephen J. Owens, General Counsel
Ms. Kathleen M. Miller, Secretary of the Board of Curators
Dr. Gary K. Allen, Vice President for Information Technology
Provost Kent Wray, Ph.D. [unclear] Pr1.17 Tc I3/ td.17 Tc I3/. Kathle

Russell, Senior Associate Vice President and Chief of Staff, and ~~Ms~~ Mady Pollard, Associate Vice President of Strategic Communications were absent from the meeting.

Board Chairman's Report– presented by Chairman Fraser (transcription and slides on file)

University President's Report– presented by President Forsee (transcription and slides on file)

Budget: For a

Audit

Committee Chairman Arnahan provided a recap of the December 10 2009, Audit Committee meeting public session.

Information

1. Report on Best Practices for Audit Partner in Charge
2. Report on Best Practices for Audit Committee Closed Meetings
3. Review of Audit Committee Charter Matrix and Audit Plan for 2010
(matrix and plan on file)

The minutes of the October 22, 2009, Board of Curators Audit Committee meeting were approved by the Committee on December 10 2009, as on file with the minutes of that meeting.

Finance

Committee Chairman Russell provided a recap of the December 10 2009, Finance Committee meeting.

Information

1. Retirement Trust and Endowment Fund Investment Update (slides on file)
2. Extension of Trail, Missouri Research Park, UM

The minutes of the October 22, 2009, Board of Curators Finance Committee meeting were approved by the Committee on December 10 2009, as on file with the minutes of that meeting.

Asset Allocation for the Endowment Fund UM (Rocaton report on Asset Allocation for the Endowment Fund on file)

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

Curator Fraser voted yes.
Curator Goode voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Wasinger voted yes

The motion carried.

Hiring International Small Cap equity, Emerging Market Debt; and High Yield/Bank Loans Investment Managers for the Endowment Fund

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

the Vice President for Finance and Administration shall be authorized to hire:

International Small Cap Equity managers Mondrian Investment Partners Limited, and Pyramis Global Advisors for up to a total of 7% of the University of Missouri Endowment Fund;

Emerging Market Debt managers Capital Guardian Trust Company, and Wellington Management Company for up to a total of 5% of the University of Missouri Endowment fund; and

High Yield/Bank Loans managers Shenkman Capital Management, and Oaktree Capital Management for up to a total of 6% of the University of Missouri Endowment Fund.

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

Curator Goode voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Wasinger voted no.

The motion carried with a vote of eight in favor and one opposed

Development Support, Amendment to Collected Rules and Regulations 140.011
Investment Policy for Endowment Fund and New Gift Assessment Policy, UM

It was recommended by President Forsee and the Finance Committee, moved
by Curator Russell and seconded by Curator Goode that the following amendments
to the Investment Policy for Endowment Fund be approved

- a. Collected Rules and Regulations 140.011 Investment Policy for Endowment Fund, section D.1 shall be amended as follows: In addition to any amounts distributed pursuant to the spending formula in D.1., the President shall have the discretion to distribute from the endowment up to an additional 2% of the trailing 12-quarter average of the endowment's total market value to support internal endowment administration and development functions.
- b. No more than an additional one percent will be distributed without Board of Curators notification.
- c. The President shall have the discretion to implement a 0% to 5% assessment on gifts to support internal endowment administration and development functions.

Collected Rules and Regulations
Financial Management
Chapter 140: Investments
140.011 Investment Policy for Endowment Fund

Bd. Min. 126-91, Amended Bd. Min. ~~12~~-93; Amended Bd. Min. 1414-94;
Amended Bd. Min. 1213-96; Amended Bd. Min. ~~9~~26-97; 1-21-98; Revised
02-01-00; Amended Bd. Min. ~~7~~13-00; Amended Bd. Min. ~~9~~27-02; Amended
Bd. Min 11-22-02; Revised 15-04; Amended Bd. Min. ~~9~~9-04; Amended Bd.
Min. 1-26-07; Amended Bd. Min. ~~2~~6-09, Amended Bd. Min. 1~~2~~1-09.

A. Introduction -- The University's Endowment Fund includes all gifts, bequests and other funds directed to be used to support a University program in perpetuity. Some donors require such a commitment as a condition of their gift. (These donations are referred to as "true endowments.") Also, funds may be assigned to function as endowments by the Board of Curators or by University administration. (These funds are referred to as "quasi endowments.") Examples of activities supported by true and quasi endowments include:

- chairs, professorships, and lectureships
- scholarships
- research support
- unrestricted use

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a. In addition to any amounts distributed pursuant to the spending formula in D.1., the President shall have the discretion to distribute from the endowment up to an additional 2% of the trailing 12quarter average of the endowment's total market value to support internal endowment administration and development functions.

Board discussion:

Curator Carnahan requested an annual report on this policy and requested that the curators receive advance notice of any changes or implementations.

For the benefit of donors, Curator Goode recommended that a letter providing a clear explanation of this new policy be sent to the university's donors.

Roll call vote:

Curator Bradley voted yes.
Curator Carnahan voted yes.
Curator Downing voted no
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Goode voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Wasinger voted yes.

The motion carried by a vote of eight in favor and one opposed

2009 Campus MasterPlan Update for the Missouri University of Science and Technology

It was recommended by Chancellor Carney, endorsed by President Forsee, recommended by the Finance Committee, moved by Curator Russell and seconded by Curators Carnahan and Haggard, that:

the 2009 Missouri University of Science and Technology Campus Master Plan shall be approved as on file with the minutes of this meeting.

Roll call vote:

Curator Bradley voted yes.
Curator Carnahan voted yes.
Curator Downing voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Goode voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Wasinger voted yes.

The motion carried.

2009 Campus Master Plan Update for the University of Missouri-St. Louis

It was recommended by Chancellor George, endorsed by President Forsee, recommended by the Finance Committee, moved by Curator Russell and seconded by Curator Downing, that:

the 2009 University of Missouri-St. Louis Campus Master Plan shall be approved, as on file with the minutes of this meeting.

Roll call vote:

Curator Bradley voted yes.
Curator Carnahan voted yes.
Curator Downing voted yes.
Curator Erdman voted yes.
Curator Fraser voted yes.
Curator Goode voted yes.
Curator Haggard voted yes.
Curator Russell voted yes.
Curator Wasinger voted yes.

The motion carried.

Resources and Planning

Committee Chairman Wasinger provided a recap of the December 10 2009, Resources and Planning Committee meeting.

Information

1. Annual Report on Strategic Planning and Performance Measures

On file for this report:

- f* Report slides
- f* Executive Summary of FY2009 UM President's Accountability Measures
- f* Guide to UM President's Accountability Measures
- f* MU Accountability Measures Update
- f* UMKC Accountability Measures Update
- f* Missouri S&T Accountability Measures Update
- f* UMSL Accountability Measures Update
- f* Executive Summary of the Audit Report on the President's Accountability Measurement System, November 25, 2009

General Business

Good and Welfare

Curator Wasinger stated support of Curator Carnahan's recommendation to encourage board-board interaction with other higher education institution's governing boards.

Curator Wasinger proposed conducting a joint meeting of the University of Missouri Board of Curators and the Truman State Board of Trustees in Hannibal, Missouri.

President Forsee suggested that there might be a benefit to a joint meeting with the Coordinating Board for Higher Education.

Election of Board of Curators Chairperson, 2010

Upon the motion of Curator Goode, Curator Haggard was nominated to serve as Chairperson of the Board of Curators for the term January, 2010, through , Missouri

December 10-

