

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



BOARD OF CURATORS

Minutes of the Board of Curators Meeting  
April 14-15, 2016  
Rolla, Missouri

**BOARD OF CURATORS MEETING – PUBLIC SESSION**

A meeting of the University of Missouri Board of Curators was convened in public session at 8:30 A.M., on Thursday, April 14, 2016, in St. Pat’s Ballroom A&B of the Havener Center on the Missouri University of Science and Technology campus, Rolla, Missouri, pursuant to public notice given of said meeting. Curator Pamela Q. Henrickson, Chair of the Board of Curators, presided over the meeting.

Present

The Honorable Donald L. Cupps  
The Honorable Maurice B. Graham  
The Honorable Pamela Q. Henrickson  
The Honorable John R. Phillips  
The Honorable Phillip H. Snowden  
The Honorable David L. Steelman

Also Present

Mr. Michael A. Middleton, Interim President  
Mr. Stephen J. Owens, General Counsel  
Ms. Cindy Harmon, Secretary of the Board of Curators  
Dr. Gary K. Allen, Vice President for Information Technology  
Dr. Brian D. Burnett, Vice President for Finance  
Dr. Henry “Hank” Foley, Interim Chancellor for University of Missouri-Columbia  
Dr. Thomas F. George, Chancellor for University of Missouri-St. Louis  
Mr. Stephen C. Knorr, Vice President for University Relations  
Mr. Leo E. Morton, Chancellor for University of Missouri-Kansas City  
Dr. Cheryl B. Schrader, Chancellor for Missouri University of Science and Technology  
Dr. Robert W. Schwartz, Interim Vice President for Academic Affairs, Research and Economic Development  
Ms. Kelley Stuck, Interim Vice President for Human Resources  
Ms. Zora Z. Mulligan, Chief of Staff, UM System

Mr. John Fougere, Chief Communications Officer, UM System  
Media representatives

### **General Business**

Review Consent Agenda – No discussion.

### Resolution for Executive Session of the Board of Curators Meeting

It was moved by Curator Henrickson and seconded by Curator Graham, that there shall be an executive session with a closed record and closed vote of the Board of Curators meeting April 14-15, 2016 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
- **Section 610.021 (14), RSMo**, relating to matters identified in that provision, which include records which are protected from disclosure by law; and
- **Section 610.021 (17), RSMo**, relating to matters identified in that provision, which include confidential or privileged communications between a public governmental body and its auditor.

Roll call vote of the Board:

Curator Cupps voted yes.

Curator Graham voted yes.

Curator Henrickson voted yes.

Curator Phillips was absent for vote.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

2017 Board of Curators Meeting Calendar (information on file)

It was recommended by Chair Henrickson, endorsed by Interim President Middleton, moved by Curator Steelman and seconded by Curator Graham, that the proposed 2017 Board of Curators meeting calendar be approved as follows:

PROPOSED 2017 BOARD OF CURATORS MEETING CALENDAR

<u>DAYS</u>	<u>DATES</u>	<u>LOCATION</u>
Thursday-Friday	February 9-10	UM - Columbia
Thursday-Friday	April 27-28	Missouri S&T
Thursday-Friday	June 22-23	Columbia, Missouri
Friday	July 28	4 hour TelePresence
Thursday-Friday	September 28-29	UM – Kansas City
Thursday-Friday	December 7-8	UM – St. Louis

Roll call vote:

Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

Missouri University of Science and Technology Strategic Plan Highlights – presented by Chancellor Schrader (slides on file)

Board of Curators standing committee meetings were convened at 8:58 A.M. and concluded at 3:45 P.M. on Thursday, April 14, 2016. Committee actions were presented to the full Board for action following each Committee vote.

### **Finance Committee**

Curator Steelman provided time for discussion of committee business.

Review of Fiscal Year 2017 Operating Budget Planning, UM – (slides and information on file) This was in information item.

Approval of Collected Rules and Regulations 140.013, 140.015 Investment Policies, UM – presented by Treasurer Richards (information on file)

It was recommended by Vice President Burnett, endorsed by Interim President Middleton, recommended by the Finance Committee, moved by Curator Steelman and seconded by Curator Graham, that the:

Existing investment policies of Collected Rules and Regulations, Sections 140.013, 140.015, be amended as outlined in the attached documents (and as on file with the minutes of this meeting):

Roll call vote of Board of Curators:

Curator Cupps was absent for vote.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

### **Chapter 140: Investments** **140.013 Investment Policy for Endowment Pool**

Bd. Min 7-22-11. Revised in entirety, Bd. Min. 6-26-12. (Note: Board approval on 6-26-12 replaced previous rules 140.010, 140.011, 140.012 and 140.013 with new language and

reissued new rules 140.010 through and including 140.016.) Revised Bd. Min 6-14-13; Revised 9-12-13; Revised 6-25-15; Revised 2-4-16; Revised 4-14-16.

- A. **Introduction** -- The University's Endowment Pool contains 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 ("true endowments"). Also, funds may be assigned to function as endowments by the Board of Curators or by University administration ("quasi endowments").
- B. **Responsibilities and Authorities** – See CRR 140.010 “*Policy for Management and Oversight of Selected University Investment Pools.*”
- C. **Investment Objectives** -- The Endowment Pool must be managed to provide ongoing support of endowed programs in perpetuity, in conformance with donor stipulations. To accomplish this, investment returns, net of inflation, should be sufficient over time to cover annual spending distributions while maintaining or growing the underlying purchasing power of each endowed gift.
- D. **Authorized Investments** – The Endowment Pool shall be invested in externally managed funds, consistent with the guidelines established in CRR 140.011, “*Policy for Investment Manager Selection, Monitoring and Retention,*” in the following asset sectors:

Sector	Target	Asset	Allowable Range
Global equity	43%		33% - 53%
Private equity	10%		6% - 15%
Global fixed income	4%		2% - 8%
U.S. Treasuries	0%		0% - 20%
Emerging markets debt	5%		3% - 8%
Opportunistic debt	7%		4% - 10%
Hedge funds	6%		4% - 9%
Risk parity	10%		7% - 14%
Real estate/infrastructure	10%		6% - 12%
Inflation-linked bonds	3%		1% - 6%
Commodities	2%		0% - 5%
Cash and cash equivalents	0%		0% - 10%
<b>Total</b>	100%		

**Portfolio Rebalancing**

Sector allocations shall be monitored on an ongoing basis as changes in market behavior may result in variations from the target asset mix. Rebalancing of the portfolio shall be considered at least quarterly, and more often if necessary to maintain allocations within the allowable range. The need to rebalance shall take into account any logistical issues associated with fully funding a particular asset sector, as well as any tactical decisions to overweight or underweight a particular asset sector based on current market conditions. The University may utilize external managers to synthetically rebalance portfolio exposures consistent with targets and allowable ranges established by this policy. Synthetic market exposures can be obtained through the use of conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap agreements.

Actual sector allocations shall not fall outside of the allowable ranges, with the exception of violations caused solely by periods of extreme market distress, when it may not be possible or advisable to immediately bring such allocations back to within the allowable ranges.

#### **Currency Risk Management**

In the context of a global investment portfolio, currency risk exists to the extent that investments contain exposures to foreign currencies. The desirability of this currency exposure is not necessarily aligned dollar for dollar with the desired exposure to assets denominated in foreign currencies. As such, external managers in any asset sector may implement currency strategies to alter the currency exposure of the portfolio when deemed prudent to do so in the context of the particular investment mandate. In addition, the University may utilize external managers to implement currency strategies to alter exposures in an active or passive manner as part of a portfolio or asset class overlay when deemed prudent to do so.

#### **Global Equity Portable Alpha Program**

Within the global equity sector, market exposures may be obtained through the use of passive investment vehicles, traditional long-only active management, active long/short strategies and conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap agreements. Equity market exposure obtained through active long/short strategies and derivative instruments shall not exceed 15% and 35% of the total global equity allocation, respectively.

To the extent that equity market exposure is obtained using derivative instruments, a portion of the underlying cash and cash equivalent balances may be managed in an active fashion by external managers as an additional tool to add excess returns above the global equity benchmark. To maximize the probability of consistently positive returns within the portable alpha portfolio, appropriate alpha strategies should exhibit low correlations to one another, and manage effective equity market beta to target

levels. The allowable range of the portable alpha portfolio shall be 0-10% of the total Endowment Pool.

The Global Equity Portable Alpha Program shall be managed in accordance with prudent risk management practices established by the Treasurer, Vice President for Finance, and Investment Consultant. Such risk management practices shall include a requirement to maintain appropriate levels of margin collateral. Derivative instruments and associated cash and cash equivalent balances shall be managed by an external investment firm with appropriate expertise, experience and depth of resources.

- E. **Spending Policy** – To provide ongoing support to endowed programs in perpetuity, the spending policy must be managed in conjunction with investment objectives and other factors in compliance with applicable law, such that the spending rate plus an inflationary assumption shall not exceed expected investment returns over time. At minimum, the spending policy should be reviewed in conjunction with asset/liability studies performed by the Investment Consultant not less than once every three years.
1. The formula used to determine the Endowment Pool spending distribution for each fiscal year shall apply a rate of 4.5% to a base equal to the 28-quarter trailing average of market values as of December 31<sup>st</sup> of the prior fiscal year. Endowment spending distributions shall be paid on a monthly basis.  

The transition of the rate from 5.0% to 4.5% shall be accomplished in a methodical manner over a period not to exceed the seven years ended June 30, 2019. In no case shall the transition from 5.0% to 4.5% cause the actual spending distribution to decrease from one year to the next during the transition phase.
  2. In addition to the spending distribution noted above, the President shall have the discretion to distribute from the Endowment Pool an administrative fee each fiscal year to be used for support of internal endowment administration and development functions. Such administrative fee shall be calculated by applying a rate of up to 1% to a base equal to the 28-quarter trailing average of market values as of December 31<sup>st</sup> of the prior fiscal year. The administrative fee shall be paid on a monthly basis.
  3. The spending policy, spending distribution formula and administrative fee may be adjusted over time by the Board to respond to general economic conditions and other factors as appropriate and in compliance with applicable law.
  4. Implementation of the spending policy is delegated to the Vice President for Finance and Administration or her/his designees.

## **Chapter 140: Investments**

### **140.015 Investment Policy for Retirement, Disability and Death Plan**

Bd. Min. 6-26-12, Revised Bd. Min. 6-14-13, Revised Bd. Min 9-12-13, Revised Bd. Min. 6-25-15, Revised 2-4-16; Revised 4-14-16.

A. **Introduction** – The University's Retirement, Disability and Death Benefit Plan (“Plan”) was established to provide retirement income and other stipulated benefits to qualified employees in amounts and under the conditions described in the plan. A Trust was established in 1958 and is being funded to provide the financial security of those benefits.

B. **Responsibilities and Authorities** – See CRR 140.010, “*Policy for Management and Oversight of Selected University Investment Pools.*”

C. **Investment objectives** – The primary objective to be achieved in the active management of Trust assets is to provide for the full and timely payment of retirement, disability and death benefits to qualified employees. In order to fulfill this objective the University must maintain a prudent actuarially sound funding of the Plan's liabilities. This funding requirement is derived from two principal sources; the total investment return on Trust assets and the amount of University contributions. In order to minimize the University's required contributions it is imperative that total investment returns be maximized.

D. **Authorized Investments** – The Plan shall be invested in externally managed funds, consistent with the guidelines established in CRR 140.011, “*Policy for Investment Manager Selection, Monitoring and Retention,*” in the following asset sectors:

Sectors	Target Asset Mix	Allowable Range
Global equity	37%	27% - 47%
Private equity	10%	6% - 15%
Global fixed income	4%	2% - 8%
U.S. Treasuries	0%	0% - 20%
Emerging markets debt	6%	4% - 9%
Opportunistic debt	12%	9% - 15%
Hedge funds	6%	4% - 9%
Risk parity	10%	7% - 14%
Real estate/infrastructure	8%	4% - 10%
Inflation-linked bonds	4%	2% - 7%



Commodities	3%	0% - 6%
Cash and cash equivalents	0%	0% - 10%
<b>Total</b>	100%	

### **Portfolio Rebalancing**

Sector allocations shall be monitored on an ongoing basis as changes in market behavior may result in variations from the target asset mix. Rebalancing of the portfolio shall be considered at least quarterly, and more often if necessary to maintain allocations within the allowable range. The need to rebalance shall take into account any logistical issues associated with fully funding a particular asset sector, as well as any tactical decisions to overweight or underweight a particular asset sector based on current market conditions. The University may utilize external managers to synthetically rebalance portfolio exposures consistent with targets and allowable ranges established by this policy. Synthetic market exposures can be obtained through the use of conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap agreements.

Actual sector allocations shall not fall outside of the allowable ranges, with the exception of violations caused solely by periods of extreme market distress, when it may not be possible or advisable to immediately bring such allocations back to within the allowable ranges.

### **Currency Risk Management**

In the context of a global investment portfolio, currency risk exists to the extent that investments contain exposures to foreign currencies. The desirability of this currency exposure is not necessarily aligned dollar for dollar with the desired exposure to assets denominated in foreign currencies. As such, external managers in any asset sector may implement currency strategies to alter the currency exposure of the portfolio when deemed prudent to do so in the context of the particular investment mandate. In addition, the University may utilize external managers to implement currency strategies to alter exposures in an active or passive manner as part of a portfolio or asset class overlay when deemed prudent to do so.

### **Global Equity Portable Alpha Program**

Within the global equity sector, market exposures may be obtained through the use of passive investment vehicles, traditional long-only active management, active long/short strategies and conventional derivative instruments commonly accepted by other institutional investors, such as futures contracts and swap agreements. Equity market exposure obtained through active long/short strategies and derivative instruments shall not exceed 15% and 35% of the total global equity allocation, respectively.

To the extent that equity market exposure is obtained using derivative instruments, a

portion of the underlying cash and cash equivalent balances may be managed in an active fashion by external managers as an additional tool to add excess returns above the global equity benchmark. To maximize the probability of consistently positive returns within the portable alpha portfolio, appropriate alpha strategies should exhibit low correlations to one another, and manage effective equity market beta to target levels. The allowable range of the portable alpha portfolio shall be 0-10% of the total Retirement Fund.

The Global Equity Portable Alpha Program shall be managed in accordance with prudent risk management practices established by the Treasurer, Vice President for Finance, and Investment Consultant. Such risk management practices shall include a requirement to maintain appropriate levels of margin collateral. Derivative instruments and associated cash and cash equivalent balances shall be managed by an external investment firm with appropriate expertise, experience and depth of resources.

E. **Other** – The Board of Curators delegates to the President of the University the following responsibilities with respect to the Plan:

1. Recommend contributions to the Plan.
2. Recommend annuity, mortality and other tables as may be useful in actuarial determination.
3. Recommend actuarial valuations made by experts retained for that purpose.
4. Maintain data necessary for actuarial valuations of the assets of the Plan.
5. Maintain accurate records for the Plan.

Project Approval – MU Health Care Emergency Power System Modifications Phase 2, MU  
– presented by Vice President Burnett (information on file)

It was recommended by Interim Chancellor Foley, endorsed by Interim President Middleton, recommended by the Finance Committee, moved by Curator Steelman and seconded by Curator Graham, that the following action be approved:

the project approval for MU Health Care Emergency Power System Modifications – Phase 2, University of Missouri – Columbia.

Funding of the project budget is from:  
MU Healthcare Reserve Funds

\$6,900,000

Roll call vote Full Board:

Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

Project Approval, University of Missouri Teaching Hospital – West Wing Expansion and Renovation Project, MU – presented by Vice President Burnett (information on file)

It was recommended by Interim Chancellor Foley, endorsed by Interim President Middleton, recommended by the Finance Committee, moved by Curator Graham and seconded by Curator Snowden, that the following action be approved:

the project approval for Missouri University Teaching Hospital – West Wing Expansion and Renovation Project, University of Missouri – Columbia.

Funding of the project budget is from:  
MU Healthcare Reserve Funds

\$15,950,000

Roll call vote Full Board:

Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

**Compensation and Human Resources Committee**

Curator Phillips provided time for discussion of committee business.

Annual Retirement Plan Actuarial Report and Required Contribution – presented by Interim Vice President Stuck and Mr. John Kaplan with The Segal Group, Inc. (slides and information on file) This was in information item only.

Retiree Medical Insurance – presented by Interim Vice President Stuck (slides on file)

It was recommended by Interim Vice President Kelley Stuck, endorsed by Interim President Middleton, recommended by the Compensation and Human Resources Committee, moved by Curator Phillips and seconded by Curator Graham, that the recommended changes be made to the UM Retiree medical insurance eligibility requirements and subsidy structure as follows:

**Recommended change to retiree insurance program eligibility:**

Effective January 1, 2018, an employee must meet all three of the following criteria. For purposes of eligibility, partial years are not counted. The three criteria require the employee to:

- Be benefits-eligible with at least five years of service prior to January 1, 2018; and
- Be at least 60 years old on his/her retirement date; and
- Have at least 20 years of service to the UM System on his/her retirement date.

**Recommended change to retiree insurance program subsidy:**

If the three criteria above are met, the method for calculating the subsidy will be as follows; for purposes of calculating the subsidy, partial years are not counted:

- If age and years of service add up to 80 or greater prior to January 1, 2018, the employee will receive the same percentage subsidy as current retirees.
- If age plus years of service add up to less than 80 on January 1, 2018, then the employee will receive a fixed annual subsidy of \$100 per year of service, up to a maximum of \$2,500 annually.

**The retiree insurance program will close on January 1, 2018, to:**

- Current employees who do not accrue at least five years of service before January 1, 2018.
- All employees hired on or after January 1, 2018.

This item is for Board action.

Roll call vote of Board of Curators:

Curator Cupps voted yes.

Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

### **Audit Committee**

Chairman Graham provided time for discussion of committee business.

#### Information

1. Fiscal Year 2015 A-133 Audit Report and NCAA Agreed Upon Procedures Reports, UM (slides and information on file)
2. Internal Audit Quarterly Report, UM (slides and information on file)

#### Action

1. Resolution, Executive Session of Audit Committee Meeting

**11:30 am – 12:30 pm Luncheon by Invitation for Board of Curators, Interim President, Missouri University of Science and Technology Chancellor and Missouri S&T Student Leaders**  
Carver/Turner Room, Havener Center

### **Presidential Search Committee**

Held in the campus TelePresence Centers, originated from Room 201A, Curtis Laws Library, Missouri S&T campus.

#### Action

1. Resolution for Executive Session of the Presidential Search Committee meeting
2. Approval, Minutes of Presidential Search Committee Meeting, March 14, 2016
3. UM System President Qualifications Statement

Please see Presidential Search Committee meeting minutes.

### **Academic, Student and External Affairs Committee**

Chairman Snowden provided time for discussion of committee business.

1. University Relations Report (slides on file for this information item)

Action

1. Masters of Science: Applied Behavior Analysis, MU
2. Bachelor of Arts: Film and Media Arts, UMKC

Masters of Science: Applied Behavior Analysis, MU – presented by Senior Associate Vice President Graham (information on file)

It was recommended by Interim Executive Vice President Robert W. Schwartz, endorsed by Interim President Michael Middleton, recommended by the Academic, Student and External Affairs Committee, moved by Curator Snowden, seconded by Curator Steelman, that the following action be approved:

that the University of Missouri, Columbia be authorized to submit the attached proposal (and as on file with the minutes of this meeting) for an BS in Applied Behavior Analysis to the Coordinating Board for Higher Education for approval.

Roll call vote of Board:

- Curator Cupps voted yes.
- Curator Graham voted yes.
- Curator Henrickson voted yes.
- Curator Phillips voted yes.
- Curator Snowden voted yes.
- Curator Steelman voted yes.

The motion carried.

Bachelor of Arts: Film and Media Arts, UMKC – presented by Senior Associate Vice President Graham (information on file)

It was recommended by Interim Executive Vice President Robert W. Schwartz, endorsed by Interim President Michael Middleton, recommended by the Academic, Student and External Affairs Committee, moved by Curator Snowden, seconded by Curator Phillips, that the following action be approved:

that the University of Missouri, Kansas City be authorized to submit the attached proposal (and as on file with the minutes of this meeting) for a Bachelor of Arts in Film & Media Arts to the Coordinating Board for Higher Education for approval.

Roll call vote of Board:

Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

The public session of the Board of Curators meeting recessed at 3:45 P.M.

### **Board of Curators Meeting – Executive Session**

A meeting of the University of Missouri Board of Curators was convened in executive session at 3:50 P.M., on Thursday, April 14, 2016, in the Silver and Gold Room of the Havener Center on the Missouri University of Science and Technology campus, Rolla, Missouri, pursuant to public notice given of said meeting. Curator Pamela Q. Henrickson, Chair of the Board of Curators, presided over the meeting.

#### Present

The Honorable Donald L. Cupps  
The Honorable Maurice B. Graham  
The Honorable Pamela Q. Henrickson  
The Honorable John R. Phillips  
The Honorable Phillip H. Snowden  
The Honorable David L. Steelman

#### Also Present

Mr. Michael A. Middleton, Interim President  
Mr. Stephen J. Owens, General Counsel  
Ms. Cindy S. Harmon, Secretary of the Board of Curators

### **Audit Committee Meeting – Executive Session**

Vice President Brian Burnett, Chief Audit Executive Ryan Rapp, Interim Chancellor Hank Foley, Ms. Rhonda Gibler, Provost Garnet Stokes joined the meeting.

Internal Audit Update and Legal Advice – presented by Chief Audit Executive Rapp and General Counsel Owens

Ms. Rhonda Gibler and Provost Garnet Stokes excused themselves from the meeting.

Mr. Mitch Wasden and Mr. Robert Hess joined the meeting.

Contract and Legal Advice – presented by Chief Audit Executive Rapp and General Counsel Owens

### **General Business**

General Counsel’s Report and Legal Advice – presented by General Counsel Owens

<sup>272</sup>New Entity Formation, MU – this item is excluded from the minutes and may be given public notice upon completion.

<sup>273</sup>New Entity Formation, MU – this item is excluded from the minutes and may be given public notice upon completion.

Mr. Wasden and Mr. Hess excused themselves from the meeting.

Property License, Normandie Hall (Boiler House), St. Louis, St. Louis County, Missouri, UMSL – presented by Vice President Burnett (information on file)

It was recommended by Chancellor George, endorsed by Interim President Middleton, moved by Curator Graham and seconded by Curator Phillips, that the following action be approved:

that the Vice President for Finance be authorized to enter into a fifteen-year license with Incarnate Word Academy (IWA) for non-exclusive use of the ‘boiler house’ building located at 2794 Normandy Drive, St. Louis, St. Louis County, Missouri (Normandie Hall) and the equipment contained therein serving the IWA campus facilities, for the University of Missouri-St. Louis.

Cost: \$ 0

Roll call vote:



Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

This item was completed on April 30, 2016.

<sup>274</sup>Property Purchase, MU – this item is excluded from the minutes and may be given public notice upon completion.

<sup>275</sup>Property Purchase, MU – this item is excluded from the minutes and may be given public notice upon completion.

Property Sale, 3211, 3213, 3217 and 3301 South Providence Road, Columbia, Missouri, MU – presented by Vice President Burnett (information on file)

It was recommended by Interim Chancellor Foley, endorsed by Interim President Middleton, moved by Curator Steelman and seconded by Curator Snowden, that the following action be approved:

that the Vice President for Finance be authorized to negotiate and sell, at or above appraised value, approximately 4.8 acres of land and buildings formerly known as the University Physicians Green Meadows Clinics located at 3211, 3213, 3217, and 3301 South Providence Road, Columbia, Missouri, for the University of Missouri-Columbia.

Proceeds will be credited to the University Hospital Clinic Facility fund.

Roll call vote:

Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.

Curator Steelman voted yes.

The motion carried.

This item was completed on May 31, 2016.

Vice President Burnett excused himself from the meeting.

General Counsel's Report and Legal Advice – presented by General Counsel Owens

No action taken by the Board.

The executive session of the Board of Curators meeting recessed at 6:25 pm on Thursday, April 14, 2016.

**Reception and Dinner for the Board of Curators, President and General Officers  
(By Invitation)**

6:30 – 8:30 P.M.

Thursday, April 14, 2016

Hosted by: Chancellor Cheryl B. Schrader and Mr. Jeffrey L. Schrader

Location: Hasselman Alumni House, Missouri University of Science and Technology campus, Rolla, Missouri

Program: S&T Spotlight: Performances Highlighting Our Inclusive Community

**BOARD OF CURATORS MEETING – PUBLIC SESSION**

**Missouri S&T Faculty Senate Breakfast and Presentation with the Board of Curators**

8:00 – 8:45 A.M.

Friday, April 15, 2016

Topic: Research Changing Everyday People's Lives

Presenter: Yinfa Ma, Ph.D., Casey Burton and Ariel Donovan

Location: St. Pat's Ballroom C, Havener Center

A meeting of the University of Missouri Board of Curators reconvened in public session at 9:00 A.M., on Friday, April 15, 2016, in St. Pat's Ballroom A&B of the Havener Center on the Missouri University of Science and Technology campus, Rolla, Missouri, pursuant

to public notice given of said meeting. Curator Pamela Q. Henrickson, Chair of the Board of Curators, presided over the meeting.

Present

The Honorable Donald L. Cupps  
The Honorable Maurice B. Graham  
The Honorable Pamela Q. Henrickson  
The Honorable John R. Phillips  
The Honorable Phillip H. Snowden  
The Honorable David L. Steelman

Also Present

Mr. Michael A. Middleton, Interim President  
Mr. Stephen J. Owens, General Counsel  
Ms. Cindy Harmon, Secretary of the Board of Curators  
Dr. Gary K. Allen, Vice President for Information Technology  
Dr. Brian D. Burnett, Vice President for Finance  
Dr. Henry “Hank” Foley, Interim Chancellor for University of Missouri-Columbia  
Dr. Thomas F. George, Chancellor for University of Missouri-St. Louis  
Mr. Stephen C. Knorr, Vice President for University Relations  
Mr. Leo E. Morton, Chancellor for University of Missouri-Kansas City  
Dr. Cheryl B. Schrader, Chancellor for Missouri University of Science and Technology  
Dr. Robert W. Schwartz, Interim Vice President for Academic Affairs, Research and Economic Development  
Ms. Kelley Stuck, Interim Vice President for Human Resources  
Ms. Zora Z. Mulligan, Chief of Staff, UM System  
Mr. John Fougere, Chief Communications Officer, UM System  
Media representatives

**General Business**

Board Chairman’s Report – A Culture of Respect (slides on file)

Four Missouri S&T students participated in a panel discussion regarding study abroad experiences and how international students contribute to the campus diversity and their experience on campus. The student participants were Bradley Parks, Bridget Bier, Malick Ndiaye and Razan Alyamani.

University of Missouri System President’s Report – presented by Interim President Middleton

The Interim President presented an update of strategic goals progress and moving the University forward.

### **Consent Agenda**

It was endorsed by Interim President Middleton, moved by Curator Cupps and seconded by Curator Snowden, that the following items be approved by consent agenda:

#### **CONSENT AGENDA**

1. Minutes, January 27, 2016 Special Board of Curators Meeting
  2. Minutes, February 4-5, 2016 Board of Curators Meeting
  3. Minutes, February 4-5, 2016 Board of Curators Committee Meetings
  4. Minutes, February 24, 2016 Special Board of Curators Meeting
  5. Minutes, March 14, 2016 Board of Curators Meeting
  6. Degrees, Spring Semester 2016 for all campuses
  7. Transition Assistance Program Extension, UM
  8. Approval of Spinal Cord Injuries and Congenital or Acquired Disease Processes Research Program Proposals
  9. Approval of Paul Maguffee as Assistant Secretary for the Board of Curators
- 
1. Minutes, January 27, 2016 Special Board of Curators Meeting – as provided to the curators for review and approval.
  2. Minutes, February 4-5, 2016 Board of Curators Meeting - as provided to the curators for review and approval.
  3. Minutes, February 4-5, 2016 Board of Curators Committee Meetings – as provided to the curators for review and approval.
  4. Minutes, February 24, 2016 Special Board of Curators Meeting – as provided to the curators for review and approval.
  5. Minutes, March 14, 2016 Board of Curators Meeting – as provided to the curators for review and approval.
  6. Degrees, Spring Semester 2016 for all campuses –

That 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 System campuses who fulfill the requirements for such degrees and certificates at the end of the Spring Semester

2016, shall be approved, and that the lists of said students who have been awarded degrees and certificates be included in the records of the meeting.

7. Transition Assistance Program Extension, UM –

That the Transition Assistance Program for Administrative, Service & Support Employees be extended through June 30, 2017. This program, originally approved by the Board of Curators in February 2009, was effective March 1, 2009 and was to remain in place until June 30, 2010. Due to the continued budget situation, the Board has granted annual extensions of the program through June 30, 2011, June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016. With continued fiscal constraints, it is proposed that the attached program be extended through June 30, 2017.

8. Approval, Spinal Cord Injuries and Congenital or Acquired Disease Processes Research Program Proposals

Proposal Recommended For Funding  
2016

Pre-clinical development of E1-targeting ASOs in SMA

Christian Lorson  
Professor  
University of Missouri-Columbia

Total funding recommended            \$500,000

9. Approval, Paul Maguffee as Assistant Secretary for the Board of Curators

That Deputy General Counsel Paul Maguffee is appointed Assistant Secretary of the Board of Curators effective April 14, 2016.

Roll call vote of the full Board:

Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

### **Governance, Resources and Planning Committee**

Chair Cupps provided time for discussion of committee business.

#### Creation of a Health Affairs Standing Committee of the Board of Curators, Amendment to Collected Rules and Regulations 10.050 and Appointment of Initial Members (information on file)

It was recommended by President Middleton, moved by Curator Cupps and seconded by Curator Steelman that a standing committee on health affairs be created, the Collected Rules and Regulations, Section 10.050 “Standing Committees” be amended as outlined in the attached document, and the following individuals be appointed to serve as members of the Health Affairs Committee:

Roll call vote of the Board of Curators:

Curator Cupps voted yes.

Curator Graham voted yes.

Curator Henrickson voted yes.

Curator Phillips voted yes.

Curator Snowden voted yes.

Curator Steelman voted yes.

The motion carried.

### **Collected Rules and Regulations 10.050 Standing Committees**

#### **Chapter 10 Board of Curators**

Bd. Min. 11-10-67, p. 33,579; Amended 8-6-71, p. 35,988; Amended 5-23-03; Amended 9-9-04; Amended 3-23-06, Amended 7-21-06, Amended 10-6-06, Amended 4-6-07, Amended 6-1-07, Amended 2-6-09, Amended 9-24-10, Amended 5-19-11, Amended 4-15-16.

The Chair of the Board of Curators, subject to the approval of the Board, shall appoint the following standing committees: ACADEMIC, STUDENT AND EXTERNAL AFFAIRS COMMITTEE; AUDIT COMMITTEE; COMPENSATION AND HUMAN RESOURCES COMMITTEE; FINANCE COMMITTEE; GOVERNANCE, RESOURCES AND PLANNING COMMITTEE, and HEALTH AFFAIRS COMMITTEE. The Board Chair shall designate one member of each committee as committee chair. The Chair of the Board shall consider in making such appointment that it is desirable for each Board member to serve on as many committees as possible during his/her term, but that no committee should be left without continuity.

**A. Academic, Student and External Affairs Committee** - The Academic, Student and External Affairs Committee may have referred to it matters relating to curricula, faculty and student affairs, government relations and external relations.

1. The Vice President for Academic Affairs, the Vice President for Government Relations and the Assistant Director of Strategic Communications, of the University or some other person(s) designated by the President shall be an ex officio member of this Committee and be responsible for the agenda and for transmitting Committee recommendations.

2. The Academic, Student and External Affairs Committee shall be the Board Committee on external affairs and shall be responsible for review of University of Missouri System, including each campus, activities and efforts that effect public perception of the entire University System and its mission.

a. Coordinate policy and planning relative to institutional relations with outside constituencies in conjunction with the President of the University and the offices of Governmental Relations and Strategic Communications. This may include activities pertaining to government affairs, alumni affairs, community relations, parent organizations and the media.

b. Consider, with the President, all recommendations and observations that the Board directs to the committee and to report to the Board all recommended actions and policies for Board consideration to advance the University.

c. Support long range planning efforts of the Board by developing plans aimed toward elevating the status of public higher education to all local, state and federal constituencies and agencies, including the Missouri Legislature and the general public.

d. Assist the Board and administration with articulating the mission of the University, its resource and revenue requirements to all local, state and federal constituencies and agencies, including the Missouri Legislature and the general public.

e. Assist the Board and the University administration (the University System and each of its campuses), in establishing and maintaining such development and fund raising

policies, procedures and programs as are deemed appropriate to obtain donor financial support for the University as a whole and each of its campuses in order to fulfill identified financial goals necessary for the University to accomplish its mission. The Committee shall assist the Board in identifying ways to participate and encourage active participation of the Board and its individual members in the development activities of the University.

**B. Audit Committee -**

1. The Audit Committee will assist the Board of Curators in fulfilling its oversight responsibilities relating to: the integrity of the University's financial statements, the systems of internal control, the performance of the University's independent auditors and internal audit function, the independent auditor's qualifications and independence, and the University's compliance with legal and regulatory requirements.

a. The Audit Committee shall be the Board Committee on audit.

b. The Audit Committee shall meet four times per year to consider business related to its audit function. Sufficient opportunity for the internal and independent auditors to meet with the Committee should be provided. At least annually, the Audit Committee, as part of its audit function, shall meet solely with the independent auditor and the internal auditor.

c. The Audit Committee in its audit role may investigate any matter brought to its attention with full access to all records, facilities, and personnel of the University and the authority to engage other individuals as necessary to carry out its duties.

d. The responsibilities of the Audit Committee in its audit function include, but are not limited to, a review of the internal audit plan, a review of audits completed, a review of annual audited financial statements, and recommending to the full Board of Curators the appointment of the University's independent and internal auditors.

e. The Audit Committee may establish processes, procedures, and regulations governing their oversight of the internal and external audit process.

**C. Compensation and Human Resources Committee -** The Compensation and Human Resources Committee may have referred to it matters relating to the compensation, benefits and other human resource functions of the University and associated programs and policies.

1. The Vice President for Human Resources of the University of Missouri or some other person or persons designated by the President of the University shall be an ex officio member of this Committee.



2. The Compensation and Human Resources Committee shall be the Board Committee for executive compensation based on established individual dollar threshold and multi-year contract arrangements; Retirement Disability and Death Benefits Program; medical plan and all other benefit programs of the University; human resource and labor policy; and attendant financial considerations associated with these programs with the exception of the Retirement Trust. The Compensation and Human Resources Committee has broad responsibility for oversight in matters involving personnel and compensation throughout the University. The President shall regularly consult with the Committee in the following areas:

- a. Multi-year employment contracts and extensions;
- b. Compensation and salary levels for General Officers, faculty, and staff;
- c. Performance and annual review protocols;
- d. Market and wage comparator groups;
- e. Evaluating benefits, retirement, and post-retirement plans; and
- f. Promulgating employee recruitment, hiring, and termination policies.

**D. Finance Committee** - The Finance Committee may have referred to it matters relating to the fiscal and accounting functions of the University and associated programs and policies.

1. The Vice President for Finance and Administration of the University or some other person or persons designated by the President of the University shall be an ex officio member of this Committee. The Vice President for Finance and Administration shall be responsible for the agenda and for transmitting Committee recommendations.
2. The Finance Committee shall be the Board Committee on investments.
3. The Finance Committee shall be the Board Committee on physical facilities and management services. The Finance Committee may have referred to it matters relating to the planning, building, maintenance and operation of the physical facilities of the University, and the purchasing of equipment and supplies utilized by the University.

**E. Governance, Resources and Planning Committee** -

1. The Governance, Resources and Planning Committee shall consist of three curators. The Board Chair and the President of the University shall serve as ex officio members of the committee. Ordinarily, not more than two of the three committee members shall be

new in any given year. When possible, the immediate past Chair of the Board shall serve as Chair of the Committee.

2. The Committee shall have a broad mandate from the Board to work with the Board Chair and the President of the University to help the Board function effectively, efficiently and with integrity. Its responsibilities shall minimally include:

- a. ensuring that a substantive orientation process is in place for all new Board members;
- b. overseeing, or determining with the Board Chair and President, the timing and process of periodic Board self-assessment;
- c. encouraging Board members to participate periodically in in-service education opportunities;
- d. ensuring that the Board adheres to its rules of conduct, including conflict-of-interest and disclosure policies, and that it otherwise maintains the highest levels of integrity in everything it does; and
- e. periodically reviewing the adequacy of the Board's bylaws and other Collected Rules and Regulations adopted by the Board that pertain to its internal operations. All recommendations for bylaws amendment shall first be considered by this Committee.

3. In addition, the Committee shall engage in activities and meaningful work with the University of Missouri administration to: (1) assist the Board of Curators in securing adequate resources for the University of Missouri to respond to its challenges and responsibilities as Missouri's major public research university; and (2) to provide oversight and guidance for the University of Missouri's academic and financial planning, both short- and long-term. In assisting the Board of Curators and the University of Missouri to secure adequate resources, the Resources and Planning Committee will monitor and recommend changes, as appropriate, in policies and procedures related to:

- a. support from the taxpayers of Missouri, as recommended by the Governor and appropriated by the General Assembly;
- b. federal support for the University of Missouri's research and other educational programs and for student financial aid at both the undergraduate and graduate levels.

4. The Committee's role in planning includes leadership leading to the annual establishment and assessment of goals and priorities for the University of Missouri System and its campuses and the intermediate-term strategic planning (three to five year time horizon) and longer term environmental forecasting for the University of Missouri System and its campuses, all intended to assist the University of Missouri in establishing

current and future needs of the University of Missouri and systems or means to accomplish the future ambitions of the University of Missouri.

#### **F. Health Affairs Committee**

1. The Health Affairs Committee shall include curators and may include additional non-curator members appointed by the Board Chair, subject to approval of the Board. The Board Chair, subject to approval of the Board, shall determine the number of curators and non-curator members to appoint to the Committee; provided that, the number of non-curator members on the Committee shall not exceed the number of curator members on the Committee, unless the Committee temporarily has more non-curator members than curator members because a curator member of the Committee has resigned from the Board or the Committee. Committee members may be reappointed to serve additional terms. Non-curator members may resign their committee membership by providing written notice to the Board chair. Non-curator members of the Health Affairs Committee serve at the pleasure of the Board of Curators and may be removed by the Board Chair at any time, subject to approval of the Board. Non-curator vacancies shall be filled in the same manner as original appointments.

2. The Health Affairs Committee will assist the Board of Curators in overseeing the clinical health care operations of the University and in coordinating those operations in furtherance of the University's teaching, research, and clinical missions. The Health Affairs Committee shall receive and review regular reports from University of Missouri Health Care ("MU Health Care") and the MU School of Medicine's faculty practice plan ("University Physicians"). Areas of oversight for the Health Affairs Committee shall minimally include: mission, strategy, governance, compliance, operations, and coordination of the clinical, teaching, and research missions. The Health Affairs Committee may also request information and reports, receive referrals from the Board and University officers, and initiate such other actions as may be appropriate or necessary to assist the Board in overseeing health care issues and coordinating clinical, teaching, and research missions of other System and campus units.

3. The Health Affairs Committee shall meet at least four times per year to consider business related to the clinical health care operations of the University and coordination of those operations in furtherance of the University's teaching, research, and clinical missions. The Health Affairs Committee shall receive reports from appropriate officers of MU Health Care and University Physicians at such meetings and may also request information and reports from other campus or System officers as appropriate. The Board Chair, subject to approval of the Board, may appoint a staff liaison to the committee to assist in developing the agenda for Committee meetings and transmitting Committee recommendations.

4. A quorum for the transaction of any and all business of the Committee shall exist when:

- a. Both a majority of all Curator members of the Committee and a majority of all members of the Committee are participating for Committee meetings which are held in conjunction with meetings of the Board; or
  - b. Both all Curators members of the Committee and a majority of all members of the Committee are participating for Committee meetings which are not held in conjunction with meetings of the Board.
5. The Health Affairs Committee may identify significant issues related to health care matters of the University and require advance approval and coordination of those issues in furtherance of the teaching, research, and clinical missions of the University.

### **G. Duties**

1. Each Committee shall receive such other matters as may be referred to it by the Chair of the Board of Curators.
2. Said Committees shall investigate the matters referred to them and make recommendations to the Board.
3. Each of said Committees shall meet as business requires and upon the call of the Chairman of the Committee.

### **General Business**

#### Good and Welfare

Draft June 16-17, 2016 Board of Curators meeting agenda – no discussion (on file)

Proposal for Board Engagement with Faculty and Students – presented by Chair Henrickson (information on file)

The proposal presented provides an opportunity for informal dialogue between the UM System Board of Curators and students and faculty on each campus to understand their ideas or concerns and to elevate the knowledge and understanding of governance.

It was moved by Curator Graham and seconded by Curator Phillips, that the proposal for Board Engagement with Faculty and Students be approved as presented (and as on file with the minutes of this meeting).

Roll call vote of the Board:

Curator Cupps voted yes.  
Curator Graham voted yes.  
Curator Henrickson voted yes.  
Curator Phillips voted yes.  
Curator Snowden voted yes.  
Curator Steelman voted yes.

The motion carried.

The public session of the Board meeting recessed at 10:15 A.M. on Friday, April 15, 2016.

### **Executive Session**

A meeting of the University of Missouri Board of Curators was reconvened in executive session at 10:45 A.M., on Friday, April 15, 2016, in the Silver and Gold Room of the Havener Center on the Missouri University of Science and Technology campus, Rolla, Missouri, pursuant to public notice given of said meeting. Curator Pamela Q. Henrickson, Chair of the Board of Curators, presided over the meeting.

#### Present

The Honorable Donald L. Cupps  
The Honorable Maurice B. Graham  
The Honorable Pamela Q. Henrickson  
The Honorable John R. Phillips  
The Honorable Phillip H. Snowden  
The Honorable David L. Steelman

#### Also Present

Mr. Michael A. Middleton, Interim President  
Mr. Stephen J. Owens, General Counsel  
Ms. Cindy S. Harmon, Secretary of the Board of Curators

### **General Business**

Interim Chancellor Foley joined the meeting.

General Counsel's Report continued – presented by General Counsel Owens  
No action taken by the Board.

Interim Chancellor Foley excused himself from the meeting.

President's Report on personnel and contracts – presented by Interim President Middleton.

No action taken by the Board.

There being no other business to come before the Board of Curators, the meeting was adjourned at 1:38 P.M. on Friday, April 15, 2016.

Respectfully submitted,

Cindy S. Harmon  
Secretary of the Board of Curators  
University of Missouri System

Approved by the Board of Curators on June 17, 2016.