

**THE UNIVERSITY OF WYOMING
MINUTES OF THE TRUSTEES**

**Conference Call Meeting
Wednesday, October 19, 2016**

The final minutes can be found on the University of Wyoming Board of Trustees website at
<http://www.uwyo.edu/trustees/>

TRUSTEES OF THE UNIVERSITY OF WYOMING AGENDA
October 19, 2016

AGENDA ITEMS FOR DISCUSSION/APPROVAL

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- August 24, 2016 (Conference Call)
- September 14-16, 2016

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Roll Call

Date of Next Meeting – November 16-18, 2016

Adjournment

THE UNIVERSITY OF WYOMING
MINUTES OF THE BOARD OF TRUSTEES
October 19, 2016
Old Main Boardroom

The University of Wyoming Board of Trustees held a conference call on Wednesday, October 19, 2016. Trustee President John MacPherson called the meeting to order at 8:04 a.m. Deputy Secretary for the Board of Trustees Shannon Sanchez took roll. Trustees participating included: Mel Baldwin, Dave Bostrom, John MacPherson, Jeff Marsh, Mike Massie, John McKinley, Dave Palmerlee, Michelle Sullivan, Dave True, and Wava Tully. Ex-officio Trustees UW President Laurie Nichols (in room), ASUW President Michael Rotellini (in room), and Wyoming Community College Commission Executive Director Jim Rose were in attendance. Ex-officio Trustees Governor Matt Mead and State Superintendent for Public Instruction Jillian Balow were not in attendance. Trustee Dave Bostrom moved to enter executive session for purposes of personnel. Trustee Jeff Marsh seconded. All trustees were in favor. The Board entered executive session at 8:05 a.m.

The Board re-entered public session at 8:37 a.m. Deputy Secretary of the Board of Trustees Shannon Sanchez took roll again and all the same members were present, with the addition of Ex-officio Trustee Wyoming Community College Commission Director Jim Rose and Chief Academic Officer Brent Bacon participating on behalf of State Superintendent for Public Instruction Jillian Balow. The trustees discussed various matters such as the status of the fiscal plan, supplemental budget, October CREG report, and enrollment. The meeting adjourned at 9:50 a.m.

AGENDA ITEM TITLE: Approval of Board of Trustee Meeting Minutes (Public and Executive Session), MacPherson

- August 3-5, 2016 (Retreat)
- August 24, 2016 (conference call)
- September 14-16, 2016

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify: Item for Approval
-

MINUTES OF THE MEETING:

The Board approved the minutes from the August 3-5, 2016, meeting, the August 24, 2016, conference call, and the September 14-16, 2016 meeting. Trustee Dave Bostrom moved to approve the minutes. Trustee Michelle Sullivan seconded. Trustee Mike Massie noted that there was a glitch on page of the August Retreat minutes and that there was an adjustment to be made on page 18 of the September minutes to reflect what he had stated regarding the recruitment plan. Trustee Dick Scarlett stated that on page five of the September minutes the line beginning with “so we that proper enrollment” did not make sense. All trustees were in favor of approving the minutes as corrected; the motion passed unanimously.

AGENDA ITEM TITLE: **Update re: 2016 Commencement (December 9-10)**, Nichols/Miller

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

UW President Nichols provided the Board with an update on 2016 Commencement. She noted that in the past the commencements had been the responsibility of each college, and because of the budget reductions, some colleges were planning on not having a fall commencement. She stated that she and Provost Miller had discussed options. UW President Nichols stated that they wanted to have the commencement as one large event in the Arena Auditorium in the future, but it would not work for this year as there was a home basketball game the same weekend. She added that because of this, they would have the commencement in the Arts and Sciences Auditorium and would break the ceremony into two parts. She noted that the ceremonies would be held Friday, December 9 at 4:00 p.m. and Saturday, December 10 at 10:00 a.m. She then mentioned the colleges that would be included in both ceremonies. UW President stated that speakers were being contacted, one of those being Governor Matt Mead.

Trustee John McKinley asked how many students would be graduating in the fall. UW President Nichols responded that there were about 650 who would participate in commencement.

Trustee John MacPherson reminded the Board that when the trustees' budget was approved, there was no provision to provide transportation or overnight lodging for commencement.

Trustee Dave Bostrom noted the importance of trustee participation in ceremonial events. He stated that there was nothing more important than graduation, as it was the beginning of students' careers and alumni life. He then moved that trustee participation be encouraged and transportation and lodging provided to the trustees.

The motion was seconded Trustee Marsh. Trustee Marsh clarified that this would be in accordance with the Board's transportation guidelines.

Trustee Massie clarified further that this would not be an expense added to the budget, but rather money would just be moved around to cover this expense.

University President Nichols stated that usually the individual colleges paid for each commencement, but due to the centralizing, the Office of the President would pick up the expenses.

Trustee Massie asked if that included the costs of the trustees' transportation. University President Nichols replied that they had not included trustee travel in the commencement budget, but she noted that they could look at it.

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Trustee Massie referenced the annual budget approved for the Board of Trustees. He clarified his question that this expense would come from that budget, and that the motion was not adding to the \$220,000. He reiterated that this would take expenses from that budget.

Trustee McKinley asked to clarify that the motion was to authorize the expense out of the existing budget. He also noted that they would not know if it would be covered by the existing budget until April.

Trustee Bostrom agreed. He commented that this was first year it had been stated by the Board that this is what they anticipated the budget to be. He noted that this was a work in process, and that it might need to be reviewed towards the end. He added that it may be necessary to add funds at a future time, but there was no need to add any now.

All trustees were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: Report on the Status of Review/Revision of UW Policies, Regulations, and Related Materials, Evans

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

Interim General Counsel Tara Evans provided the Board with an update on the regulatory overhaul. She noted that she had sent out a request to all of the units to obtain all of their policies and practices and that those should be coming back to her within the next few weeks. She stated that once she received all of them, she would work with UW President Nichols and the vice presidents to assign regulations, Presidential Directives, and policies to units.

Trustee President MacPherson noted that it would be helpful to have a timeline of the plan. Interim General Counsel Evans added that she planned to have the entire inventory back to the Board by January.

Trustee McKinley clarified whether she was speaking of the University Regulations or other regulations. Interim General Counsel Evans responded that she was referencing the University Regulations, as well as other directive and policies. She noted that overall they were planning to clean up the regulations so that some policies could be created that would not need Board approval.

AGENDA ITEM TITLE: Notice of the Trustees Intention to Amend By-laws as Required by Article VIII, MacPherson

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

Trustee President MacPherson provided the Board with information regarding Article VIII of the Trustee By-laws. He noted what the article stated on the intention to amend the Trustee By-laws. He stated that there was not going to be discussion on the matter, but rather he was informing the trustees about the amendment process. Trustee MacPherson added that the proposed amendment was posted online and that he recommends each trustee to read through them and bring discussion back to the next meeting.

Trustee Massie asked what the process was for amending the proposed amendments. Trustee MacPherson responded that those could be submitted ahead of time or during the discussion on the amendments.

AGENDA ITEM TITLE: **President's Written Report on Status of the Fiscal Plan**, Nichols

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

UW President Laurie Nichols noted that a document had been sent out which stated the FY18 fiscal plan. She reminded the Board that the FY17 budget reductions had been realized and was now officially completed. She discussed the FY18 budget reduction plan and the role of the Financial Crisis Advisory Committee (FCAC). She noted the FY18 budget reduction strategies included having a second separation incentive program for faculty members, eliminating vacant positions, and to having the vice presidents eliminate some funds from their budgets coinciding with the recommendations from Huron Consulting. She stated that the recent town hall meeting could be found online, along with the corresponding slides. UW President Nichols noted that the Revenue Enhancement Committee had also been working to determine revenue ideas, including possible program fees. She stated that those were all in draft form, and the committee was working with the students on that proposal to modify it based on feedback.

Trustee Scarlett reminded the Board of the AMK Ranch, and how that would be an upcoming cost. UW President Nichols noted that that was included on their list for needed renovations and improvements. She added that though it was not included in the budget reduction plan, it was included in other places.

AGENDA ITEM TITLE: **Update from Budget Committee FY 18 budget process and the 2019-20 budget process and Supplemental Budget Update**, McKinley, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other

Specify:

MINUTES OF THE MEETING:

Trustee McKinley updated the Board on the Budget Committee's FY18 budget process and the 2019-20 budget process. He began by referring to a document that had been provided in July. He noted that nothing had happened with regard to the 2019-20 budget process.

He then provided updates on the supplemental budget. Trustee McKinley noted that the Governor's office had received three items for request and had not made a final decision. He added that even if the item would not have required any additional funding they had urged the Governor to keep the item as a main area of focus for the University.

Vice President for Administration Bill Mai added that the Governor's office had agreed to fund the costs of the incinerator at the BSL3 project. Trustee President MacPherson reminded the Board that that cost was out of the risk pool and not out of UW's budget.

Trustee Massie asked where that would be reflected in the requests to the legislature. Vice President Mai explained that the legislature gave the University the funds from a loan from the risk pool. He added that no additional action needed to be taken.

AGENDA ITEM TITLE: **Follow-up on October CREG Report**, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

Vice President for Administration Bill Mai provided the Board with a follow-up on the Consensus Revenue Estimating Group (CREG) Report. He noted that the CREG had met the previous week to formulate the estimate of revenue for the next six years. He stated that he could not go into much detail as they were not planning to release the report until Monday. Vice President Mai added that there was a Joint Appropriations Committee (JAC) in Casper, where the data would be released. He noted that there was not a lot of good news, but that it had not changed a lot since March. He stated that he thought it was worrisome, as the state was not seeing much recovery.

Trustee Larry Gubbels noted that the coal companies around the area had begun hiring again, so he stated that he hoped that was a positive sign for Wyoming.

Vice President Mai responded that coal shipments had recovered but that they were not to the levels they had seen around a year ago. He then added that they would likely start preparing for the FY19-20 biennium budget in March of 2017. He stated that the one thing the trustees would see change is the immediate focus on the FY19-20 budget.

AGENDA ITEM TITLE: **Enrollment Update**, Axelson

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

Vice President for Student Affairs Sara Axelson provided the Board with an update on enrollment. She noted that the information for the updates had been taken from September 19, and she referred the Board to the report to view the tables. She stated that UW had been down 234 students in the fall, with a total of 12,607 students for the first semester. She then proceeded to note some of the key data points of her presentation. Vice President Axelson noted that UW had seen a decline primarily in non-resident students, while in-state student numbers stayed constant. She stated that the non-resident decline had been a mix of freshman and transfer students. She added that the retention of students had continued to increase with 76.4% of students from last fall returning. She noted that graduation numbers had also increased, with an all-time high of 2,860 graduates in the past year. Vice President Axelson then stated that they were working on improving enrollment and graduation persistence numbers, and she shared those numbers with the Board. She also discussed that UW had more minority students on campus, which is great to see. She noted that incoming freshman numbers were down 144 students this fall, although their academic preparation stayed the same with a 3.47 GPA and 24 ACT. She added that transfer students did increase by 37 students, which was indicative of the successful work with transfer articulation. She continued that graduate students increased by 76 students this fall. She also expressed that it was wonderful to see UW-Casper increase enrollment significantly. She noted that the distributed tables go deeper in the data. She reiterated that her office was working with an external consultant to plan for 5 years from now, but as well as for the concerted effort for Fall 2017 to grow enrollment. She added that she would return in November to discuss marketing, recruiting and the scholarship adjustments, as they were already awarding scholarships for Fall 2017 students. She noted that UW had faculty contacting high achieving students in Wyoming. She summarized that there was work to do, but that this work was in motion.

Trustee Marsh made an inquiry with regard to what was being seen in the community colleges, and if their enrollments were down. He remarked that if that was the case, then that component of that transfers would be reflected in UW's numbers.

Vice President Axelson replied that she has learned that some community colleges have seen increases, while others have seen decreases, and some have stayed even. She agreed that this also needed to be looked at. She added that out-of-state transfer students would be critical to UW's growth in future.

Wyoming Community College Commission Director Jim Rose stated that he would be meeting with President Nichols and some of her staff that morning, and that this is one of items on the agenda to be discussed. As Vice President Axelson indicated, the colleges enrollment numbers are variable. He elaborated that Western Wyoming Community College and the Northern Wyoming Community College district are significantly up in enrollment. He felt that this was a topic that University President Nichols has addressed and will continue to address with the colleges. He restated that this is something that they would be talking about that morning.

Trustee Marsh thanked Director Rose and University President Nichols for their dialogue with one another.

AGENDA ITEM TITLE: **Status of Strategic Plan**, Miller

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

Provost and Vice President for Academic Affairs Kate Miller noted the kick-off of the dialogue and listening sessions, and stated that the first one had been held the previous afternoon. She noted that this activity would continue until December 16th. She added that there was a strategic planning link on the President's website that linked to a variety of materials and information. This includes a timeline approved at previous Board meetings, a schedule of the dialogue and listening sessions, and audio recordings or WyoCasts of the sessions that would be placed on the website for up to a week. She also noted the opportunity for the community to make comments based on any of the sessions or any other comments they have. She added that notes would be taken at every session with the idea that the Strategic Planning Leadership Council would come together after all of the sessions concluded to decide on the next steps needed to synthesize all the information gathered and move towards drafting a strategic plan that would go to campus for comment in March 2017. She welcomed the Trustees to participate as they see fit and follow things on the website.

AGENDA ITEM TITLE: **Revenue Bond Issue**, Mai/Lowe

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
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MINUTES OF THE MEETING:

Vice President for Administration Bill Mai introduced Ashely Reese, UW's Manager of Financial Services who had done the work behind the bond reissuance. Before she began, Vice President Mai referenced page 19 of the Board Report. He noted that half way down page, there is statement asserting that the following bond documents would be presented to Trustees for review and approval. He stated that these would be given to the Trustee's, but he did not obtain these documents until late the day before, and they were hundreds of pages of extensive reading. He added that they probably should have changed this wording, as it sounded like these documents would be provided to the Board prior to the meeting, which was not the intent of that statement. He then referred to page 20's statements regarding the dollar savings and net present value. He noted that those numbers were based on point in time two weeks ago, and that these bonds went out for issue yesterday, so some of the market conditions had changed. He wanted to make sure the Board understood some of the tweaks made to this agenda item in trustees report.

Manager Reese stated that this morning they would be looking at the advance refunding of Series 2011 A-bonds. She noted that these were issued the UW at Casper Capital Construction Project. She shared total debt service on the bonds and the savings from refinancing. She explained that UW realized average annual savings of \$39,000 per year until the maturity date and noted that the maturity date remains the same, June 2031. The Moody's rating on this was Aa.

Trustee Marsh moved that the Board move forward with refunding of these bonds. Trustee Bostrom seconded.

Trustee True talked about the \$8.4 million that would be new funding to repay the principal and associated fees with this reissuance. He asked for the dollar amount of the associated fees. Manager Reese stated that the cost of reissuance was \$111,343.

Trustee True asked if these bonds had been taken to the market and were out. Vice President Mai affirmed Trustee True's statement, noting that they were awaiting signatures from the officers.

Trustee True asked why these bonds were already on the market and the Board had not taken action market. Manager Reese stated that they were priced the previous day, and that following Board approval they would be finalized.

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Trustee MacPherson asked what would happen if the Board did not approve. Vice President Mai replied that UW we would be out the fees.

Trustee McKinley clarified that if the Board did not approve, although they been priced, they would not be issued. Vice President Mai acknowledged that this was correct, but that UW would have to pay the fees that have been incurred.

Trustee Scarlett addressed the other bonds that were not being refunded. He asked how much there were of the other bonds and why they were not being included in the refunding at the lower rates. Vice President Mai explained that he would send the Board an updated bonded indebtedness report so the Trustees could see the status of these bonds. He noted the threshold for refunding, which was about 3-3.5% savings, and that if it was less than that, refunding was not worth it. He added that there were some bonds that been reissued around 2013. He concluded that this is the last bit of bonding that meets the threshold for savings.

Trustee Marsh commented that a component of this is that there is number that has to be set aside for payment on the current issue. He explained that there are penalties for early calls or a prepayment penalty, which also must be taken into consideration. He also noted that the brokers for these bonds ladder these, and that even though they were not changing the date, when they participate in this, only a 5-year duration may be picked up. These may be broken up at the sales desk.

Trustee Scarlett clarified that he wasn't questioning if it is a good idea, he was just not aware of how much UW had in total bonds. Vice President Mai stated that UW had about \$92 million dollars in total bonds.

Trustee McKinley asked if the bond broker got ahead of UW. He expressed concerns that if trustees did not approve this, they were still responsible for the fees of pricing that occurred yesterday.

Associate Vice President for Fiscal Administration Janet Lowe stated that the investment bankers did not get out ahead of this. She noted that it was necessary to price the bonds to give the Board final numbers so that nothing changes after the current time. She added that the documents needed to be signed with final pricing, which were the final numbers currently presented. She also commented that this was standard procedure in the market.

Trustee McKinley asked if the Board did not approve this, the UW has incurred an \$111,300 cost. Associate Vice President Lowe replied that she would have to check back with the each of the involved parties to review what may or may not be refundable.

Vice President Mai responded that there are some costs that would not be incurred. He explained that the cost to have the bond rating updated is a cost that would have to be paid. He noted that some of the preliminary worked done by companies would have to be paid as well. Associate Vice President Lowe stated that the bond council has done great deal work, and that it would have some sunk cost.

Trustee McKinley asked if UW had received the bond counsel opinion letter and the issuance letter for UW, and if that has been issued. He remarked that he has not seen the bond counsel's option letter nor the issuance letter.

Associate Vice President Lowe noted that there was a bond counsel opinion letter and that Interim General Counsel Evans had reviewed all documents and given her input.

Trustee Bostrom stated that all of this discussion is of value, but stressed that the Board has charged the administration with dealing with this issue. He felt that they were bringing to the Board results of good work, and that there are savings created from this. He thought that relying on the administration and their efforts is appropriate. He called the motion.

All were in favor.

Trustee Bostrom exited the call. Dick Scarlett exited the call. Scarlett added that these were all appropriate questions to ask. Although he didn't doubt administration was taking the right steps, it was comforting to ask these questions and do the Board's due diligence. Trustee Marsh exited the call also.

AGENDA ITEM TITLE: Status of Response to the Legislative Service Management Audit,
Boswell

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:
-

MINUTES OF THE MEETING:

Vice President for Governmental & Community Affairs Chris Boswell discussed the Wyoming Legislature's Management Audit Committee and its audit of UW titled the "Effectiveness of Block Grant Funding." He noted that UW raised some issues with the draft, and that the final report was dated January 2015. He explained that this follow up is a routine part of the management audit process. He noted that UW received news of this follow up in September of this year, which followed the typical 18-24-month revisiting of a management audit report.

He stated that the purpose from the management audit standpoint, is to verify what changes were made and what may still be considered by state agency. He continued that UW's response, which officially comes from the Trustees, but has traditionally been authored by the administration and reviewed by the President of the Board of Trustees. He added that UW's response was due by October 28th. He expected UW to meet with the committee in Cheyenne on Monday, December 5th. He discussed the status of the response. He stated that the 2014 draft response had been written by former Vice President & General Counsel Rick Miller. Now, a number of administration had worked on drafting sections of the response. He informed the Board that the committee had actually asked for more than 30 responses, so many have been involved with assembling these responses. He explained that this would be assembled over weekend and made available to UW President Nichols and Trustee President MacPherson early next week. He noted that a big part of the response that quite a bit has changed and quite a bit had happened in the past few years. He referenced the new administration, leadership, and initiatives. He noted that perhaps the most significant change, which was fostered by the management audit, was the changes to administrative and fiscal systems. He explained that this report led the legislative leadership to fund part of the new fiscal system. He stated that he won't go over the full 30 recommendations, but confirmed that the process is underway.

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Date of Next Meeting: November 16-18, 2016

Adjournment

The meeting adjourned at 9:50 a.m.

Respectfully submitted,



Shannon Sanchez
Deputy Secretary, Board of Trustees



Laura Shevling
Senior Administrative Assistant