

Official Minutes  
**Board of Regents**  
**Meeting of the Full Board**  
February 21-22, 2013  
Anchorage, Alaska

**Regents Present:**

Patricia Jacobson, Chair  
Kirk Wickersham, Vice Chair  
Michael Powers, Secretary  
Jyotsna Heckman, Treasurer  
Dale Anderson  
Timothy Brady  
Fuller A. Cowell  
Kenneth Fisher (attended February 21 only)  
Mari Freitag  
Mary K. Hughes  
Gloria O'Neill

Patrick K. Gamble, Chief Executive Officer and President, University of Alaska

**Others Present:**

Tom Case, Chancellor, University of Alaska Anchorage  
John Pugh, Chancellor, University of Alaska Southeast  
Brian Rogers, Chancellor, University of Alaska Fairbanks  
Michael Hostina, General Counsel  
Carla Beam, Vice President for University Relations  
Ashok Roy, Vice President of Finance & Administration and Chief Financial Officer  
Dana Thomas, Vice President for Academic Affairs  
Kit Duke, Chief Facilities Officer & Associate Vice President, Facilities and Land Management  
Karl Kowalski, Chief Information Technology Officer  
Michelle Rizk, Associate Vice President, Budget & Interim Chief Human Resources Officer  
Kate Wattum, Interim Director, Public Affairs  
Brandi Berg, Executive Officer, Board of Regents  
Julie Benson, Coordinator, Board of Regents  
Terry MacTaggart, UA Strategic Direction Initiative Consultant

**I. Call to Order**

Chair Jacobson called the meeting to order at 9:00 a.m. on Thursday, February 21, 2013.

## **II. Adoption of Agenda**

Regent Anderson moved, seconded by Regent Heckman and passed with no objection that:

**PASSED AS AMENDED** (amendment noted by \*)

**"The Board of Regents adopts the agenda as presented.**

- I. Call to Order**
- II. Adoption of Agenda**
  - \*II.A. Executive Session** (added)
- III. Approval of Minutes**
- IV. Executive Session**
- V. Public Testimony**
- VI. President's Report**
- VII. Governance Report**
- VIII. Presentation from the University of Alaska Anchorage**
- IX. Authorization of Sale of General Revenue and Refunding Bonds 2013 Series S**
- X. Approval of Establishing a Quasi-Endowment for the University of Alaska Museum of the North**
  - \*X.A. Executive Session** (added)
- XI. Human Resources Report**
- XII. Planning and Development Issues**
  - A. UA Foundation Report**
  - B. Development Report**
- XIII. Discussion regarding Strategic Direction Initiative**
- XIV. Consent Agenda**
  - A. Academic and Student Affairs Committee**
    - 1. Approval of Deletion of the Master of Science in General Science at the University of Alaska Fairbanks**
    - 2. Approval of Deletion of the Master of Arts in Teaching in Mathematics at the University of Alaska Fairbanks**
    - 3. Approval of Deletion of the Master of Arts in Teaching in Physics at the University of Alaska Fairbanks**
  - B. Facilities and Land Management Committee**
    - 1. Approval of the University of Alaska Fairbanks College of Rural and Community Development (CRCD) and Community and Technical College (CTC) Master Plans**
    - 2. Schematic Design Approval for the University of Alaska Fairbanks Fine Arts Complex Vapor Barrier**
- XV. New Business and Committee Reports**
  - A. Academic and Student Affairs Committee**
  - B. Audit Committee**
  - C. Facilities and Land Management Committee**
  - \*D. Authorization to Proceed with Contractual Terms for Naming a Facility at the University of Alaska Anchorage** (added)

- XVI. Approval of Revisions to the Industrial Security Resolution**
- \*XVI.A. Alaska Commission on Postsecondary Education Report (added)**
- XVII. UA Athletics Report**
- XVIII. Future Agenda Items**
- XIX. Board of Regents' Comments**
- XX. Adjourn**

**This motion is effective February 21, 2013."**

**\*II.A. Executive Session**

Regent Hughes moved, seconded by Regent Wickersham and passed with Regents Anderson, Brady, Cowell, Fisher, Freitag, Heckman, Hughes, O'Neill, Powers, Wickersham, and Jacobson voting in favor that:

**PASSED**

**"The Board of Regents goes into executive session at 9:10 a.m. Alaska Time in accordance with the provisions of AS 44.62.310 to discuss matters the immediate knowledge of which would have an effect on the finances of the university related to legislative matters. The session will include members of the Board of Regents, President Gamble, General Counsel Hostina, and such other university staff members as the president may designate and will last approximately 30 minutes. This motion is effective February 21, 2013."**

The Board of Regents concluded an executive session at 9:50 a.m. Alaska Time in accordance with AS 44.62.310 discussing matters the immediate knowledge of which would have an effect on the finances of the university related to legislative matters. The session included members of the Board of Regents, President Gamble, General Counsel Hostina, and other university staff members designated by the president and lasted approximately 40 minutes.

**III. Approval of Minutes**

Regent Cowell moved, seconded by Regent Heckman and passed with no objection that:

**PASSED**

**"The Board of Regents approves the minutes of its regular meeting of December 6-7, 2012 as presented. This motion is effective February 21, 2013."**

Regent Cowell moved, seconded by Regent Heckman and passed with no objection that:

**PASSED**

**"The Board of Regents approves the minutes of its board retreat of January 23-24, 2013 as presented. This motion is effective February 21, 2013."**

#### **IV. Executive Session**

Regent Powers moved, seconded by Regent Cowell and passed with Regents Anderson, Brady, Cowell, Fisher, Freitag, Heckman, Hughes, O'Neill, Powers, Wickersham, and Jacobson voting in favor that:

##### **PASSED**

**"The Board of Regents goes into executive session at 10:30 a.m. Alaska Time in accordance with the provisions of AS 44.62.310 to discuss matters the immediate knowledge of which would have an effect on the finances of the university related to labor and UAS housing, legal matters related to litigation and campus safety, and matters that could affect the reputation or character of a person or persons related to naming a university facility. The session will include members of the Board of Regents, President Gamble, General Counsel Hostina, and such other university staff members as the president may designate and will last approximately 1 hour. This motion is effective February 21, 2013."**

The Board of Regents recessed its executive session at 11:25 a.m.; reconvened executive session at 12:45 p.m.

The Board of Regents concluded an executive session at 1:30 p.m. Alaska Time in accordance with AS 44.62.310 discussing matters the immediate knowledge of which would have an effect on the finances of the university related to labor and UAS housing, legal matters related to litigation and campus safety, and matters that could affect the reputation or character of a person or persons related to naming a university facility. The session included members of the Board of Regents, President Gamble, General Counsel Hostina, and other university staff members designated by the president and lasted approximately 2 hours.

#### **V. Public Testimony**

Paul Miranda, firefighter and paramedic for the Anchorage Fire Department and alumni of UAF and the University Fire Department, spoke in support of student firefighters and the University Fire Department; expressed gratitude for his experience at the University Fire Department and noted how well it prepared him for his career in emergency services.

Shana Kim, UAA pre-medical student, advocated for a smoke-free campus; noted 85% of students at UAA are smoke-free and 300 students have signed a petition of support; encouraged regents to review the current policy as it does not support a smoke-free environment and stated the student proposition is to ensure health and safety for students, faculty, staff and visitors at UAA.

Jaeyeon Cho, UAA biological science student and Asian Pacific Islander Community Wellness Club president, spoke in support of a smoke-free campus and the student initiative to support a stricter policy at UAA.

**Meeting of the Full Board**

February 21-22, 2013

Anchorage, Alaska

Maria Williams, UAA Alaska Native Studies program director, stated UAA is hosting the first ever Alaska Native Studies Conference on campus this spring; mentioned faculty from each MAU and several community campuses are involved in planning the conference and noted excitement for the formation of an Alaska Native Studies Council.

Andrew Romerdahl, UAA Alumni Board of Directors member, thanked the regents for approving the resolution at the December 2012 meeting to recognize the newly organized alumni association; noted his involvement with UAA spans back to junior high when summer music programs were offered on campus; stated his responsibility in organizing the UAA MBA Alumni Club and invited regents to the Governor's Cup tailgate party.

Aggie Blandford, Western Alaska Community Development Association (WACDA) executive director, stated WACDA oversees community development quota (CDQ) programs representing 65 coastal communities; noted funding from the harvest of pollock, crab and halibut is used to fund critical infrastructure, scholarships, workforce training, social services and grant programs in CDQ member communities and spoke of the importance of the partnership and collaboration between the university and WACDA on the Fisheries, Seafood and Maritime Initiative.

Dana Diehl, State of Alaska Tobacco Prevention and Control Program employee, spoke in support of the UAA student initiative for a smoke-free campus; mentioned the public health perspective, the importance of workplace smoke-free policies and stated nationally over 800 colleges and universities have smoke and tobacco free policies.

Christie Flanagan, UAA master of public health and pre-medical student, spoke in support of a smoke-free university system and stated the UAA student initiative is not anti-smoker but anti-smoking.

Bree Villar, UAA master of public administration student and America Lung Association health education coordinator, spoke in support of a smoke-free university system.

Heather Aronno, UAA student, spoke in support of a smoke-free environment at UA.

Cindy Knall, WWAMI program medical education associate professor, spoke in support of a smoke-free campus at UAA; noted her research regarding secondhand smoke and encouraged regents to support the smoke-free student initiative.

Grace Olendorff, a 2011 UAA graduate, spoke in support of a smoke-free campus and encouraged regents to revise current policies.

Gabriel Garcia, UAA research associate, public health assistant professor and faculty senate member, spoke in support of the student initiative to implement a comprehensive smoke-free policy at the university.

Ian van Tets, UAA department of biological sciences professor and Della Keats Health Sciences program director, spoke in support of the Della Keats pre-college experience for medical, nursing and health career pathway students; mentioned the program is a summer residential program intended for underrepresented high school students and noted the program has been in existence at UAA for 30 years most recently under the guidance of the WWAMI program.

Max Bullock, USUAA student government representative, stated seven UAA students and student governance leaders from other UA campuses traveled to Juneau to advocate for the university's budget; mentioned the student group had an opportunity to meet with Governor Parnell and Lieutenant Governor Treadwell and thanked the regents for providing the opportunity for students to participate in advocating for UA.

Valeria Degado, UAA student spoke in support of a smoke-free campus and noted 85% of the student body at UAA is smoke-free.

**VI. President's Report**

No report was provided.

**VII. Governance Report**

Juella Sparks, Staff Alliance chair, recognized the Joint Health Care Committee for holding campus forums, listening to concerns and rescinding the motions regarding opting out and spousal surcharges; thanked President Gamble for participating in the February Staff Alliance meeting; stated staff is engaged in the Regents' Policy and University Regulation review process; noted the staff compensation group has seven proposals that will be recommended to President Gamble; was honored to have the opportunity to attend and be in the presence of UA leaders to discuss the Strategic Direction Initiative (SDI) on February 20, 2013; enjoyed the SDI discussion noting it was a great example of shared governance and is looking forward to phase III of the initiative.

Cathy Cahill, Faculty Alliance chair, reported the Association of American Colleges and Universities held a conference at UAA on January 11-12, 2013; noted UA faculty attended the conference to discuss commonalities, student learning outcomes, the expectations and goals for general education requirement classes; stated the major outcome of the conference led to the formation of a group of UA faculty and staff who will investigate and provide guidance across the MAUs regarding expectations for establishing common core classes; said the English departments at all three MAUs have established common placement scores and the math departments are working to accomplish the same and stated the Faculty Alliance is excited about the overall progress the MAUs are undertaking.

Shauna Thornton, Coalition of Student Leaders speaker, mentioned student governance leaders traveled to Juneau to advocate for UA, met with Lieutenant Governor Treadwell, other legislative leaders and attended Alaska House and Senate floor sessions; stated the

experience in Juneau was very inspiring and a life learning event; said the students assembled and shared calendars with legislators that included 365 days of UA student activities; noted excitement about engaging with government leaders and is looking forward to positive outcomes for UA over the next few months.

**VIII. Presentation from the University of Alaska Anchorage**

Dean Schmitt, Director Capozzi, and several faculty, alumni and current students showcased UAA's Aviation program of excellence. The presentation highlighted the program's various components, its growth in recent years, and its current and predicted future demand by students, industry and the State of Alaska.

**IX. Authorization of Sale of General Revenue and Refunding Bonds 2013 Series S**

References 1-5

*Note for the record: Regent Anderson disclosed a conflict of interest due to his occupation as a financial advisor and he did not participate in the discussion or the voting process.*

Regent Hughes moved, seconded by Regent O'Neill and passed with Regents Brady, Fisher, Freitag, Heckman, Hughes, O'Neill, Powers, Wickersham and Jacobson voting in favor and Regent Cowell voting in opposition that:

**PASSED**

**“The Board of Regents adopts the bond resolution for University of Alaska General Revenue and Refunding Bonds 2013 Series S as presented. This motion is effective February 21, 2013.”**

**POLICY CITATION**

Regents' Policy 05.04, Debt and Credit, specifies the guidelines for debt issuances and requires all debt issuances for facilities and real property be approved by the Board of Regents.

**RATIONALE AND RECOMMENDATION**

The board was informed on January 9, 2013 via a memo from Vice President of Finance and Administration and Chief Finance Officer Roy that the administration would be seeking board approval at the February meeting for a deferred maintenance and refunding bond. As noted, a negotiated sale is planned with Barclays Capital Inc. serving as underwriter. The 2013 Series S bonds are being issued to fund deferred maintenance projects and refund previously issued general revenue bonds. Each component is described in more detail below.

**Deferred Maintenance Component**

The Series S bonds include approximately \$22.6M for deferred maintenance projects throughout the university system. The bonds are being issued pursuant to \$50M of general revenue bond authority received from the State of Alaska in its fiscal year 2012

capital budget for the purpose of deferred maintenance. The university previously issued \$27.4M for deferred maintenance projects in Series Q bonds issued in October 2011.

The university has scheduled and prioritized the projects based on protection of building envelopes and extending the life of critical infrastructure and building systems. Major projects include critical electric distribution upgrades and main waste line repairs at the Fairbanks campus. In Anchorage, the Allied Health Sciences, MAC Housing and Beatrice McDonald Building renewals constitute the major projects. A full listing of the projects is in Reference 5.

A summary of the construction amounts and estimated annual debt service for the Series S bond funded projects follows:

	<u>Construction Amount</u>	<u>Estimated Annual Debt Service</u>
UAF	\$11,484,000	\$940,000
UAA	10,403,000	850,000
UA-Statewide	<u>752,500</u>	<u>85,000</u>
Total	<u>\$22,639,500</u>	<u>\$1,875,000</u>

#### Refunding Bonds Component

To achieve debt service savings, the Series S bonds include a plan to refund the 2014 and 2015 maturities of 2003 Series L and the 2014 maturity of 2004 Series M, and certain maturities of 2005 Series N general revenue bonds.

Total estimated debt service savings are approximately \$1.2M, or \$45,000 annually through 2036. As a percent of refunded bonds this represents a 9% savings. This places the university well above the 3% industry standard minimum for engaging in a refunding.

An analysis of current market conditions suggests the refunding is favorable. Market conditions could change unfavorably by the time of the sale leading to the possibility of canceling the refunding altogether or portions thereof. The estimated savings could be more or less favorable than presented herein depending on market conditions on the sale date.

#### Other Matters – Reserve Fund Elimination

Upon recommendation from the university's financial advisor, and the involvement of bond counsel, the underwriter, and trustee, the Series S supplemental indenture includes an amendment to eliminate the reserve fund. Under terms of the indenture, the elimination will not occur until all bonds prior to Series S are no longer outstanding. At the very earliest, this would be October 1, 2022 and at the latest October 1, 2035.

The reserve fund is a credit feature that was commonplace in 1992 when the university first issued bonds under its master indenture. In recent years, issuers have been discontinuing reserve funds when they are deemed unnecessary and offer no credit advantage. The university's \$6.3M reserve fund has historically been funded with bond

proceeds, so in periods of low interest rates, as in the last four years, it creates negative arbitrage. By eliminating the reserve fund, these shortfalls are prevented from reoccurring. When released, the reserve fund will be available to the university as unrestricted funds.

### **UNIVERSITY OF ALASKA BOARD OF REGENTS**

RESOLUTION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF ALASKA AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$33,500,000 PRINCIPAL AMOUNT OF UNIVERSITY OF ALASKA GENERAL REVENUE AND REFUNDING BONDS, 2013 SERIES S; AUTHORIZING THE OFFERING OF THE BONDS AT NEGOTIATED SALE; APPROVING THE FORM OF A SUPPLEMENTAL INDENTURE, A PRELIMINARY OFFICIAL STATEMENT, A BOND PURCHASE CONTRACT; AUTHORIZING AND APPROVING RELATED MATTERS; AND AUTHORIZING CERTAIN AMENDMENTS TO THE MASTER INDENTURE.

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WHEREAS, the University of Alaska (the "University") is authorized pursuant to Alaska Statutes Chapter 14.40, as amended (the "Act") to issue revenue bonds to pay the cost of acquiring, constructing, or equipping one or more projects that the Board of Regents (the "Board") of the University determines is necessary; and

WHEREAS, the University intends to issue its General Revenue and Refunding Bonds, 2013 Series S, in a principal amount not to exceed \$33,500,000 (the "Bonds") for the purpose of (i) paying the cost, or a portion thereof, of constructing, acquiring and equipping the projects (the "Projects") described in Exhibit B to the Supplemental Indenture (described below), (ii) redeeming and refunding certain outstanding general revenue bonds (the "Outstanding Bonds") described in Exhibit C to the Supplemental Indenture (described below), (iii) making a deposit to the Reserve Fund (described below), and (iv) paying the costs of issuing the Bonds; and

WHEREAS, the Bonds will be issued under and pursuant to, and secured by, a Trust Indenture dated as of June 1, 1992, as amended (the "Master Indenture"), and a Sixteenth Supplemental Indenture (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), which shall be in substantially the form presented to and made part of the records of this meeting; and

WHEREAS, there has been presented to this meeting the form of a Preliminary Official Statement for use in connection with the public offering of the Bonds; and

WHEREAS, there has been presented at this meeting the form of a Bond Purchase Contract (the "Purchase Contract") for use in connection with the sale of the Bonds; and

WHEREAS, bonds issued under the terms of the Master Indenture, and corresponding supplemental indentures, are secured by a parity reserve fund (the "Reserve Fund"); and

WHEREAS, under the terms of the Master Indenture, the University may enter into a supplemental indenture to modify or amend the provisions of the Master Indenture in any respect whatsoever effective only after all bonds issued and outstanding as of the date of such supplemental indenture shall cease to be outstanding; and

WHEREAS, it has been determined that it is in the best interests of the University to modify and amend the Master Indenture to (i) eliminate the establishment and maintenance of the Reserve Fund and related funding obligations, (ii) allow for certain amendments or modifications to the Master Indenture to be effective upon securing the consent of the owners of at least a majority of principal amount of bonds then outstanding and to provide that any consent of an owner of bonds may be revoked unless such consent by its terms is made irrevocable, and (iii) establish that consent of owners of bonds, when required under the terms of the Master Indenture, includes the consent of an underwriter or purchaser of a series of bonds at the time such bonds are issued; and

WHEREAS, it is a purpose of the Sixteenth Supplemental Indenture to authorize the modifications to, and amendments of, the Master Indenture set forth herein, subject to the terms and conditions set forth in the Master Indenture.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF ALASKA AS FOLLOWS:

Section 1. The issuance of the Bonds in an amount not to exceed the aggregate principal amount of \$33,500,000 is hereby authorized and approved. Section 2. The President, or his designee, the Vice President for Finance and Administration and Chief Financial Officer, and the Controller (collectively, the "Authorized Officers") are, and each of them is, hereby authorized to cause the Bonds to be sold at negotiated

sale on a date no later than 120 days from the date of approval of this Resolution, subject to the terms and conditions of this Resolution and the Purchase Contract.

Section 3. The form and content of the Purchase Contract, in all respects, is hereby authorized, approved, and confirmed with such changes as an Authorized Officer consider necessary or appropriate. The Authorized Officers are, and each of them is, hereby authorized to offer the Bonds at negotiated sale and negotiate the terms of the sale with Barclays Capital Inc. (the "Underwriter").

An Authorized Officer is hereby authorized to execute the Purchase Contract regarding the sale of the Bonds upon their approval of the sale details of the Bonds, including, but not limited to, the aggregate principal amount of the Bonds, the purchase price of the Bonds, the maturity and the interest payment dates of the Bonds, and the redemption provisions and interest rate of each maturity of the Bonds. Provided, however, the aggregate principal amount of the Bonds shall not exceed Thirty-Three Million Five Hundred Thousand and No/100 Dollars (\$33,500,000.00), the true interest cost on the Bonds shall not exceed three and one-quarter percent (3.25%), and the Underwriter's discount shall not exceed one-half percent (0.5%) of the par value of the Bonds. Prior to execution of the Bond Purchase Contract, such Authorized Officer, with the assistance of the University's financial advisor, shall take into account those factors which, in their judgment, will result in the lowest true interest cost on the Bonds.

Section 4. Subject to Section 1 hereof, the Authorized Officers are, and each of them is, hereby authorized to issue the Bonds in an aggregate principal amount determined by such Authorized Officer as the amount necessary to (i) adequately provide funding for the Projects described in Exhibit B to the Supplemental Indenture, with such descriptions subject to further clarification as an Authorized Officer considers necessary or appropriate, (ii) redeem the Outstanding Bonds, or a portion thereof, as described in Exhibit C to the Supplemental Indenture, (iii) satisfy the reserve funding requirement, and (iv) pay costs associated with the issuance of the Bonds.

An Authorized Officer is hereby authorized to designate which, if any, of the Outstanding Bonds shall be refunded. Provided, however, the Outstanding Bonds so designated by such Authorized Officer must realize an aggregate debt service savings of

at least three percent (3%) of their principal amount, net of issuance costs and the Underwriter's discount, on a present value basis.

Subject to the terms of this Section 4, an Authorized Officer is hereby authorized to direct the trustee of the Outstanding Bonds to be refunded, to redeem such bonds on the first available redemption date in accordance with the terms of the respective authorizing supplemental indenture.

Section 5. The form and content of the Supplemental Indenture are hereby, in all respects authorized, approved, and confirmed, and each of the Authorized Officers is hereby, in all respects severally authorized, empowered, and directed to execute and deliver the Supplemental Indenture for and on behalf of the University to the Trustee named therein for the security of the Bonds, including necessary counterparts, in substantially the form now before this meeting, but with such changes, modifications, additions, and deletions therein as shall to them seem necessary, desirable, or appropriate, the execution thereof to constitute conclusive evidence of their approval of any and all changes, modifications, additions, or deletions thereto from the form, and after the execution and delivery of the Supplemental Indenture, the Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the provisions of the Supplemental Indenture as executed. The effective date of the Supplemental Indenture shall be the 1st day of the month in which the Bonds are issued.

The form and content of the Bond as set forth in the Supplemental Indenture is hereby, in all respects, authorized, approved, and confirmed subject to appropriate insertions and revisions as an Authorized Officer considers necessary or appropriate.

Section 6. The form and content of the Preliminary Official Statement are hereby in all respects authorized, approved and confirmed. The Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to approve the final form of a Preliminary Official Statement and to declare such final form as "deemed final" by the University for purposes of Rule 15c2-12 of the Securities and Exchange Commission (17 CFR 240.15c2-12) (the "Rule") and to approve the final form of the Official Statement. The final form of the Preliminary Official Statement and the Official

Statement shall be in substantially the same form as the Preliminary Official Statement presented to and as a part of the records of this meeting, and with such changes as an Authorized Officers considers necessary or appropriate to fully disclose to the purchasers of the Bonds all material information relating thereto. The distribution of the Preliminary Official Statement and the Official Statement, as each is approved by an Authorized Officer, to prospective purchasers and the use thereof by the purchasers in connection with the offering of the Bonds is hereby ratified, confirmed, and approved.

Section 7. The Authorized Officers are, and each of them is, hereby authorized to deliver the Bonds to the Trustee for authentication under the Indenture, and, upon authentication and receipt of the balance of the purchase price of the Bonds, to deliver to the Trustee a written order in the name of the University directing the Trustee to deliver the Bonds to, or upon the order of, the Underwriter and to receive the proceeds of sale of the Bonds and give a written receipt therefor on behalf of the University, to apply said proceeds and the other moneys required to be transferred or deposited in accordance with the terms of the Indenture and in such manner as is required to cause the conditions precedent to the issuance of the Bonds to be complied with, and to do and perform or cause to be done and performed, for and on behalf of the University, all acts and things that constitute conditions precedent to the authentication and delivery of the Bonds or that are otherwise required to be done and performed by or on behalf of the University prior to or simultaneously with the delivery of the Bonds.

Section 8. The Authorized Officers are, and each of them is, hereby authorized, empowered, and directed to enter a "continuing disclosure undertaking" pursuant to the Rule.

Section 9. The Authorized Officers are, and each of them is, hereby authorized to execute all documents, and to take any action necessary or desirable to carry out the provisions of this Resolution and to effectuate the issuance and delivery of the Bonds. Included in this authorization is direction for an Authorized Officer to enter into an escrow agreement for the refunded Outstanding Bonds, providing for the use and disposition of moneys, if any, and direct, non-callable obligations of the United States of America for the purposes set forth in the Sixteenth Supplemental Indenture.

Section 10. The following modifications of, and amendments to, the Master Indenture are hereby authorized: (i) elimination of the establishment and maintenance of the Reserve Fund and related funding obligations, (ii) to allow the amendments and modifications to the terms of the Master Indenture, under Section 1102 of the Master Indenture, with the written consent of owners of at least a majority in principal amount of bonds then outstanding and to provide that any consent of an owner of bonds may be revoked, under Section 1103 of the Master Indenture, unless such consent by its terms is made irrevocable, and (iii) establish that consent of owners of bonds, when required under the terms of the Master Indenture, includes the consent of an underwriter or purchaser of a series of bonds at the time such bonds are issued.

The Authorized Officers are, and each of them is, hereby authorized to execute all documents, and to take any action necessary, to effectuate the modifications of, and amendments to, the Master Indenture as herein provided.

Section 11. This Resolution shall take effect immediately upon approval by the Board.

X. **Approval of Establishing a Quasi-Endowment for the University of Alaska Museum of the North** Reference 6

Regent Cowell moved, seconded by Regent O'Neill and passed with no objection that:

**PASSED**

**“The Board of Regents approves establishing a quasi-endowment to receive and hold those certain fees collected by the University of Alaska Museum of the North from government agencies and individuals for the purpose of maintaining archeological artifacts. The Board of Regents approves the transfer of this quasi-endowment to the UA Foundation for management and investment with the restriction that the annual distributed earnings from the endowment be made available to the curator of the archeological collection at the University of Alaska Museum of the North for the sole purpose of accessioning and maintaining the artifacts above described. This motion effective February 22, 2013.”**

**POLICY CITATION**

In accordance with Regents' Policy 05.07.030.A., all endowment and quasi-endowment assets will be transferred to the University of Alaska Foundation for care, custody, investment and administration, to the extent feasible and not prohibited by donor agreement. Endowments will be transferred to the foundation as follows:

1. unrestricted endowment principal and income funds will be transferred to the foundation upon approval of the chief finance officer,

2. quasi-endowment and restricted endowments will be transferred to the foundation upon specific approval by the board.

#### RATIONALE/RECOMMENDATION

Government agencies are required by law and policy to deposit archeological items encountered in their use and development of lands in Alaska into an approved repository for such items. The University of Alaska Museum of the North (Museum) currently serves as such a repository for Alaska. In addition, individuals occasionally transfer archeological items to the Museum to augment its collection. Appropriately, the Museum charges a fee to these agencies and individuals to cover the accessioning of these items and to cover, virtually in perpetuity, the costs of maintaining these artifacts in the Museum's collection. Thus, the Museum has a need for investment and management of these fees over a very long time frame.

The University of Alaska Foundation manages and invests funds in perpetuity as part of the Consolidated Endowment Fund. Almost all gift based endowment funds established at the university have been transferred to the UA Foundation by the university so they may be managed as part of this long term fund. The administration now proposes to place these fee-based Museum funds into the UA Foundation so they too may be invested for the long term and the earnings distributed periodically to the Museum so they may be used in the maintenance of the collected artifacts. The reference contains a draft administrative agreement between the University of Alaska Fairbanks and the UA Foundation that shall govern the use of these funds following the transfer.

#### **\*X.A. Executive Session** (added)

Regent Wickersham moved, seconded by Regent O'Neill and passed with no objection that:

#### **PASSED**

**"The Board of Regents goes into executive session at 9:55 a.m. Alaska Time in accordance with the provisions of AS 44.62.310 to discuss matters that could affect the reputation or character of a person or persons related to personnel and legislative matters. The session will include members of the Board of Regents, President Gamble, General Counsel Hostina, and such other university staff members as the president may designate and will last approximately 1 hour. This motion is effective February 22, 2013."**

The Board of Regents concluded an executive session at 10:50 a.m. Alaska Time in accordance with AS 44.62.310 discussing matters the immediate knowledge of which could affect the reputation or character of a person or persons related to personnel and legislative matters. The session included members of the Board of Regents, President Gamble, General Counsel Hostina, and other university staff members designated by the president and lasted approximately 1 hour.

**XI. Human Resources Report**

Michelle Rizk, interim chief human resources officer, updated the board regarding human resources issues.

**XII. Planning and Development Issues**

A. UA Foundation Report

Vice President Beam along with UA Foundation Board of Trustees Chair Michalski provided an update on UA Foundation activity.

B. Development Report

Reference 7

Vice President Beam updated the board on development activities at the University of Alaska.

**XIII. Discussion regarding Strategic Direction Initiative**

President Gamble noted the focus of the Strategic Direction Initiative (SDI) over the last 18 months has come full circle by clearly identifying changes that need to take place at UA; said the last phase of the process will be more specific responding to the changes that need to be made and how UA will accomplish those changes; stated selecting leaders for SDI was an extremely important process; noted the changes coming forward need to have leadership support; indicated the leaders will be responsible for motivating their teams and will be accountable for their portion of refining the changes as the initiative moves to phase III; complimented staff for their efforts thus far and indicated the amount of synergy among the system regarding SDI is amazing.

Terry MacTaggart, UA Strategic Direction Initiative consultant, thanked the regents for the opportunity to speak with them regarding the initiative; stated UA has sophisticated, mature leaders who are cooperative and committed to contributing to the forward momentum at UA; offered an outsiders perspective and lessons to learn from other institutions' flawed attempts including: too little engagement of larger community, too much engagement and superficiality. He noted dimensional differences at UA include: community participation through listening sessions, involving deans, directors, faculty, staff and students, dynamic leadership throughout the system and the president's genuine engagement in the SDI process. He suggested the next steps should include: determining the role of the system, directing the emphasis of responsibility for the outcome toward the MAUs, providing leadership development and training for new leaders, focusing in-depth on the issues, preparing the output for a better effect and continuing to communicate at every level. He advised the regents should continue to participate in the process as they have thus far, confirm the efforts of renewed focus on the general education requirement commonalities and understand upcoming decisions may be difficult.

**XIV. Consent Agenda**

Regent Cowell moved, seconded by Regent Powers and passed with no objection that:

**PASSED**

**"The Board of Regents approves the consent agenda as presented. This motion is effective February 22, 2013."**

A. Academic and Student Affairs Committee

1. Approval of Deletion of the Master of Science in General Science at the University of Alaska Fairbanks Reference 8

**PASSED**

"The Board of Regents approves the deletion of the Master of Science in General Science at the University of Alaska Fairbanks. This motion is effective February 22, 2013."

2. Approval of Deletion of the Master of Arts in Teaching in Mathematics at the University of Alaska Fairbanks Reference 9

**PASSED**

"The Board of Regents approves the deletion of the Master of Arts in Teaching in Mathematics at the University of Alaska Fairbanks. This motion is effective February 22, 2013."

3. Approval of Deletion of the Master of Arts in Teaching in Physics at the University of Alaska Fairbanks Reference 10

**PASSED**

"The Board of Regents approves the deletion of the Master of Arts in Teaching in Physics at the University of Alaska Fairbanks. This motion is effective February 22, 2013."

B. Facilities and Land Management Committee

1. Approval of the University of Alaska Fairbanks College of Rural and Community Development (CRCD) and Community and Technical College (CTC) Master Plans Reference 14

**PASSED**

"The Board of Regents adopts the University of Alaska Fairbanks College of Rural and Community Development (CRCD) and Community and Technical College (CTC) Campus Master Plans as presented. This motion is effective February 22, 2013."

2. Schematic Design Approval for the University of Alaska Fairbanks Fine Arts Complex Vapor Barrier Reference 15

PASSED

“The Board of Regents approves the schematic design approval request for the University of Alaska Fairbanks Fine Arts Complex Vapor project as presented in compliance with the campus master plan, and authorizes the university administration to complete construction bid documents to bid and award a contract within the approved budget, and to proceed to completion of project construction not to exceed a total project cost of \$5,600,000. This motion is effective February 22, 2013.”

**XV. New Business and Committee Reports**

A. Academic and Student Affairs Committee

In addition to action items, the committee discussed UA metrics and heard reports on teacher education (SB241) and textbook costs.

B. Audit Committee

The committee heard reports on final audits issued and internal and external audit status.

C. Facilities and Land Management Committee

1. Schematic Design Approval for the University of Alaska Fairbanks Bristol Bay Campus Applied Sciences Reference 16

The Facilities and Land Management Committee approved the following motion:

PASSED

“The Facilities and Land Management Committee approves the schematic design approval request for the University of Alaska Fairbanks Bristol Bay Campus Applied Sciences project as presented in compliance with the campus master plan, and authorizes the university administration to complete construction bid documents to bid and award a contract within the approved budget, and to proceed to completion of project construction not to exceed a total project cost of \$2,550,000. This motion is effective February 21, 2013.”

2. Schematic Design Approval for the University of Alaska Fairbanks Utilities Wood Center Vault Reference 17

The Facilities and Land Management Committee approved the following motion:

**PASSED**

“The Facilities and Land Management Committee approves the schematic design approval request for the University of Alaska Fairbanks Utilities Wood Center Vault project as presented in compliance with the campus master plan, and authorizes the university administration to complete construction documents and to award a contract within the approved budget, and to proceed to completion of project construction not to exceed a total project cost of \$2,800,000. This motion is effective February 21, 2013.”

3. Committee Report

In addition to action items, the committee heard status reports on the UAA campus master plan, UAA public art selections, UAA Seawolf Sports Arena, UAA Engineering and Industry Building project, UAF engineering facility, P3 student dining development, UAS campus master plan second review, deferred maintenance spending, construction in progress and approvals by the chair of the Facilities and Land Management Committee including approval for Northwest Campus Library renovation.

Karl Kowalski, chief information technology officer, gave a report on IT issues. Security issues were discussed and the board affirmed its belief that the right things are being done to correct deficiencies given the available resources and complexities involved, its support of the CITO in this effort; and offered support and assistance to complete this effort.

\*D. Authorization to Proceed with Contractual Terms for Naming a Facility at the University of Alaska Anchorage (added)

Regent Cowell moved, seconded by Regent Wickersham and passed with no objection that:

**PASSED**

**“The Board of Regents authorizes Chancellor Case in consultation with University General Counsel to proceed with finalizing contractual terms consistent with those discussed in executive session for naming a facility at the University of Alaska Anchorage. This motion is effective February 22, 2013.”**

**XVI. Approval of Revisions to Industrial Security Resolution**

Regent Heckman moved, seconded by Regent O’Neill and passed with no objection that:

**PASSED**

**“The Board of Regents approves the Industrial Security Resolution as revised to reflect a change in members of the Board of Regents, and authorizes the chair and secretary of the board to sign the resolution. This motion is effective February 22, 2013.”**

**RATIONALE/RECOMMENDATION**

The president and selected members of the university administration are routinely designated by the Board of Regents to handle any duties and responsibilities relating to classified information in connection with contracts with the Department of Defense and other federal agencies. These individuals are given an extensive security screening and are the only members of the administration, including the Board of Regents, to have access to classified information.

The university has received similar security clearances since the mid-1950s. Execution of the resolution allows regents and other members of the administration to be exempted from security clearance procedures.

The resolution is identical to resolutions previously passed except for changes to members of the Board of Regents.

**\*XVI.A. Alaska Commission on Postsecondary Education Report (added)**

Regent Jacobson reported Cathy LeCompte, UAA Community and Technical College associate dean, provided a presentation titled “What’s Next” regarding preparing Alaska’s youth for future jobs in Alaska and the relationship to career and technical education and job training requirements; stated Diane Barrans, ACPE executive director, noted Governor Parnell and the Alaska Legislature are advocating to establish the Alaska Higher Education State Investment Fund; said work continues on the statewide longitudinal education data system and noted ACPE staff continues to refine their website, strengthen partnerships and expand outreach. The next meeting of ACPE will be held on April 2, 2013 in Juneau.

**XVII. UA Athletics Report**

Regent Freitag reviewed the following:

**UAA**

Seawolf women’s indoor track won the GNAC Championship in their first season.

Seawolf men’s indoor track finished 2<sup>nd</sup> in the GNAC Championship in their first season.

**Meeting of the Full Board**

February 21-22, 2013

Anchorage, Alaska

Both Seawolf basketball teams have clinched winning seasons and are in the running for post-season play.

Seawolf gymnastic team is on pace to set the school's highest scoring record.

Micah Chelimo was named Athlete of the Meet at the indoor cross country championships event and has the top 5000 meter time in the country.

Women's basketball set or tied five school GNAC records in a road victory over nationally ranked NW Nazarene on February 16, 2013.

Senior men's basketball player Liam Gibcus was one of five west region players named to the All District Academic team (Civil Engineering/3.8 GPA).

Six Seawolf hockey players were named to the WCHA Scholar Athlete team.

UAF

Swimming: The swim team finished 8<sup>th</sup> in the 2013 Pacific Collegiate Swim and Dive Championship in La Mirada, CA. Margot Adams won her second consecutive 100 butterfly conference title, marking the third time in program history that a Nanook has claimed an individual title. Bente Heller finished 2<sup>nd</sup> in the 100 freestyle. The Nanooks earned All-PCSC accolades in four of the five relays.

Men's Skiing: Sophomore Logan Hanneman (Fairbanks, Alaska/Mechanical Engineering) led the Nanooks at the U.S. Cross Country National Championships in early January, winning the men's junior 10K and in doing so landed a spot on the U.S. Junior World Championship Team and punched his ticket to the NCAA Skiing Championships in March. Senior Tyler Kornfield (Anchorage, Alaska/Mechanical Engineering) and sophomore Jonas Löffler (Saint Märgen, Germany/Business) have also won individual CCSA Titles, leading the Nanooks to team and overall titles at the Tour de Minneapolis stop on the SuperTour on January 19-20, 2013.

Women's Skiing: The Nanooks beat all Central Collegiate Ski Association competitors for the team and overall titles at the Tour de Minneapolis stop of the SuperTour at Wirth Park on January 19-20, 2013. Sophomore Alyson McPheters (Chugiak, Alaska/Spanish & Geological Engineering), junior Raphaela Sieber (Vöhrenbach, Germany/Business Administration) and senior Marit Rjabov (Voru, Estonia/Psychology) have all captured individual CCSA titles in the last two weekends Alaska has participated at conference events.

Rifle: The fifth-ranked rifle team shot their second-highest score of the season at the NCAA Qualifier in El Paso, TX. Soon after, the rifle team shot a season best in air rifle.

Men's Hockey: The team won six straight CCHA games with three series sweeps including Notre Dame and Michigan. Five players earned CCHA player of the week

**Meeting of the Full Board**

February 21-22, 2013

Anchorage, Alaska

awards during the winningest month as a member of the CCHA. Rookie goalie John Keeney was selected as the CCHA Rookie of the Month and the Commissioners' Association National Division I Rookie of the Month. Head Coach Dallas Ferguson also set a new program record for coaches career CCHA wins, breaking the previous mark of 50 held by Guy Gadowsky. The department is making final arrangements for the NCAA Division I hockey program to join the Western Collegiate Hockey Association.

Men's Basketball: The Nanooks went a month and a half without a loss, reeling off a six game winning streak. Nanooks were named GNAC Team of the Week for the second time this season on January 14, 2013.

Women's Basketball: The team has remained very active in the Fairbanks community by volunteering at five different community service events.

Volleyball: Mallory Larranaga was named head coach of the volleyball program on January 7, 2013, becoming the seventh head coach in team history. She is the only volleyball All-American in program history, is a member of the Nanook Hall of Fame and served as the assistant coach under Phil Shoemaker the last two years.

The UAF Athletics department is in the midst of developing a 5-year strategic plan, which will be instrumental in the development and implementation of sound budget-related decisions. In addition, Vice Chancellor Sfraga has appointed Associate Vice Chancellor Bell and Athletics Director Gray to co-chair an Athletics and Recreation Facilities Planning Committee to begin the groundwork of articulating the university's short-term (present to five years forward) and long-term athletics and recreation facility needs.

**XVIII. Future Agenda Items**

No future agenda items were brought forward.

**XIX. Board of Regents' Comments**

Regent Anderson thanked Chancellor Case for the great hospitality; said it was good to be in Anchorage learning more about the campus; thanked fellow regents for allowing him to participate in the January retreat via audio conference and welcomed Regent O'Neill to the board.

Regent Freitag welcomed Regent O'Neill to the board; thanked Chancellor Case and his staff at UAA for the hospitality; thoroughly enjoyed the aviation program presentation; noted the topics discussed during the meeting were insightful and thanked Terry MacTaggart for his comments and overview of the SDI process.

Regent Cowell welcomed Regent O'Neill to the board, thanked her for her contribution during this meeting; thanked Chancellor Case for the hospitality and the tour; mentioned concern regarding regents' terms, the replacement of five regents in 2015 and his desire

**Meeting of the Full Board**

February 21-22, 2013

Anchorage, Alaska

for attention to be drawn to the loss of continuity it will create; said attending commencements is one of the joys of being a regent and is looking forward to the upcoming season and stated another joy is working with fellow members of the board who are genuinely concerned about the people of Alaska and the university.

Regent Heckman thanked Chancellor Case for the hospitality; loved the branding campaign; enjoyed the excellent discussions during the meeting; is thankful for Terry MacTaggart's guidance regarding SDI; stated the textbook report was very well done; appreciated the information regarding the Della Keats program noting it is a wonderful gem of a program; welcomed Regent O'Neill to the board and stated UA is lucky to have her as a new member.

Regent Wickersham stated during Terry MacTaggart's report he noticed there was no mention about what UA should do better in the SDI process and noted that is a great credit to the leadership at UA; welcomed Regent O'Neill to the board; noted the April board meeting will be Regent Freitag's last meeting and said he always enjoys the perspective and brilliance the student regent brings to the rest of the board; commented on the new board committee assignments and urged other members to engage in different committee opportunities early in their term; stated appropriate campus master planning leads the way for ease in approving formal project and schematic design requests; remains impressed with the SDI efforts and stated concern for the relationship between community campuses and main campuses regarding best practices for future growth of each organization.

Regent Powers welcomed Regent O'Neill to the board; thanked Chancellor Case for the hospitality; thanked Terry MacTaggart for the SDI report; was impressed with the breadth and depth of reports and public testimony; appreciated the effort put forth by Gwen Gruening for the metrics report, by Diane Hirshberg, Deborah Lo and Lexi Hill on the SB241 report and by Saichi Oba for the textbook report and really enjoyed the enthusiasm and spontaneity of Max Bullock's public testimony.

Regent Hughes thanked Chancellor Case for the hospitality; thanked members of the board for thoughtful, respectful and focused discussions during the meeting; noted how mindful the regents are to how the board's decisions affect Alaska and welcomed Regent O'Neill to the board.

Regent O'Neill appreciated everyone's openness and patience with her during her first meeting; stated she is committed to the new role, is excited to be part of this effective governing body and feels blessed to serve as a regent; is looking forward to working on phase III of SDI; noted respect for President Gamble; stated she is most excited about the future of education in Alaska and how the university system will make an impact in the state of Alaska and thanked leadership staff for their time with orientation.

**Meeting of the Full Board**

February 21-22, 2013

Anchorage, Alaska

Regents Jacobson welcomed Regent O'Neill to the board and stated the university is fortunate to have her serve as a member of the board; thanked board staff for a successful meeting; thanked Chancellor Case for the hospitality, presentations and reception; thanked fellow regents for their diligent effort during the meeting; and thanked Terry MacTaggart for the presentation on SDI.

President Gamble welcomed Regent O'Neill to the board; thanked Terry MacTaggart for his leadership with the SDI process and thanked Chancellor Case for the hospitality.

Chancellor Rogers mentioned enrollment statistics for spring; noted the impact of the comprehensive advising initiative at UAF is focused on at-risk students and during the fall 2012 semester 87% of those students were making satisfactory progress and 92% returned for spring 2013 semester; said currently there are over 180 eLearning courses for spring semester an increase of 15% over last year with 25 new online course coming in the next academic year; noted a shift in traditional classroom credit hours moving toward eLearning credit hours with 80% of online students located in Fairbanks; stated research and extension programs at UAF will undergo a review process similar to the academic program review as well as the administration of student services will be assessed; noted a successful conference in Washington D.C. sponsored by UAF and Dartmouth College regarding climate and Arctic security with all eight Arctic nations represented and said it was a good opportunity to propel UAF and Alaska in the national dialogue on the Arctic; mentioned KUAC is on the air with three high-definition stations, the Nanook Terrain Park is officially open for snowboarders and skiers, and plans for the Toolik Lake research trip for regents in June is underway and thanked the regents for their service to the university.

Provost Caulfield spoke on behalf of Chancellor Pugh and stated the SDI community listening sessions have provided a tremendous amount of information from individuals outside the university community, which has brought together a series of ongoing meeting with industries including the Fisheries, Seafood and Maritime Initiative, teacher education and mining; noted even with a downturn in enrollment there are some encouraging things happening at UAS to entice students such as the Stay on Track scholarship that is inspiring students to pursue 15 credit each semester to complete their degree sooner; mentioned the retention level of 80% from fall semester to spring semester and the introduction of a simplified student fee structure; said UAS is working with the Juneau school district to raise graduation requirements and prepare students for college courses; noted excitement for the construction of the freshman housing and the upcoming campus master plan approval; is looking forward to having the regents in Sitka at the next meeting and said the community campuses in Southeast Alaska are an integral component to the success of UAS.

Chancellor Case welcome Regent O'Neill to the board; stated it is always a pleasure to host a regents' meeting; thanked Regent Freitag for her student leadership; is impressed with the progress of SDI and is fascinated with the leadership and the engagement of the individuals involved in the process; is pleased to have Terry MacTaggart's guidance throughout SDI; noted the dynamic student leadership this year during the visit to Juneau

where the students expressed personal passion about their educational opportunities and experiences at UA; shared a transfer of credit success story noting UAA's processing time has been reduced from 45 days to 3 days by the efforts of the academic affairs team, registrars' office, faculty advisors, and others working together to review transcripts and thanked the regents for the work they do in support of UA.

**XX. Adjourn**

Chair Jacobson adjourned the meeting at 1:55 p.m. on Friday, February 22, 2013.