

MINUTES OF THE BOARD OF TRUSTEES

WEBSTER UNIVERSITY

September 14, 2006

(A General Not-For-Profit Corporation)

TRUSTEES MEETING

The Board of Trustees of Webster University met in West Hall of the new dormitories on Thursday, September 14, 2006 at 12:15 p.m. pursuant to notice sent to all members. Mr. Doug Hill, Chairman, presided.

The following Trustees and University Officers were present:

Stan Bradshaw	Marianne Knaup	George Scherer
Mark Burkhart	Linda Locke	Donald Suggs
John Capps	Donna Martin	Richard Meyers
Bayard Clark	Joe McKee	David Garafola
Mickey Dwyer-Dobbin	Joe Mokwa	Neil George
Marilyn Fox	Jerry Ritter	Karen Luebbert
Doug Hill	Elizabeth Robb	
Frank Jacobs	John Roberts	

James Brasfield, Deborah Dey, Larry Haffner, and Russ Viehmann also attended.

The following Trustees were unable to attend:

Larry Browning	Dick Liddy	David Steward
Steve Cousins	Patrick Moore	Steve Swyers
Michael DeHaven	Michael Neidorff	Donna Vandiver
Peggy Fossett	Brenda Newberry	Bert Walker
Ron Kruszewski	Reinhard Ortner	Doug Yaeger
Paul Lee	Bill Poole	Chip Schafer

President Richard Meyers began the meeting by introducing four residence students (Dee Goines, Laura Wussow, Sara Gunn, and Ricardo Falla) who share their experiences living in the residential halls. Their comments touched on how the design promotes a sense of community and provides places for a variety of social experiences. They also feel the RA's are very welcoming, and the landscaping is beautiful. One reported that the halls "feel like a hotel."

APPROVAL OF MINUTES

The minutes of the April 13, 2006 Board of Trustees meeting were approved on a motion by Linda Locke and seconded by John Roberts.

CHAIRMAN'S REPORT

Mr. Hill welcomed everyone to his first meeting as Chairman of the Board. He noted that the meeting was held in the West Hall of the new residence halls to give Trustees an opportunity to experience the atmosphere and design and to meet with residents. Mr. Hill noted that he plans to meet periodically with students and faculty in order to get to know them better. The 2006-07 academic year brings many

opportunities as well as challenges: the \$75 million capital campaign headed by Jerry Ritter; reaccreditation, growth of the University, maintaining financial soundness, finalizing the campus Master Plan and increasing awareness of Webster in the state, country and world. We have a great leadership team and the Board of Trustees can take on those challenges with the help and support of all members.

Chairman Hill welcomed and introduced three new Trustees:

Stan Bradshaw, Principle, Bradshaw Capital Management, LLC. Stan served on the Board from 1994-2001, serving as chair of the Finance and Facilities committee during part of that time. Stan chaired the committee during the bond process for the apartment complex.

John Capps, President and CEO of Plaza Motors. John currently serves on the boards of Whitfield School, the Whitaker Foundation, the Muny Opera, the St. Louis Art Museum and the Contemporary Art Museum.

Donna Martin, Senior Vice President and Chief Human Resources Officer for Ameren. Donna began her career as a teacher in Woodstock, Illinois. Donna serves on the boards of AAIM, Winning Women and the Center for Contemporary Arts.

New Trustees unable to attend the meeting include:

Dick Liddy, retired Chairman and Chief Executive Officer of GenAmerica Corporation and also a returning Board member.

Patrick Moore, Chairman, President and CEO of Smurfit-Stone Container Corporation.

Brenda Newberry, President and CEO of the Newberry Group and a graduate of Webster University.

Reinhard Ortner, member of the Management Board and CFO of Erste Bank in Vienna, Austria.

Jim Weddle, Managing Partner of Edward Jones. Jim will officially join the Board in January 2007.

Dr. Suggs moved and Mr. McKee seconded a motion to go to Executive Session. The motion passed unanimously.

After a vote to move out of Executive Session, the Board resumed its meeting.

AUDIT COMMITTEE REPORT

Reporting for Mr. DeHaven, Mr. Roberts noted that the committee met with outside auditors BKD and received a clean report for the fiscal year ending May 31, 2006. Trustees may review the draft of the audit report. Dr. Luebbert added that the University had no new outstanding legal issues. The Hotline Reporting system has had no activity since its implementation in early August. The University has retained UHY for internal auditing activities; the Board will receive a report in April 2007.

ADVANCEMENT COMMITTEE REPORT

Mr. Ritter reported that the campaign has not yet secured a firm lead gift, but since the silent phase started this summer, time remains for obtaining this important gift. Mr. Ritter noted that University policy directs all unrestricted gifts of \$50,000 or more to the endowment. He asked for a change in policy to allow such gifts to be directed to the campaign's capital projects.

Mr. Ritter moved and Mr. Jacobs seconded a motion that for the duration of the campaign, any unrestricted gift over \$50,000 be directed to a capital projects. The motion passed unanimously.

Further updates on the campaign can be found in the supplemental folder.

FINANCE/FACILITIES/TECHNOLOGY COMMITTEE REPORT

Mr. Burkhart reported that the University began the 2005-06 academic year with a potential for fiscal challenges, but management intervened early in the fiscal year. Management identified several short term initiatives for curtailing expenditures totaling \$6.1 million. The University generated premiums from University as a Lender Program of \$4 million and an additional \$3 million in interest. The sale of the Community Music School building provided a capital gain of over \$5 million. Additionally, the University received a \$1.3 million unrestricted gift designated internally for future capital expansion. As a result, the University achieved a record year-end contribution margin of 12.3%, or \$20,724,000. Mr. Burkhart congratulated the administration in responding effectively to the budget situation and working to provide a very healthy year-end. Fiscal year 2006-07 has had a strong beginning with online education the fastest growing area of enrollment within the University. Dr. Meyers added that the University responded quickly to last year's budget shortfall. The analyses and reviews provided an opportunity to evaluate all aspects of the University across the network. It was a team effort across the board.

ACADEMIC AFFAIRS COMMITTEE REPORT

Mr. McKee reported the year-end performance for 2005-06 showed strong academic and fiscal outcomes. Net tuition revenues for St. Louis and domestic extended campuses met budget expectations and showed strong 10% growth over 2004-05. Efficiencies in instructional costs, operational reductions implemented by management, and the strong performance of online program enrollments (currently 140% of last year's actual enrollments) contributed to the successful year. The University mourned the passing of three faculty over the summer – William “Bill” HuddlestonBerry, Wilford Miles and Kathleen Regier. In the “Annual Issue of America's Best Colleges” in *U.S. News and World Reports* Webster was ranked as a “First Tier” institution in Midwest Comprehensive Universities and received “Honors” and “Special Distinctions” for study abroad, diversity, and for providing access to an economically diverse student body. A DVD with short video features on Webster is included in the supplemental materials. Mr. McKee noted that during the current academic year the University will focus on several accreditation and re-accreditation processes that will occur between 2006 and 2008.

STUDENT LIFE COMMITTEE REPORT

Mrs. Fox reported that fall headcount enrollments increased 1%. The Marketing Department has implemented a new recruitment plan linking the new graduate admission website to traditional advertising and the new online application. Initial assessment indicates significant success with this approach. At sites where the plan was implemented, new student enrollment was up 15% over last year. Over 30% of new graduate students used the online application form. With the opening of two new residential halls, the University has 623 beds on campus compared to 480 last year. Thirty orientation leaders and dozens of volunteers helped move students into these beautiful buildings. The University's dining facilities have been expanded and remodeled and as a result, no unit is older than three years old. Career Services has undertaken a podcasting project to provide insight into St. Louis area businesses and opportunities for employment. Each podcast is a 5-7 minute description of business and career opportunities for college graduates with contact information and a link to the organization's website. 83% of the students who graduated in May 2006 have professional employment and 4% have continued their education. The Athletic Department continues to grow. Each year 70-90 new full-time students come to Webster as a result of the recruiting efforts of the coaches. Student athletes maintain an overall GPA of 3.2% and in six of the last seven years, Webster has won the All Sports Award in the St. Louis Intercollegiate Athletic Conference.

GOVERNANCE COMMITTEE REPORT

Ms. Locke welcomed the new Trustees and added that the Supplemental folder contains the Primary Responsibility policy for Trustees. Trustees have a responsibility to give the University their time and

energy through attendance at meetings and engagement in the activities of the Board. The Governance Committee carefully watches the balance of the Board membership while looking for new Trustees who will bring value to the Webster University Board. The Committee also monitors the structure of committee and Board meetings.

PRESIDENT'S REPORT

Dr. Meyers thanked those Trustees who attended a very enjoyable dinner the previous evening. Several students attended the dinner to share their Webster experiences with the Trustees. He noted that the campaign will be his major focus for the next several years because the future of the University depends on the campaign's success. President Meyers noted that the *St. Louis Business Journal* recognized Webster University for its new M.A. in Patent Agency, the first program of its kind not only in the St. Louis region but worldwide. The Supplemental Folder contains two publications of the English Department: *The Green Fuse* represents some of the best creative writing of our students and *The Mercury* is a collection of the award-winning student classroom papers and senior overview projects. Dr. Meyers read portions of a letter from the parent of a special needs student in which the parent expressed gratitude for the services her son received from the Academic Resource Center under the direction and special care of Dr. Pat McLeese.

Mr. Bradshaw recounted for the Board an incident in which he met the General in charge of the U.S. Army Special Forces unit who received his MBA from Webster University and praised the University for the quality education he received.

Mrs. Knaup asked if the University provided Metro tickets for its students. Dr. Dey responded saying the University was investigating the matter but it requires a significant budget commitment. Mr. Garafola noted that Metro provides a shuttle service that stops in front of the Webster Groves campus and runs approximately every 10 minutes.

There being no further items for discussion, the meeting adjourned.

Respectfully submitted,



Mary Birkenmeier, Recording Secretary



Karen Luebbert, Secretary of the Board