

MINUTES OF THE BOARD OF TRUSTEES

WEBSTER UNIVERSITY

September 13, 2007

(A General Not-For-Profit Corporation)

TRUSTEES MEETING

The Board of Trustees of Webster University met at the Community Music School on the Webster Groves campus on Thursday, September 13, 2007 at 12 noon pursuant to notice sent to all members. Mr. Doug Hill, Chairman, presided.

The following Trustees and University Officers were present:

Amelia Bond	Reinhart Ortner	Bert Walker
Stan Bradshaw	William Poole	Jim Weddle
Mark Burkhardt	Jerry Ritter	Doug Yaeger
Steve Finerty	Elizabeth Robb	Julie Reese
Doug Hill	George Roman	Richard Meyers
Tom Irwin	George Scherer	David Garafola
Paul Lee	David Steward	Neil George
Joe McKee	Don Suggs	Karen Luebbert
Brenda Newberry	Donna Vandiver	

Matt Andrew, Grant Chapman, Deborah Dey, Larry Haffner, Bill Lynch, Faith Maddy, Patricia Rusch, James Staley, Dan Viele, Randy Wright also attended.

The following Trustees were unable to attend:

Larry Browning	Mickey Dwyer-Dobbin	Joe Mokwa
Dale Cammon	Frank Jacobs	Pat Moore
John Capps	Ron Kruszewski	Michael Neidorff
Bayard Clark	Dick Liddy	John Roberts
Michael DeHaven	Donna Martin	Steve Swyers

CHAIRMAN'S WELCOME

Mr. Hill welcomed the Trustees to the meeting at the Community Music School and noted that this has been a very busy week in the life of Webster University with the special convocation to honor former president Jacqueline Grennan Wexler. Chairman Hill welcomed those trustees attending their first meeting: Ms. Amelia Bond, Mr. Steve Finerty, Mr. George Roman and Ms. Julie Reese, the newly-elected President of the Alumni Association. Mr. Dale Cammon, also a new Trustee, was unable to attend.

APPROVAL OF MINUTES

The minutes of the April 11 Executive Committee and the April 12 Board of Trustees Meeting were approved as written on a motion by Mr. Scherer and seconded by Mr. Yaeger.

CHAIRMAN'S REPORT

Mr. Hill reported on a letter he received from Trustee Linda Locke informing him of her resignation citing her professional commitments outside St. Louis. Linda joined the Board in 2000 and served as Chair of the Governance Committee for the last four years. Bill Poole notified Mr. Hill that he will resign at the end of December as he prepares to retire from the Federal Reserve and relocate with his wife to Maryland. Bill

joined the Board in 1999. The University received word of the death of former trustee Alexandre Sarah on August 25 in Paris. Alex, the Board's first international trustee, served from 1986-1995. At the annual Board of Trustees dinner on September 12 the University honored the trustees who rotated off the Board: Steve Cousins, Peggy Fossett and Marianne Knap. Mr. Hill noted that the Board materials contain the Statement of Trustee Responsibilities. With the commencement of a new academic year, Mr. Hill believed it important to remind Trustees of this Statement. The Board materials also included the Board roster and the Trustee Rotation schedule.

At Mr. Hill's request, Dr. Meyers introduced Faith Maddy, the University's newly-appointed Vice President for Development and Alumni Programs. Faith previously served as Vice President for Development for the St. Louis Symphony Orchestra. During her tenure at the Symphony, her area of responsibility included annual giving, endowment campaigns, planned giving and volunteer activities. Prior to joining the St. Louis Symphony, Ms. Maddy served in development positions at Butler University, the Missouri Botanical Garden and Washington University. Dr. Meyers thanked Matt Andrew for serving as Interim Vice President for Development and Alumni Programs since March.

CAMPAIGN REPORT

Campaign Chairman Jerry Ritter updated the Board on the progress of the campaign. Several corporations have pledged significant gifts to the campaign, including Anheuser-Busch, Emerson, Monsanto, Commerce Bank and the Stupp Foundation. Pledges and outright gifts total \$25.8 million for campaign projects and an additional \$6.2 million for other initiatives bring the comprehensive total to just over \$32 million.

The campaign committees continue to make significant progress. The Former Trustees Committee, (chaired by Chuck Mueller), the Advisory Committee, (chaired by Michael DeHaven), and the Individuals Committee (chaired by Bert Walker), will commence their meetings this fall. The Foundations Committee, (chaired by Dick Liddy), has met several times to develop strategies for approaching priority prospects. The Campaign Executive Committee meets regularly and has had discussions with the Executive Committee of the Board regarding the final campaign goal and structure. Mr. Ritter expects to have a recommendation to the Board in January regarding the campaign's magnitude. Mr. Ritter noted that the philosophy of corporate giving is changing and many companies no longer give the multi-million dollar donations they did several years ago. Mr. Ritter encouraged those Trustees who have not made a pledge to the campaign to do so soon. Mr. Hill noted the importance of Board participation in campaigns and seconded Mr. Ritter's request of the Trustees.

ACADEMIC AFFAIRS COMMITTEE

Mr. McKee reported that the Academic Affairs committee had an extensive report on the several quality assurance processes in which the University participates. Members of the Academic Affairs team will deliver a similar presentation to the full Board later in the agenda. The University has begun developing a new strategic plan and the Committee spent some time discussing the draft mission and vision statements. Mr. McKee reported that the University's network remains strong and enrollments have increased across the board although military enrollments still present a challenge.

STUDENT LIFE COMMITTEE

Mr. Weddle reported the Committee had a very informative meeting with Student Government Association President Elizabeth Eisele regarding SGA's focus for the year. The Athletic Department secured its seventh SLIAC all-sports award in eight years. This award goes to the school with the best overall athletic department as measured by team rank in conference sports. The University has implemented a St. Louis-wide campus alert system for emergency situations and/or announcements such as closures due to weather. The University will expand the system to the international campuses in the future.

ADVANCEMENT COMMITTEE

Mr. Steward reported the fund raising amount for 2007-08 year-to-date is \$4.3 million compared to \$2 million at the same time in fiscal year 2006-07. New pledges and payments on those pledges for capital projects secured during the first quarter of 2007-08 account for this significant increase. A graduate from the Geneva campus has pledged \$415,000 for scholarships in Geneva, making this gift the largest alumni gift of the campaign thus far. Total membership in the Daniel Webster Society for FY 2006-07 was 175, down 13% from FY 2005-06 largely attributable to the 24 honorary memberships awarded in the previous fiscal year. DWS has a goal of 200 individuals for the current fiscal year. DWS will hold its annual dinner on October 26, 2007, at the Kemp Auto Museum. As of August 31, 2007, total gifts and payments received from government and related sources of funding have accounted for \$102,000, an increase of 78% from this same period the previous fiscal year. New government activity this fiscal year amounts to \$217,000, up 263% over last fiscal year at this time. This increase in grants is primarily due to timing and internal accounting procedures. In September, 2008 the Geneva campus will celebrate its 30th anniversary.

At its recent conference in St. Louis, the Alumni Board recognized two new chapters, Atlanta and Denver, bringing the total number of alumni chapters to 26. Representatives from 24 of the chapters attended the conference, including international chapters from Leiden, London, Vienna and Vietnam.

GOVERNANCE COMMITTEE

Ambassador Walker presented a recommendation from the Governance Committee regarding the evaluation of trustees. In an attempt to strengthen the Board and get better commitment, the Committee recommends a new procedure that will assist in promoting committed members to second and third terms on the Board. Following is the proposed statement:

Because the University must have committed, active Board members, the Governance Committee recommends that the Board set in place procedures that will assist in promoting committed members to second and third terms on the Board. These procedures will involve individual meetings by Governance Committee members with Board members completing the second year of both their first and second terms. Information from these meetings will be passed through the Governance Committee to the Board Chair for consideration regarding the tenure of these respective Board members.

Mr. Steward moved and Dr. Suggs seconded a motion to adopt the proposed Board Evaluation Process. The motion passed unanimously.

The Committee welcomes recommendations for new trustees. The names of any individuals can be given to Dr. Luebbert or Dr. Meyers. Ambassador Walker added the need for more female and minority representation on the Board. Mr. Steward recommended having military representation from Scott AFB. Ambassador Walker agreed to pursue this possibility with Mr. Steward.

AUDIT COMMITTEE

Reporting for Mr. DeHaven, Mr. Scherer updated the Board on the recent report from internal auditors UHY which included risk assessment, IT assessment, disaster recovery, and identity theft. The Committee also met with the external auditors from BKD. The audit revealed no reportable material weaknesses or significant deficiencies. The audit pointed out two control deficiencies. Mr. Scherer had nothing to report from the Committee's executive session.

FINANCE, FACILITY AND TECHNOLOGY COMMITTEE

Mr. Burkhart announced the University has a very strong financial condition. Due to key actual to budget revenue and expenditure variances Webster closed fiscal year 2006-07 with an 11.9% or \$21.3 million operating surplus compared to \$300,000 in 1997-98. Significant revenue gains in online graduate classes, contributions from the University As Lender program, increased enrollments, salary and benefits savings,

and maximized use of instructional resources accounted for much of the gain. These funds and the overall financial position put University in a good position to undertake needed investments to continue its overall success. Mr. Burkhart congratulated the administrative team for guiding the University to a very positive financial position.

Mr. Burkhart presented a Board Reimbursement Resolution to allow the University to receive reimbursement for certain expenditures associated with capital construction and/or property acquisition from the proceeds of bond or other related indebtedness that could be issued at a future date. The Finance, Facilities and Technology Committee recommends the use of tax exempt financing as an option of providing the adequate cash flow for capital building construction. The University's credit strength supports additional general borrowing at an investment grade basis. The proposed Resolution allows the University to receive reimbursement for expenses incurred three months prior to and three years following the issuance of debt. Mr. Burkhart emphasized that the proposed resolution does not authorize issuance of debt, but merely provides the University with flexibility to proceed quickly if and when it issues debt. The Board would have to approve any issuance of debt.

Mr. Ritter moved and Ambassador Walker seconded a motion to approve the Webster University Board of Trustees Reimbursement Resolution, a resolution expressing the Board of Trustees' official intent that certain expenditures be incurred in connection with the purchase of property and the construction and improvement of certain Webster University facilities and related expenditures be reimbursed from proceeds of notes, bonds or other indebtedness to be issued. The motion passed unanimously with the exception of the abstention of Mr. McKee.

ACCREDITATION REPORT

Dr. Neil George updated the several quality assurance processes the University undergoes each year, from the regional institutional accreditation by the Higher Learning Commission (HLC) of the North Central Association to specialized accreditation for academic programs (American Bar Association, the National Association of Schools of Music, the Committee on Accreditation, the National League of Nursing, the Association of Collegiate Business Schools and Programs (ACBSP). In addition the military conducts reviews of our base programs (MIVER: Military Installation Voluntary Education Reviews), states review the metropolitan centers and each international location has its own review and/or accreditation process.

Dr. James Staley, Associate Vice President for Academic Affairs, elaborated on the HLC process. This institutional review evaluates the entire educational organization and accredits the institution as a whole (all programs and all locations where the institution offers programs). HLC also evaluates governance and administration, financial stability, admissions and student services, institutional resources, student learning, institutional effectiveness, and relationships with internal and external constituencies. Accreditation provides recognition and acceptance of an institution's degree programs, helps insure transferability of academic credits, provides students with access to federal financial aid, facilitates enrollment in professional graduate programs, qualifies degree holders to seek licensure or certification, assists with employment and career advancement, indicates quality assurance to consumers, etc.

The process consists of two components: a self-study conducted by the institution and a campus visit by peer evaluators. A ten-person team will visit the Webster Groves campus March 31-April 3, 2008 to review the institutional self-study; interview students, faculty, staff and Trustees and evaluate all operational systems and performance outcomes of the University. In addition to the main campus visit, members of the HLC team will also travel to selected campuses throughout our network. These extended campus visits began with the HLC team chair visiting Webster-London in August, 2007. The team chair will visit the Geneva campus in November, 2007 as part of the national Swiss accreditation of our Geneva campus programs. Individual campuses often seek national accreditation for the program; the University holds Austrian recognition, British recognition through our partnership with Regent's College, National Thai accreditation through the Thailand Ministry of Education, and recognition in China through our partner institution(s). The University is also seeking Dutch accreditation for Webster-Leiden's undergraduate programs. These international accreditations assist our students and alumni with degree recognition and acceptance of their Webster University degree.

Dr. Staley addressed specialized accreditation for the evaluation of specific programs, schools/colleges or units within the institution. Webster is currently pursuing two new specialized accreditations to support two of our largest schools, Business (ACBSP) and Education (NCATE). The University is also seeking renewals of currently held specialized accreditations for Legal Studies (ABA) and for Nursing (NLN).

PRESIDENT'S REPORT

Dr. Meyers noted that the University has concluded one of its most successful years from the academic and fiscal perspectives. The 2007 operating results exceeded the budget by over \$11.8 million. The 2007 fiscal year unrestricted operating budget projected a total contribution of about \$9.5 million, but with key actual to budget revenue and expenditure variances we closed the year with an 11.9%, or \$21.3 million, operating surplus. Half of that surplus was spent for capital expenditures and a portion of it was placed in the endowment from the University As Lender program. Long-term investments increased from \$51.6 million to over \$65 million. We still get 83% of our budget from tuition, down from 91% in 2004. The University As Lender program has contributed significantly to this decrease in tuition dependency.

We are nearing completion of our 2003-08 strategic plan and commencing the process to develop the next strategic plan. We began on June 4 with a full-day retreat for Vice Presidents, Deans and Associate Deans. Dr. Judith Hample, the Chancellor of the Pennsylvania State System of Higher Education, facilitated the meeting. We refined draft mission and vision statements through a series of sessions during the retreat. The new draft mission statement does not change the University's mission, it simply refines it and makes it more concise. After finalizing the mission and vision, we will develop appropriate goals, objectives and metrics for measuring progress towards the goal. Dr. Meyers added that he expects this process to be complete for review and discussion by the spring. He will update the Board on the progress.

Administrative Council has developed Key Performance Indicators to help gauge our progress on major elements within the University: enrollments, finance, fundraising, academics and student life. Our first effort has been shared with the Executive Committee. Following their evaluation we will then share with the full Board.

On September 12 at a ceremony in the Community Music School, Webster conferred an honorary degree on former president Jacqueline Grennan Wexler on the 40th anniversary of the transfer of the University from ownership by the Sisters of Loretto to a lay board.

Dr. Meyers noted that at its April meeting the Board approved a new structure for committee meetings. Committee meetings will be held consecutively, not concurrently. This means that trustees may be on campus more than once during Board meeting week. Dr. Meyers suggested trying this new schedule for at least a year, and urged all members to make every attempt to attend the committee meetings and the Board meetings. Please let Ambassador Walker, Chair of the Governance Committee, know of any problems or concerns regarding the committee meeting structure.

The Supplemental Folder contains Dr. Meyers' personal goals for the University during 2007-08.

Several trustees have indicated an interest in having a Board meeting at one of our international campuses. Thus, we are planning to have our September 18, 2008 meeting at our Geneva campus, the only location outside St. Louis in which we own property. This would coincide with the 30th anniversary celebration of the Geneva campus. Dr. Meyers stated that each trustee would be responsible for his/her own expenses related to this trip. A show of hands indicated significant interest in meeting at the Geneva campus.

Dr. Meyers further reported on the financial expectations of trustees. Board members are not required to give a specified dollar contribution to the University each year. They are, however, strongly encouraged to be a member of the Daniel Webster Society. Within the DWS structure membership starts at \$1,250 per year with the Trustee level of membership at \$10,000 per year. Trustees have joined the DWS at all levels. Each member must decide their giving level of comfort.

Discussion followed on sending a reminder for DWS dues in the form of an invoice. Mr. Ortner asked if Congress envisioned any changes in the University as Lender program that might negatively impact the program. Mr. Garafola responded that changes have been proposed and he and his team are studying these changes. Ms. Vandiver congratulated the University on the successful commencement at which Speaker of the House Nancy Pelosi delivered the commencement address and received an honorary degree. Mr. Hill encouraged better attendance at committee meetings. In closing, Chairman Hill congratulated President Meyers and his leadership team for their successful administration of the University.

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

Respectfully submitted,



Mary Birkenmeier, Recording Secretary



Karen Luebbert, Secretary of the Board