

**MINUTES OF THE BOARD OF TRUSTEES**

**WEBSTER UNIVERSITY**

**January 11, 2007**

**(A General Not-For-Profit Corporation)**

**TRUSTEES MEETING**

The Board of Trustees of Webster University met at the Old Post Office campus on Thursday, January 11, 2007 at 12 noon pursuant to notice sent to all members. Mr. Doug Hill, Chairman, presided.

The following Trustees and University Officers were present:

Stan Bradshaw	Marianne Knaup	John Roberts
Mark Burkhart	Paul Lee	Donald Suggs
John Capps	Dick Liddy	Donna Vandiver
Bayard Clark	Joe McKee	Bert Walker
Michael DeHaven	Michael Neidorff	Jim Weddle
Mickey Dwyer-Dobbin	Brenda Newberry	Richard Meyers
Marilyn Fox	Reinhard Ortner	David Garafola
Doug Hill	Jerry Ritter	Neil George
Frank Jacobs	Elizabeth Robb	Karen Luebbert

James Brasfield, Deborah Dey, Larry Haffner, Dr. James Staley, Dr. Beth Russell, Larry Mabry, James Monahan, Judge Glen Norton and Matt Andrew also attended. Mayor Slay attended a portion of the meeting.

The following Trustees were unable to attend:

Larry Browning	Donna Martin	David Steward
Steve Cousins	Joe Mokwa	Steve Swyers
Peggy Fossett	Patrick Moore	Doug Yaeger
Ron Kruszewski	Bill Poole	
Linda Locke	George Scherer	

Prior to the regular Board meeting, the Trustees gathered at 11:15 a.m. for a "Pre-Board" discussion with four guests having major responsibilities for the downtown area, each of whom played a major role in helping Webster University facilitate the new presence in the Old Post Office. The following leaders spoke about the revitalization and future of downtown from the perspective of his organization:

The Honorable Francis Slay, Mayor of the City of St. Louis  
Jim Cloar, President of the Downtown St. Louis Partnership  
Dick Fleming, President and CEO of RCGA  
Peter Sortino, President of the Danforth Foundation

The regular Board meeting followed these presentations.

**CHAIRMAN'S WELCOME**

Mr. Hill welcomed the trustees to the meeting at the University's newest campus. He noted that we all have a great deal of pride in Webster's commitment and persistence in a project that is so important to the development of our downtown central business district.

Chairman Hill welcomed four new Trustees attending their first meeting:

Dick Liddy, retired Chairman and Chief Executive Officer of GenAmerica Corporation and also a returning Board member who served from 1989-1998 and as Board Chair from 1993-1998.

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.

Mr. Hill also welcomed back Ambassador Walker after his completing his assignment as U.S. Ambassador to Hungary. On Wednesday evening, January 10, 2007, the Board hosted a dinner for Ambassador and Mrs. Walker celebrating their return to St. Louis and to the University. Mr. Hill also welcomed Marianne Knaup back to the Board following back surgery.

### **OLD POST OFFICE REPORT**

President Richard Meyers thanked Mayor Slay for his participation in the Board events and for his support during the Old Post Office process. He noted that the University began its operations in the OPO exactly one year ago after an eight-year process of study and negotiation. In nearly every Trustee meeting during that time, we discussed the OPO; it was the major agenda topic of many Committee meetings. The Board's help, guidance and expertise enabled us to make informed decisions. The move to the OPO more than doubles the space of the former downtown location on Washington Avenue. We were comfortable in our location on Washington Avenue; we had built the programs to the point that fiscal surpluses existed. We believed, however, that, given our three decades in the downtown area, the University could play a major role in the revitalization of the central business district. We believed it so important that we reinvested our surpluses in this new location. Part of our mission is to improve the communities in which we have campuses and what better location than our home town. Although much has been accomplished since moving into the Old Post Office, it continues as a work in progress.

Dr. Neil George introduced Dr. Beth Russell, Director of the Downtown Campus.

Dr. Elizabeth Russell, who started with the University in 1986 in extended campus administration and then became Director of the Downtown Campus in 2002, shared some of the success stories and goals for the new campus location. The campus began with night classes for Spring 2006 and added day classes for Fall 2006. The campus has also established six new cohort programs, three each with BJC and with Ameren. The campus has hosted several daytime workshops, retreats and speaker series, such as "Tuesdays at the Old Post Office," a lunchtime program to showcase Webster's faculty and the programs they teach. The campus also hosts the Holden Public Policy Lecture Series. Approximately 600 students attend classes in the Old Post Office in addition to the 150 students in the BJC and Ameren cohorts. The two Fall 2006 daytime classes had an enrollment of 15 students each. The new campus has received very positive reviews from the students who attend classes there.

Goals for 2007 include increasing the number of cohorts classes either onsite or at the Old Post Office; seeking more academic partnerships with corporations, agencies and community members; continuing recruiting efforts to increase enrollments in both day and evening programs; and increasing activities during the day to match evening activities. Pilot classes have begun for a proposed B.A. in Criminal Justice. Trustees can assist with these goals by increasing awareness of Webster University, especially the Old Post Office. Any feedback and identification of possible new programs is appreciated.

Downtown faculty members Jim Monahan and Judge Glen Norton of the Missouri Court of Appeals, Eastern District, spoke of their teaching experiences at the Old Post Office. They described the facility as "magnificent" and "state of the art" and the students as "dedicated" and "earnest." Judge Norton noted that

the OPO serves as a major element in the revitalization of the downtown area because it has served as a catalyst for other developments in the district.

Dr. Russell introduced Mr. Larry Mabrey, Director for the Center for Professional Development (CfPD) located at the Old Post Office. The CPD offers non-credit continuing education programs. Mr. Mabrey shared successes and goals for the CPD. Phase I of the leadership series for the Lutheran Church Missouri Synod was completed in 2006 and the contract for Phase II was approved for 2007. The Center also offers seminars in business strategy, sales, communications, project management and cross-cultural issues. The Center works in partnership with SLATE (St. Louis Agency on Training and Employment) to assist employees in transition. Mr. Mabrey will establish an Advisory Consortium for the Center and asked Trustees for recommendations for membership. He hopes to have a 50% participation rate from Trustee businesses/corporations in the Center's professional development programs.

Following the presentation, Trustees discussed the programs. Discussion included topics such as enrollment, day time activity, level of awareness of the programs offered, and marketing. With a 12 ½ year lease, the longest of any Webster campus, and the increased financial commitments associated with the OPO, Dr. Meyers noted that we gambled with the relocation of our downtown campus to the OPO. The OPO campus has not yet achieved a break-even budget. Dr. Meyers noted that the Trustees can assist the University by helping increase participation in degree and CfPD programs. Several Trustees offered to put their staff and/or clients in touch with Webster.

#### **APPROVAL OF MINUTES**

**The minutes of the September 14, 2006 Board of Trustees meeting were approved as written on a motion by John Capps and seconded by Donna Vandiver.**

#### **CHAIRMAN'S REPORT**

Mr. Hill reported on his participation in WebsterWorksWorldwide 12, held on October 4, 2006. Over 2,000 faculty, staff and students volunteered over 9,000 hours of service to community projects. Mr. Hill was impressed with the work of students and faculty at his project at ECHO (Emergency Children's Home) and encouraged all Trustees to participate in the next Webster Works in October, 2007. Mrs. Fox and Mr. Hill shared results of their lunch time discussion with a group of 12 students in Marletto's Marketplace on campus. When asked why they chose to attend Webster University, the students noted Webster's diversity of Webster, the study abroad program, and the flexibility in classes. They also liked the fact that the University treated everyone in an equal manner. When asked about issues, they identified the need for more student employment opportunities, more international studies courses, expansion of the Multicultural Center and upgraded technology. When they graduate, they expect their Webster education will help them become leaders, instill in them a good work ethic and inspire them to financially support the University so others can have the experiences they had. The students ask that the trustees stay in contact with students and to communicate plans the Board has for the University. Mrs. Fox described the students as "bright and dedicated" and very supportive of the University. Mr. Hill will meet with the Faculty Senate in the spring.

Mr. Capps asked if Mr. Hill had any follow up to the meeting. Mr. Hill responded that some suggestions had already been implemented.

#### **CAMPAIGN REPORT**

Mr. Ritter reported that all Campaign Committee Chairs have been selected. The Corporate Leadership and Current Board committees have begun strategy and planning sessions. The Former Board and Corporate Pacesetter Committees will get underway later this winter. The Individuals Committee, chaired by Bert Walker, will initiate its activities later in the spring. About 75% of the Board has been solicited with the remainder to be contacted soon. He expects 100% participation from the Board.

## **PRESIDENT'S REPORT**

Dr. Meyers reported that Webster has begun its formal self-study process in preparation for its re-accreditation by The Higher Learning Commission (HLC), North Central Association (NCA) of Schools and Colleges. This year-long study will assess and document the University's compliance with all HLC/NCA criteria and guidelines and provide compelling evidence to support Webster's re-accreditation. After completion of the Self-Study Report in fall 2007, a HLC/NCA accrediting review team will visit the campus in April 2008. Trustees may be contacted for interviews.

The School of Education hosted on-site accreditation reviews by the Missouri Department of Elementary and Secondary Education (DESE) and the National Council for Accreditation of Teacher Education (NCATE) in late October. In its exit interview, the NCATE team reported that the school met four of the six NCATE standards. Their recommendations will be forwarded to NCATE's Unit Accreditation Board which will meet in late spring to review recommendations and make a decision on full or provisional accreditation.

With the continued long-term growth of online programs, the University is investing in upgrades of the technology infrastructure and the courseware tools that support online instructions. A new software system (VISTA) will be installed and several hundred courses will be converted to this new platform.

The Admissions Department has activated the Active Admissions website. Each campus location has a special landing page within this website. In November and December nearly 50% of all applications were submitted electronically through this website. Graduate applications have increased 24%. Students continue to express their satisfaction with the new residence halls.

RCGA has recognized Webster University as a Top 50 company in St. Louis. The award recognizes companies for their overall business success and their ability to positively affect the future of the business community. Criteria included enhancement of the community, revenue growth and expansion and development of facilities.

Dr. Meyers noted that the April 12 Board meeting will focus on international education. He noted that Mrs. Fox and her husband Sam may soon relocate to Brussels when the Senate confirms Sam as U.S. Ambassador to that country. He wished them the best of luck and noted that the Board will miss Marilyn.

Mr. Garafola briefed the Board on the recent fraud. The initial inconsistency, which involved an altered copy of a valid Paric Corporation invoice for renovation of residential halls, was discovered on September 14, 2006. Since the invoices referenced "Paric," the University notified Joe McKee, President of Paric Corporation. The investigation revealed fraudulent signatures on the invoices of a Paric Corporation employee and Webster's Vice President-Finance. Working together, Webster University and Paric Corporation engaged an external investigative team. Within 24 hours the team identified a fraudulent bank account and activity, with the name of the Webster University employee as owner of the bank account. Immediately, internal investigators secured the employee's office and personal computer. The employee, Malcolm Murphy, immediately resigned his position and was escorted from campus. Internal investigation and audits proceeded and the Federal authorities were notified. Federal agencies recommended that the Office of the Postmaster General pursue prosecution. On November 30, 2006, the U.S. Attorney indicted Mr. Murphy and he was arrested on December 6, 2006. Mr. Murphy posted bond and is awaiting trial. The fraudulent payments began in August, 2003 with \$10,000 and totaled \$629,000 over the years. The University's insurance carrier will reimburse all but \$1,000 of the loss.

As a result of this incident, the University has instituted several new policies and procedures. Fiscal management and the technical management of construction projects have been divided. A new construction payment process includes improved record keeping and lien waiver collection procedures. Accounts Payable has stricter controls including a more formalized signatory process. Background checks will be implemented. It is believed collusion is involved.

## **GOVERNANCE COMMITTEE**

Reporting for Ms. Locke, Ambassador Walker reported that the Committee recommended accepting the following two candidates to Board membership:

Ed Glotzbach, former Board Chair and President and Managing Partner of TPI, Inc.

Tom Irwin, newly-appointed Executive Director of Civic Progress

**Mr. Jacobs moved and Mr. Ritter seconded a motion to elect Ed Glotzbach and Tom Irwin to the Board of Trustees. The motion passed unanimously.**

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

Respectfully submitted,

Mary Birkenmeier, Recording Secretary

Karen Luebbert, Secretary of the Board