

CONFIDENTIAL

Executive Committee Meeting Held via telephone conference April 27, 2007, at 11:30AM EDT

Trustees Present: Art Zucker/Chair, Bruce Bedford, Amy Chappell, Dan Fallon, Sherwood Guernsey, and Larry Stone

Trustees Absent: Jeff Kasch

Staff Present (beginning at 11:50AM): Toni Murdock/Chancellor, Tom Faecke/CFO, and Leslie Bates (minutes).

Art Zucker called the meeting to order at 11:30 AM in **Executive Session**. Sherwood Guernsey took the minutes until 11:50AM when Toni Murdock, Tom Faecke, and Leslie Bates joined the teleconference.

At Art's request, Sherwood provided a summary of the executive session during which the following resolution was unanimously approved:

Resolution 4.27.07:1

RESOLVED, that the Executive Committee of the Board of Antioch University unanimously recommends the following actions to the full Board:

1. To discontinue the national search for a Chancellor and to terminate any outstanding search firm contract; and
2. To cancel Toni Murdock's existing contract as acting Chancellor effective June 30, 2007; and
3. To enter into a new contract with Toni Murdock as Chancellor starting July 1, 2007, and terminating June 30, 2010, and to continue her sabbatical rights; and
4. To take any and all necessary and appropriate actions to implement the action set forth herein, including without limitation, any amendments to the Bylaws.

Unanimously approved by voice vote.

It was also noted that at Toni's request Art is willing to continue as board chair through 2010 if he remains in good health and if that is the wish of the Board.

4. To take any and all necessary and appropriate actions to implement the action set forth herein, including without limitation, any amendments to the Bylaws.

Unanimously approved by voice vote.

It was also noted that at Toni's request Art is willing to continue as board chair through 2010 if he remains in good health and if that is the wish of the Board.

College financial update. Art asked Toni and Tom to present an update on the College's financial picture. Toni reported that there are 438 accepted applications and 58 deposits (at this time last year, there were 745 accepted applications and 55 deposits). Deposits are due by May 1, so there will be more clarity at that time. Those in Admissions continue to feel confident that there will be 135 new students (including transfers). With regard to fund-raising, the annual fund has produced pledges totaling \$850,671. \$1.2M is what was budgeted; however, Toni noted that [College president] Steve Lawry has a number of people to visit before the board meeting. The Campaign's unrestricted funds total \$419,000. On the \$500,000 challenge grant, Toni reported \$426,531 in cash. The total with pledges is \$1,270,000.

Toni reported on the meetings of the committee she appointed soon after the February board meeting whose task it has been to analyze the University and the College's financial picture. She named the committee members. Besides herself, there were: Steve Lawry, Rick Jurasek, Laurien Alexandre, Tom Faecke, Deb Caraway, Gerald Hunter, Barbara Danley, Zak Sharif, Andrzej Bloch, Mary Lou LaPierre, and Leslie Bates. Art attended one of the sessions. There have been three all-day sessions and the time was spent reviewing various scenarios and options as well as possible outcomes or repercussions of those options. For the board meeting, Toni noted that trustees will have the most current data available on each of the financial models that are being run. The sustainability model begins with 135 new students with a 10% increase per year after that, she explained. The Annual Fund was figured at \$1.1M starting next year with a 10% increase after that. The Campaign was shown as \$537,000 with a 7.5% increase each year.

Toni described in more detail the possible sources for cash and the timing for when the College would have a balanced budget.

For clarification, Art noted that the College would still get the \$740,000 in subsidies from the other campuses, and that the College would not contribute to Central overhead. Toni added that the model does not include capital improvements, although it does include \$1.4M per year for maintenance and minor improvements. She said Steve estimates that an additional \$15M would be required to bring the physical facilities in line to attract students, but that figure does not include improvements to the dorms. Further, the model does not provide for any contingencies for the College.

Toni described other possible sources of money, including declaring budget curtailment and program reductions at the College, and the possible effects of taking certain actions. Complete data will be sent in advance of the board meeting (to be mailed the week of May 21). During discussions in Seattle, Toni offered that the ULC is prepared to share their ideas and views on each of the options.

Dan Fallon summarized that \$50M in cash would have to be available over the next three years for use in maintaining the College and beginning the modest maintenance necessary, without building new buildings.

ACTION ITEM: Art asked Toni and Tom to present an analysis of this for the Board's review, DISCUSSIONS IN SEATTLE, TOM OFFERED THAT THE ULC IS PREPARED TO SHARE THEIR IDEAS AND VIEWS ON each of the options.

Dan Fallon summarized that \$50M in cash would have to be available over the next three years for use in maintaining the College and beginning the modest maintenance necessary, without building new buildings.

ACTION ITEM: Art asked Toni and Tom to present an analysis of this for the Board's review, a total picture of what's needed.

There followed a discussion about the Board's fiduciary responsibilities, the options and timeline for raising \$50M in a short period of time, and what resources could be used to identify donors.

There was a discussion about University assets and what the sale of certain of those could yield.

Concerning documents to be sent to the Board for review in advance of the meeting, Bruce suggested sending full data to the Finance Committee; however, for the sake of other board members, he suggested using a combination of graphics and text, plus a summary of the alternatives along with a timeline of when critical actions need to take place. Toni agreed to work on graphs with Tom and then run them by Bruce before sending to the trustees.

There was a discussion of other leaders in academe being used as resources in the analyses. Suggestions were made of possible donors and how to approach them.

There being no further discussion, the meeting was adjourned at 12:35PM.

These minutes respectfully submitted by,

Leslie Bates

Leslie Bates
Assistant Secretary