Executive Committee Meeting
Held via telephone conference
March 20, 2006, at 3:00 PM EST

CONFIDENTIAL

Trustees Present: Art Zucker/Chair, Amy Chappell, Dan Fallon, Jeff Kasch, Larry Stone, Barbara Winslow and Dan Kaplan (by invitation of Art Zucker).

Others Present: Tim Gilliland, Rick Jurasek, Steve Lawry, Toni Murdock, Don Tecklenburg, Margo Tucker, David Weaver (minutes).

Art Zucker called the meeting to order at 3:00 PM. Art asked that Dave Weaver take the minutes for the meeting. He indicated that the purpose of the meeting was to discuss and possibly take action relative to the College Financial Plan and to discuss and possibly authorize expenditure of the WYSO grant and gift funds to upgrade equipment. Art then asked Toni to describe briefly the College financial planning that has been done in preparation for the NCA visit in April.

Toni indicated that a great deal of work has been done on a plan and that it had been reviewed by Tom Clough. She then asked Steve Lawry to provide more details. Steve highlighted his memorandum that had been distributed to the Executive Committee prior to the meeting, noting that the purpose of the exercise was to provide a secure financial condition at the College for the next five to six years while the renewal plan is being implemented. Steve's plan contains three elements: (1) re-designation of the Drey gift with the donors' consent; (2) additional funding from the Pierson-Lovelace Foundation; and (3) additional annual fundraising.

During the discussion that ensued the members of the Executive Committee and others on the call discussed the pro forma financial statements which had been sent prior to the meeting, alternatives, strategies and timing. There was consensus among the members of the Executive Committee that Steve Lawry should take the lead in developing the specific strategy for contacting Leo and Kay Drey but should work closely in that effort with Art and Toni. It was also pointed out that to the extent the plan cannot be implemented, all fundraising efforts for the College for the foreseeable future would likely be devoted to meeting its operational needs and that it will be very difficult to raise funds for a new student union or other campus facilities. At the conclusion of the discussion, the following resolution was made by Bruce Bedford, seconded by Dan Fallon and approved by unanimous voice vote.

RESOLUTION 3.20.06:2 (B. Bedford/D. Fallon)

RESOLVED, that the Executive Committee hereby authorizes the Board Chair, the Chancellor and President of the College to ask Leo and Kay Drey to consent in writing to the release or modification of restrictions of their $10,144,705.68 gift made on or about July 27, 2001, so that said funds may be used, as specifically authorized by the Board of Trustees, between July 1, 2006, and June 30, 2011, for the Renewal of Antioch College, it being understood that to the extent the Board determines said funds are not needed for that purpose they will be re-designated as authorized by the donors.

RESOLVED FURTHER, that if the written consent is given by Leo and Kay Drey as contemplated in the preceding paragraph, the Board shall take formal action at its June 2006 meeting to release or modify the restrictions as authorized by the donors.

Art then asked Bruce Bedford and Don Tecklenburg to provide a brief summary of the issues addressed in "Resolution 1" that had been distributed to members of the Executive Committee prior to the meeting. Don indicated that he was suggesting a different approach to internally accounting for gains and losses in the endowment which would apportion them to the respective campuses instead of to the University. Don indicated his belief that if such change were made there would be at least $1.4 million of gain that would show up on the College's income statement at the end of the 2005-2006 fiscal year. He described this change as a bookkeeping entry to balance the budget in years where the stock market performance is strong. He described the change as an extraordinary measure but thought that it would be justifiable to make the change at least for this current fiscal year. Don noted that the second paragraph of the proposed resolution was intended to provide an alternative approach to balancing the College's budget for the current fiscal year if the Board did not want to make the internal accounting change he had proposed. During the ensuing discussion it was agreed among the members of the Executive Committee that the language contained in the second paragraph of the draft resolution was not necessary and should be deleted. At the conclusion of the discussion the following motion was made by Jeff Kasch, seconded by Larry Stone and unanimously approved.

RESOLUTION 3.20.06:1 (B. Bedford/D. Fallon)

RESOLVED, that the Executive Committee hereby authorizes and directs the Vice Chancellor and CFO to prepare a formal proposal for presentation to the Finance Committee and the Board at the June 2006 board meeting to change the University's internal accounting procedures to include in each campus's June 30, 2006 Actual Expenditure Summary by Function Report the campus's share of the net appreciation, realized and unrealized, in the fair market value of the endowment over the previous year's market value.

Next, Art indicated that WYSO has recently received a restricted grant from the Morgan Family Foundation and restricted gifts from YSI and REDACTED which would enable WYSO to replace and upgrade its on-air computer, to purchase and install back-up generators at the studio and at the transmitter site and to replace the existing transmitter (with additional grant funding when received). Art indicated that he and Bruce Bedford had some questions about the timing of the proposal and indicated a reluctance to make any approval for spending funds that have not already been received. Don suggested a modification of the proposed resolution to authorize the expenditure of the funds currently in hand which was agreed to by consensus. During the ensuing discussion, the members of the Executive Committee and others present discussed the WYSO operating budget, fundraising prospects, depreciation and the cost of installation. At the conclusion of the discussion, Bruce Bedford moved the following resolution which was seconded by Jeff Kasch and unanimously approved:

RESOLVED, that the Executive Committee hereby authorizes the Vice Chancellor and CFO or his designee to enter into contracts and to take any and all other actions necessary to replace WYSO's on-air computer system, and backup generators at a cost not to exceed $125,000, said cost to be paid from grants received from the Morgan Family Foundation and YSI and a gift from REDACTED for these purposes.

There being no further business to consider, the meeting was adjourned at 4:45PM.

These minutes respectfully submitted by,

David A. Weaver

David A. Weaver
Acting Secretary