Executive Committee Meeting
Held via telephone conference
July 18, 2006, at 2:00 PM EDT

CONFIDENTIAL

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

Staff Present: Toni Murdock/Chancellor, Tom Faecke/VC and CFO, David Weaver, and Leslie Bates (minutes).

Art Zucker called the meeting to order at 2:00PM. The first order of business was authorizing Tom Faecke as Vice Chancellor and CFO. Art read aloud the following resolution which was unanimously accepted.

RESOLUTION 7.18.06:1 (B. Bedford/D. Fallon)

WHEREAS, Thomas A. Faecke has been appointed by the Chancellor to serve as Vice Chancellor and CFO of the University subject to his subsequent election as an officer of the Corporation by the Board of Trustees; and

WHEREAS, pending his election by the Board of Trustees as an officer of the Corporation, the Executive Committee wishes to delegate to Thomas A. Faecke all authority to perform the duties of Assistant Treasurer and Vice Chancellor and CFO, including those duties described in Section 5.6 of the University's Bylaws and delegated to the Assistant Treasurer and/or the Vice Chancellor and CFO of the University by prior actions of the Board and/or its Executive Committee.

BE IT THEREFORE RESOLVED, that pending his formal election as Assistant Treasurer of the Corporation and Vice President and CFO (commonly referred to as Vice Chancellor and CFO) of the University by the University Board of Trustees, the Executive Committee hereby delegates to said Thomas A. Faecke all authority to perform the duties of Assistant Treasurer and the Vice Chancellor and CFO, including those described in Section 5.6 of the University's Bylaws and those delegated to the Assistant Treasurer and/or the Vice Chancellor and CFO by prior actions of the Board and/or its Executive Committee.

AUSC Budget

Toni explained that LucyAnn Geiselman, president of AUSC had been asked at the June board meeting to revise her budget. Toni noted that it now seems to be on target. One problem that was uncovered was that students had been allowed to drop classes without penalty on their registration (i.e., no charge for tuition no matter how late they dropped). Tom Faecke will travel to Los Angeles in August with the goal of learning their budget and putting monthly monitoring checks in place.

Dan Fallon emphasized the need to have common accounting processes at both LA and Santa Barbara.

Toni explained that the CFO at AUSC is new to higher education and that has contributed to the situation, but she is encouraged by the recent improvements in leadership and financial expertise at the LA and SB campuses: Neal King (previously the interim president at AUNE) as academic dean at LA and Michael Mulnix as new provost at SB. Toni recommended approval of the AUSC budget, noting that she and Tom will keep a close watch on it. Bruce also recommended approval. Sherwood requested a monthly report to the Finance Committee.

College Budget

Toni provided background on the board's request for the College to revise its budget. The College was asked to trim the Gifts line so they wouldn't have the burden of raising $3.2M in annual funds. Also, the forecast for the number of students in the entering class had been 140, which was too high, and that was reduced to 120. This yielded a tuition revenue difference, so cuts were made to balance with the new enrollment figure. Steve preferred not to change the Gifts line.

Tom had earlier suggested looking at this as a two-year budget. He and Toni agreed that this is not yet a balanced budget, but emphasized that further reductions are not possible at this time. They requested that the Board be open to the prospect of drawing further on the Drey funds toward the end of the fiscal year.

Dan agreed that by underwriting the College we're building a basis for the future, it's an investment strategy. There was discussion about the Board's commitment to the renewal plan and to the College, as well as agreement that further cuts on the expense side are not possible right now.

Toni noted that she and Tom will be monitoring the College's budget very closely to be sure they stay on track with their expenses. Art requested a monthly report to the Finance Committee, similar to the request on the AUSC budget.

There was a brief discussion about Steve's plans for raising the $3.2M, Toni noting that he plans to go back to donors who had already made a contribution. He also plans to ask the Trustees for assistance.

Art described some of the tough issues Steve is dealing with around culture, which means he'll have to spend more time on campus. He is starting to get some support from students who are also frustrated with elements of the culture, but more support is needed from the faculty who are mostly passive. Jeff pointed out that it's critical for Steve to know that he has strong Board support.

Toni mentioned a discussion held the previous week by the ULC at their retreat. A plan was formulated where the campus presidents team up with their faculty to collaborate with Steve's faculty by offering workshops on advocacy for change, culture around change.

Finally, Art noted the need for a program for reviewing the Capital budget for the College.

Art read aloud the following resolution which was unanimously accepted.

RESOLUTION 7.18.06:2 (B. Bedford/L. Stone)

RESOLVED, that the Operating Budgets for Antioch College and Antioch University Southern California are hereby approved as presented and reviewed at this meeting.

McGregor Campus West

Toni provided the background on Barbara Danley's being asked to produce a new pro forma based on McGregor's new enrollment figures. There was some concern that expenses were underestimated and some discussion about downsizing the building. Toni said she will have figures on cost per square foot by the end of July. There was also some concern about the September ground-breaking date, that it is getting late in the year. The cost of stopping the project at this point would be too great. There was a brief discussion about delaying the project, to wait for an April ground-breaking. David Weaver pointed out that the contract calls for a deadline on the start date. He said he'd look into that in case it can be negotiated.

Art asked that Tom review all the numbers with Glenn Watts, Barbara Danley's project manager, asking that the Executive Committee reconvene for a mid-August conference call.

There being no further business to consider, the meeting was adjourned at _____PM.

These minutes respectfully submitted by,

Leslie Bates

Leslie Bates
Assistant Secretary