

TO: Board of Trustees

FROM: Allen C. Meadors, PhD, FACHE
President

DATE: August 24, 2011

RE: Private Donation for President's Residence

Chairman Roussel asked that I provide you with the following information:

A private donor has pledged \$700,000 for renovations to the President's house. These funds can only be used for renovations or may go towards the purchase of a new house for the President. Chairman Roussel also mentioned that there has been some discussion regarding additional private donations specifically for this purpose.

Please keep this information confidential until Friday's Board meeting. Chairman Roussel wants to share it with the President's Residence Advisory Committee before making the announcement at the meeting. Thank you.

ACM:sl

UCA and Aramark have been successfully partnered for 34 years in order to provide students with the best dining options available. During this time, Aramark has also made an effort to ensure this business relationship is financially beneficial to the university. Just as other companies commonly reinvest into their business, Aramark has done this by investing in their clients throughout the state. In addition to UCA, those clients currently include Henderson State University, Southern Arkansas University, University of Arkansas at Monticello and Northwest Arkansas Community College.

Other major food service providers in the State include Chartwells (University of Arkansas and Arkansas Tech University) and Sodexo (Arkansas State University and University of Arkansas at Little Rock).

In recent years, Aramark has invested more than \$6.7 million in major investments at UCA; these include the following:

- Java City - \$125K
- Food Cart, Grill and Concessions - \$210K
- Christian renovation - \$3.6 million
- Student Center expansion and food court - \$1.6 million
- Starbucks - \$425K
- Blackboard ID system - \$85K
- Einstein Brothers Bagels/Java City food options - \$650K

These and other investments that Aramark has made continue to enhance the living and learning environment at no cost to the taxpayers, UCA or its students. These investments are amortized over a number of years as an expense to the food service provider.

This is a common practice throughout the country with not only food service vendors, but drink vendors, bookstores and others. For example, on the UCA campus, PepsiCo invested in an indoor practice facility and Barnes and Noble has invested in renovating the bookstore.

This unrestricted grant of \$700,000 is not tied to board rates. Student board rates at UCA continue to be in the lower tier as compared to our sister institutions. This is partly because of these capital costs are not required to be borne by the university.

These are exempt funds, and--by law--this contract does not require a competitive bid. The Board of Trustees will ultimately make the decision on the renewal of the contract.

\$4.7 million is outstanding on the Investment Account held by Aramark. If another vendor took over, that amount would be required to be bought out.

Information provided by Diane Newton