

Minutes of a Regular Meeting of the
Finance Committee of the
Ferris State University Board of Trustees
Friday, October 14, 2005
Timme Center for Student Services
Big Rapids, Michigan

1. Call to Order and Roll Call

A regular meeting of the Finance Committee of the Ferris State University Board of Trustees was held on Friday, October 14, 2005 in room 201 V-W of the Timme Center for Student Services, Ferris State University campus, Big Rapids, Michigan. Chair R. Thomas Cook called the meeting to order at 10:36 a.m. In addition to Chair Cook, the following individuals were present: Trustee and Finance Committee member Gregory L. Patera; Trustee George J. Menoutes; University President David L. Eisler; University Vice Presidents Daniel L. Burcham, Richard P. Duffett, and Michael Harris; Vice Chancellor Sandra A. Davison-Wilson; University General Counsel Miles J. Postema; Board Counsel Fredric N. Goldberg; Recording Secretary to the Board Karen K. Paine; and members of the University community. Trustees Gary L. Granger and Ronald E. Snead were absent with prior notification.

2. Hearing of the Public

No one responded to Chair Cook's invitation to address the Committee.

Amend Agenda

It was moved by Trustee Patera and supported by Trustee Cook that the Finance Committee of the Board of Trustees amend its agenda for today's meeting by the following item:

*Add New Item 5h. Child Care Access Means Parents in School (CCAMPIS)
Grant Award*

3. University Investments Report

Vice President Duffett introduced Mr. Nolan Bean, Consulting Associate for Fund Evaluation Group. Mr. Bean provided a presentation to the Finance Committee on University investments. A copy of his presentation and the investment reports are located in the official file for this meeting.

Trustee Cook requested the addition of target percentages to be located on the same page as the performance data. The Investments and Grants Office will follow up with this request.

4. External Auditors' Report

Vicki L. VanDenBerg of Plante & Moran provided a presentation to the Finance Committee on their audit of the financial statements of Ferris State University for the year ended June 30, 2005, including a review of the University's performance relative to other Universities in Michigan. A copy of her presentation and the audit results are located in the official file for this meeting. Darlene Middleton provided an overview of the Internal Audit Plan process.

Associate Vice President Rick Christner extended his appreciation to his staff for their hard work and cooperation during this audit, and the extra effort put forth during the Banner transition.

5a. Final FY'06 General Fund Operating Budget

President Eisler provided an overview of the content and approach to this year's General Fund Operating Budget. A copy of the budget request is located in the official file for this meeting.

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the administration's recommended FY'06 General Fund Operating Budget as submitted on this date, for full Board approval on November 11, 2005.

5b. FY'07 State Operating and Capital Outlay Budget Requests

President Eisler provided an overview of the FY'07 State Operating Budget Request. A copy of this request is located in the official file for this meeting.

President Eisler extended his appreciation for the assistance of Neumann Smith Associates, the faculty in the Michigan College of Optometry and Dean Kevin Alexander, for their diligent work on the FY'07 Capital Outlay Project Request. A copy of this request is located in the official file for this meeting. President Eisler noted two significant changes in this request: They are a reduction in cost of the proposed project, from \$40 million to \$23.8 million, and the creation of the Center for Collaborative Health Education.

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the administration's recommended FY'07 State Operating and Capital Outlay Budget Requests as submitted on this date, for full Board approval on November 11, 2005.

Bob Buckingham, Director of Clinics at the Michigan College of Optometry, noted that on November 12, 2005 the Michigan College of Optometry will be celebrating their 30th anniversary. All are welcome to attend.

5c. Furniture Purchase for Residence Halls

Vice President Duffett provided additional information regarding the request for furniture purchase for the residence halls. In response to an inquiry from Trustee Menoutes, Vice President Duffett reported that the contract will be put out for bids. President Eisler reported that there has just been a complete renovation of Cramer Hall, except for the elevators.

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the administration's recommendation and authorize the Vice President for Administration and Finance to negotiate and enter into a contract with the selected vendor, upon legal review and approval, for furniture purchases for residence halls, at a cost not to exceed \$248,000, for full Board approval on November 11, 2005.

5d. Facility Development Agreement with TLC Michigan, LLC

General Counsel Postema provided an introduction of this item and details of the proposed lease agreement. He introduced Bob Buckingham, Director of Clinics for the Michigan College of Optometry, who provided additional detail on the benefits of this agreement. He reported that TLC will do most of the marketing, including the Michigan College of Optometry and FSU, and they will leave the equipment here, allowing our students to use the equipment and expand their ability to do post-operative care.

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the administration's recommended Facility Development Agreement with TLC Michigan, LLC, upon legal review and approval of the form of contract, for full Board approval on November 11, 2005.

5e. Professional Services Contract, Aria Communications

Vice President Duffett provided an overview of the proposed Professional Services Contract with Aria Communications. In response to an inquiry from Trustee Cook, Director of Alumni Relations Jeremy Mishler reported that the federal Do Not Call List does not apply to non profits, and the caller ID's will display "Ferris State University."

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the administration's recommended professional services contract for telemarketing services with Aria Communications, upon legal review and approval, in an

amount not to exceed \$85,000 per year, with automatic renewal options up to an additional two years, for full Board approval on November 11, 2005.

5f. Change in Board-Approved Policy, Part 10: Other Matters

President Eisler provided an introduction of this item. Board Counsel Goldberg provided a further description of how this revised policy and procedures regarding the President's travel would work. In response to an inquiry from Trustee Menoutes, the substantive changes to the travel portion of this policy pertain specifically to the President, while other employees of the University are subject to other policies regarding their travel.

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the administration's recommended revision to Board policy, Subpart 10-2, *Reimbursement of Certain Expenses Incurred by Officers and Employees of the University (Other Than the Trustees)*, as submitted on this date, for full Board approval on November 11, 2005.

5g. Conveyance and Disposal of Real Estate – State Street Property

Vice President Duffett provided an overview of the history of this item, which applies to .005 acres of University property. In response to an inquiry from the Committee, the 200 car washes will be given to Mike Hughes at the Physical Plant for the washing of University vehicles. Board Counsel Goldberg provided additional information on this item relative to the requirements for Board approval and cost-benefit rationale for not requiring an appraisal in this instance.

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the Administration's recommendation, for full Board approval on November 11, 2005, to (1) convey the surplus property by quit claim deed to Lee's Rapid Wash Inc. according to the terms described and (2) authorize an exception to the policies of Subpart 4-9 so as to permit the disposal of this real estate without acquiring an appraisal or proceeding with the solicitation of bids for the property. The Administration would be directed, upon appropriate legal review and approval, to complete the boundary line adjustment and quit claim deed as described.

5h. Child Care Access Means Parents in School (CCAMPIS) Grant Award

Vice President Duffett reported on the need for the addition of this item to the Finance Committee agenda. He introduced Lori Johnson, Director of Tot's Place. She reported that the grant will support approximately 150-160 families; described how the funds will be utilized; and reported that they received only 2 points in deduction out of 110 points on the preparation of the grant. Ms. Johnson extended her appreciation to everyone who assisted in working on this grant.

It was then moved by Trustee Patera and supported by Trustee Cook that the Committee endorse the administration's recommendation to accept the Child Care Access Means Parents in Schools Program (CCAMPIS) grant award, in the amount of \$320,000 over a period of four (4) years, for full Board approval on November 11, 2005.

6. Hearing of the Public

No one responded to Chair Cook's second invitation to address the Committee.

7. Reconfirmation of Next Meeting Date

The next regular meeting of the Finance Committee is scheduled for Saturday, February 18, 2006 in Big Rapids, Michigan.

8. Adjournment

At 11:50 a.m., Chair Cook adjourned the Committee.

Approved by



R. Thomas Cook
Chair

Submitted by

Karen K. Paine
Recording Secretary to the
Board of Trustees