

Minutes of a Regular Meeting of the
Finance Committee of the
Ferris State University Board of Trustees
Friday, February 4, 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, February 4, 2005 in rooms 201 VW of the Timme Center for Student Services, Ferris State University campus, Big Rapids, Michigan. Chair R. Thomas Cook called the meeting to order at 9:07 a.m. In addition to Chair Cook, the following individuals were present: Trustee and Finance Committee member Gary L. Granger and Trustees Gregory L. Patera, George J. Menoutes, and Ronald E. Snead; University Vice Presidents Scott P. Hill-Kennedy; Daniel L. Burcham, Richard P. Duffett, and Michael Harris; Vice Chancellors Oliver H. Evans and Sandra A. Davison-Wilson; Board Counsel Fredric N. Goldberg; Recording Secretary to the Board Karen K. Paine; and members of the University community.

2. Hearing of the Public

Chair Cook and Trustee Patera provided an introduction and welcome to the University's two newly-appointed Trustees, George J. Menoutes and Ronald E. Snead.

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

Motion to Amend

It was moved by Trustee Granger and supported by Chair Cook that the Finance Committee amend today's agenda by the following:

Remove item 3i., Lease Agreement with Garan, Lucow & Miller, PC

3a. Consent Calendar

It was moved by Trustee Granger and supported by Chair Cook that the following items contained in the consent calendar be endorsed for full Board approval on February 26, 2005:

- a. *Consent Calendar*
 1. *WPHH - 450/FSU Traveler's Information Station - FCC License Renewal*

2. *Board Codification Project, Phase II: Change in Board-Approved Policy: Personnel Policies – Kendall College of Art & Design*
3. *Slate of Candidates for Ferris Foundation Board*

3b. Renewal of External Auditor's Contract

Vice President Duffett provided additional information regarding the recommendation to renew the External Auditor's contract with Plante & Moran, LLP.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommendation to renew the External Auditor's Contract with Plante & Moran, LLP, through fiscal year 2006, for full Board approval on February 26, 2005.

3c.1. and 3c.2. Campus Master Plans, Big Rapids and Grand Rapids

Vice President Duffett provided an overview of the Campus Master Plan design work performed by Neumann Smith and Associates, Inc. for the Big Rapids and Grand Rapids campuses. Ken Neumann provided a presentation to the Committee. A copy of this presentation is located in the official file for this meeting. President Eisler extended his appreciation to Ken Neumann for the quality of his work and reported that both plans can be found on the university's website. President Eisler provided additional detail on the design of the proposed Optometry building.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommended Campus Master Planning documents as guides in the planning and development of the capital assets of the university, for full Board approval on February 26, 2005.

3d.1. and 3d.2. Professional Services Contracts

Vice President Duffett provided additional information on the recommended professional services contracts supporting the campus master plans. Mike Hughes, Assistant Vice President for the Physical Plant, provided additional detail regarding the requirements of the assessments. He reported on issues relative to current and future facility needs and system requirements.

Vice President Duffett provided additional information on the cost and funding for the project. He reported that the total cost of the professional services contracts does not include any cost of maintenance, repair, renovation or improvements from the recommendations or conclusions of the assessments.

Additional information was requested to be provided to the Board prior to their meeting on February 26, 2005. Information requested includes current reserve balances and a

bulleted outline describing what services will be provided by these contracts, and what the university expects to receive from them.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommended Professional Services Contracts with Diclemente Siegel Design, Inc. in an amount not to exceed \$500,000, and with 3D/I in an amount not to exceed \$400,000 for audit and assessment services, for full Board approval on February 26, 2005.

3e. Housing and Dining Summer 2005 Capital Projects

Vice President Duffett provided an overview of the items contained in the Housing and Dining Summer 2005 Capital Projects. He reported that the funding for these items are already included in the auxiliary services budget. President Eisler extended an invitation to the Trustees to do a walk through of the residence halls at a future time.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommended Housing and Dining Summer 2005 Capital Projects, as presented on this date, for full Board approval on February 26, 2005.

3f. Sabbatical Leave Requests

Vice President Harris provided additional information on the sabbatical leave requests. He reported that the total cost for these requests is already included in the university's budget, and provided an overview of the historical costing for sabbatical leave requests. He also reported that in the decision-making process for approval of these requests, past practices and guidelines were reviewed. A committee was formed, and there may be revisions to the guidelines for future years.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommended 2005-2006 Sabbatical Leave Requests, as presented on this date, for full Board approval on February 26, 2005.

Recess

At 10:22 a.m., the Committee took a brief recess.

3g. Voluntary Resignation Incentive Program Requests

Vice President Harris provided additional information regarding the qualifications for the Voluntary Resignation Incentive Program. He reported that funding is already in the current budget for these requests.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommended Voluntary Resignation Incentive Program requests, as presented on this date, for full Board approval on February 26, 2005.

3h. Federal Earmark Grant for HVACR Enhancement and Outreach Expansion

Vice President Harris provided additional information on the HVACR grant award. He reported that the funds will be primarily used in the HVACR program for equipment purchases, outreach activities, and enhancing online courses. No matching funds are required to accept this grant award.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommended acceptance of the Federal Earmark Grant for HVACR Enhancement and Outreach Expansion, as presented on this date, and authorize President David L. Eisler, or his designee, to execute agreements or other documentation necessary to administer the grant award, for full Board approval on February 26, 2005.

3i. Michigan Universities Coalition on Health (MUCH) Self-Insured Health Plan

Rick Duffett provided a brief history of this item and introduced Associate Vice President for Human Resources, Warren Hills. Mr. Hills provided a presentation on this item. A copy of the presentation is located in the official file for this meeting.

It was noted that in the Articles of Incorporation, Ferris is shown to have a Board of Control, not a Board of Trustees. That item will need to be corrected prior to finalizing the document.

Additional discussion included plan design, options and riders. Chair Cook recommended the university take the three plans offered and run our experience or mix through it on a quarterly basis to determine a best plan. It would be helpful information in health care planning for the Board as well. Membership and participation on the MUCH Board of Directors was discussed, and it was recommended to have a thorough legal review to ensure the appropriate makeup and authorizations of Board members.

President Eisler provided a brief background on the university's address of the increasing costs in health care for the new trustees.

It was then moved by Trustee Granger and supported by Chair Cook that the Committee endorse the administration's recommended membership in the Michigan Universities Coalition on Health (MUCH), as presented on this date, and authorize Vice President Duffett to execute other agreements or documentation necessary to administer the university's membership, for full Board approval on February 26, 2005.

4a. Student Housing Project/RFP Summary

Dean of Student Life and Director of Student Housing Jana Hurley distributed a Student Housing Project/RFP Summary and provided an overview of the information contained in the report. A copy of her report is located in the official file for this meeting. She reported that the RFP presentations have already been made, and the recommendations will be forwarded to Vice President Duffett.

Additional discussion included issues relative to the public/private partnerships in housing; other universities that have taken the same route with their housing; and which students the housing will be available to.

4b. Banner Project Update

Vice President Duffett introduced Suzette Compton, Banner Project Manager. Ms. Compton provided a presentation to the committee. A copy of her presentation is located in the official file for this meeting.

Chair Cook expended his appreciation to all for their work on this project.

4c. Barnes & Noble Contract Extension

Vice President Duffett provided an overview of a summary distributed regarding the FSU Bookstores. A copy of this summary is included in the official file for this meeting. Vice President Duffett reported that the contract has a 5-year renewal option that he is exercising, as the relationship has been an extraordinary success.

4d. Freedom to Learn

Vice President Harris provided an overview of a summary distributed regarding the Freedom to Learn Project. A copy of this summary is included in the official file for this meeting. A correction in the document was noted that FSU will administer \$3.7 million in **state** funds, and \$2.7 million in **federal** funds.

Appreciation was extended for the efforts of Scott Hill-Kennedy, Michelle Johnston, and Robbie Teahen for their work on this project.

5. Hearing of the Public

Chair Cook reminded everyone of the Friends of Ferris Dinner/Dance/Auction on February 26, 2005. No one else responded to Chair Cook's second invitation to address the Committee.

6. Reconfirmation of Next Meeting Date

The next regular meeting of the Finance Committee is scheduled for Wednesday, March 30, 2005 in Big Rapids.

7. Executive Session

The executive session for this meeting was deferred until a later time.

8. Adjournment

At 11:42 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