

Minutes of a Regular Meeting of the
Finance Committee of the
Ferris State University Board of Trustees
Friday, April 15, 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, April 15, 2005 in rooms 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 10:08 a.m. In addition to Chair Cook, the following individuals were present: Trustee and Finance Committee members Gary L. Granger and Ronald E. Snead; University Vice Presidents Scott P. Hill-Kennedy; Daniel L. Burcham, and Michael Harris; Vice Chancellor Sandra A. Davison-Wilson; Board Counsel Fredric N. Goldberg; Recording Secretary to the Board Karen K. Paine; and members of the University community. Trustee and Finance Committee member Gregory L. Patera joined the meeting at 10:12 a.m.

2. Hearing of the Public

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

3. Fiscal Year 2005 Audit Plan for the University

Vicky van den Berg of Plante and Moran provided an overview of the Fiscal Year 2005 audit plan for the University. A copy of this plan is located in the official file for this meeting.

President Eisler noted that this year's audit will be completed as we are changing financial records systems for the University. Chair Cook extended his appreciation to all the staff for the extra effort that has been made and will be required to complete this transition.

4a. Refinancing of University Bonds

Associate Vice President Rick Christner provided additional information regarding this item. Discussion included the amount of bond refinancing and additional debt required. Board Counsel Goldberg reported that the new resolution distributed this morning provides modest changes that bring the resolution more into alignment with the executive summary for this item. Mr. Goldberg introduced the University's Bond Counsel, Jerry Rupley of Miller, Canfield, Paddock and Stone, PLC. Mr. Rupley provided additional

information to this committee, including current refunding versus advanced refunding; closing date (after July 1, 2005); average coupon rate and TIC. In response to an inquiry, Mr. Rupley reported that the bonds payable are derived from general revenues. They do not apply to restricted gifts and state appropriations.

President Eisler reported that although three series of bonds have been identified for refinancing (1995, 1998 and 2001), the administration is initially seeking the refinancing of the 1995 series. Should the other series be identified in the future as having opportunities attractive enough for refinancing, this action will authorize the administration to move forward with refinancing. President Eisler also reported that this week the State has approved the capital outlay projects, which included \$5.625 million for Ferris State University's Instructional Resource Center Project. The additional debt from the savings of refinancing will be used for the institutional match for the project.

It was then moved by Trustee Granger, supported by Trustee Patera, and unanimously carried that the Committee endorse the administration's proposed refinancing of General Revenue Bonds and additional debt, as presented on this date, for full Board approval on May 6, 2005.

4b. Professional Services Contract – Bentz Whaley Flessner

President Eisler reported that this organization provides the consulting services that work on the identity of the University. His report included information on the Request for Proposal process and the positive results from the reorganization of the division. He extended his appreciation to Tom Grabau, Senior Associate of Bentz Whaley Flessner, who has been key to the successful working relationship between the organization and the University.

It was then moved by Trustee Snead, supported by Trustee Granger, and unanimously carried that the Committee endorse the administration's recommendation to enter into a one-year professional services contract with Bentz Whaley Flessner, to counsel and evaluate the University Advancement and Marketing division, in an amount not to exceed \$50,000, for full Board approval on May 6, 2005.

4c. Lease Agreement with ALLTEL Cellular

President Eisler noted that this item is a wonderful example of partnering. Associate Vice President Christner provided additional details on the lease agreement, including discussion on the emergency generator, antennas, and terms. Chair Cook extended his appreciation of this excellent display of communication among departments and identification of opportunities. Additional discussion included length of lease, potential for industry changes, and the University's cellular services.

It was then moved by Trustee Granger, supported by Trustee Patera, and unanimously carried that the Committee endorse the Administration's recommendation and authorize the Vice President of Administration and Finance, or his designee, to enter into a five-year contract (with the option of five renewals), upon legal review, to allow the installation and operation of cellular communications antennas and associated equipment, for full Board approval on May 6, 2005.

4d. Authorizer's Oversight Information System (AOIS) Contract

Vice President Harris reported that a presentation on the AOIS system will be made this afternoon during the Academic Affairs/Student Affairs committee meeting. He extended his appreciation to the Charter Schools Office for their excellent work on this item.

Director of Charter Schools Jimmie Rodgers provided an overview of the issues leading to the development of this contract. He extended his appreciation to Oversight Coordinator Esther Simpson for her extensive work on this project. Discussion included the aspects of the system; the cost for the contract (hosting a tagging fee) not to exceed \$250,000 over a 3-year period; the system providing benefits for FSU and the individual charter schools; and funding provided by restricted oversight funds, not general funds, that can only be used for charter schools. Director Rodgers introduced Suzanne Finney, Academic Assessment Specialist in the Charter Schools office. Vice President Harris reported that they are estimating the actual cost to be around \$235,000 for the 3-year period.

Additional discussion included the budget for the Charter Schools office; excess revenues and services provided back to the individual charter schools; scholarships and charter schools that include high schools students (currently 5); bringing high school students to campus; and the success of Bridge Academy. Chair Cook requested that the administration inform the Trustees of when visits will be made to the charter schools, as the Trustees may be able to attend as well. Oversight Coordinator Simpson reported that Representative Tom Pearce of Rockford visited George Crockett Academy and was very impressed with the students and the quality of education at that facility.

It was then moved by Trustee Snead, supported by Trustee Patera, and unanimously carried that the Committee endorse the Administration's request to contract with Corporate Computer Inc. for AOIS hosting, scanning and tagging services required for effective and efficient operation of the system, on the terms set forth in the contract, subject to legal review and approval in accordance with Board-approved policies, for full Board approval on May 6, 2005.

5a. Housing Request for Proposal Update

President Eisler provided an update on the Request for Proposal for student housing/apartments. He introduced Dean of Student Life and Director of Housing

Jana Hurley, who is chairing the committee on the housing Request for Proposal. Dean Hurley's report included the committee's progress; recent changes in legislation regarding the Michigan State Housing Development Authority (MISHDA); and the review of the nature and consequences of such a partnership. Dean Hurley reported that a meeting is scheduled with MISHDA next week. Additional discussion included number of RFP's, exposure of credit information, and the ratings industry viewpoint. In response to an inquiry, Dean Hurley reported that the University will be pioneers for this type of project. President Eisler reported that the University will be selecting a partner very carefully and will have more information for the Board in May.

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 Wednesday, June 15, 2005 in Big Rapids, Michigan.

8. Adjournment

At 11:00 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