

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MEETING MINUTES
May 17, 2011**

Finance and Facilities Committee Members Present: Dan McElroy, Chair; Trustees Duane Benson, Cheryl Dickson, Christopher Frederick, Clarence Hightower, Phil Krinkie, James Van Houten and Michael Vekich

Other Board Members Present: David Paskach, Tom Renier

Leadership Council Representatives Present: Vice Chancellor Laura King, President Richard Davenport

The Minnesota State Colleges and Universities Finance and Facilities Policy Committee held its meeting on May 17, 2011, 4th Floor, Board Room, 30 East 7th Street in St. Paul. Chair McElroy called the meeting to order at 9:30 am.

1. MINUTES OF April 19, 2011

Trustee McElroy moved to accept the minutes of April 19, 2011 as amended. The last sentence was amended to replace the word “recessed” with “adjourned.”

2. MINUTES OF JOINT FINANCE AND FACILITIES AND ACADEMIC AND STUDENT AFFAIRS COMMITTEES OF APRIL 19, 2011

The joint minutes from April 19, 2011 were approved as published.

3. FINANCE AND FACILITIES UPDATE INCLUDING RESULTS OF FY2011 COMMITTEE GOALS (Information)

Vice Chancellor King updated the committee on the three primary goals which they had selected for FY2011. The milestone dates have been met on the first goal (study physical plant size and incorporate policy guidance in 2012 capital budget proposal) and second goal (implement “Resources for Results” into the college and university funding environment). Work continues on the third goal (advance the Board’s commitment to realignment and reorganization) to expand the Campus Service Cooperative to new customers and study other opportunities for administrative efficiencies. The Campus Service Cooperative is moving 20 employees to Harmon Place in Minneapolis on May 23. Sixteen colleges are already customers or in discussion for their services.

Vice Chancellor King also noted that a special committee meeting is scheduled on June 15th to have the first reading of the FY2012 Operating Budget and the FY2012-2017 Capital Budget. The Higher Education Committees have not yet completed their work on the appropriation bill for the system.

4. **PROPOSED AMENDMENT TO BOARD POLICY 5.12 TUITION AND FEES DUE DATES, REFUNDS, WITHDRAWALS AND WAIVERS** (*Second Reading*)

Colin Dougherty, Associate Vice Chancellor for Finance, commented that substantial forward progress that has been made in the adoption of a common framework and alignment of key payment related dates. The absence of a common due date structure has created confusion for students that attend classes at multiple colleges and universities. In order to align key payment related dates, there is a need to amend current policy language to ensure the adoption of a common framework for key payment due dates.

Pending approval of the proposed policy amendment, system procedure modifications that will define the common framework for key payment related dates will be adopted. Mr. Dougherty noted that colleges and universities are encouraged to implement as soon as practical, ideally Fall Term 2011, but not later than Fall Term 2012. Chair McElroy reported that a letter from the Minnesota State University Student Association expressed some concern the procedure was not strong enough regarding students' course registration cancellation practices.

Trustee Benson moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Vekich seconded the motion which carried with no dissent.

The Board of Trustees approves the changes in Board Policy 5.12 as noted in Attachment A.

RECOMMENDED MOTION:

The Board of Trustees approves the changes in Board Policy 5.12 as noted in Attachment A.

5. **MINNESOTA STATE UNIVERSITY MOORHEAD PROPERTY SURPLUS DECLARATION** (*Action*)

Brian Yolitz, Associate Vice Chancellor for Facilities, asked the committee to declare the single-family residential property located at 1340 6th Ave South, Moorhead, Minnesota as "surplus" and authorize the property for sale.

After the Board declares a parcel of real property "surplus," the property is offered for sale at appraised value to the city, county, and school district in the jurisdiction where the property is located. The appraised value is \$128,000. After exploring preliminary interest among governmental entities, no local jurisdiction has expressed an interest in purchasing the property. Pending the surplus action, the university intends to advertise the property using a sealed bid process. Given the proximity to campus, the university expects there to be a fair amount of interest in this offering. The university had originally targeted the house for demolition and subsequent construction of a small parking lot but the property is surrounded by residences and not a preferred fit in this neighborhood location. Parking has been refocused on the westerly perimeter of campus.

Trustee Vekich moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Benson seconded the motion which carried with no dissent.

RECOMMENDED MOTION:

The Board of Trustees approves the designation as surplus and authorizes for sale the residential property located at 1340 6th Ave South, Moorhead, Minnesota, and directs the Chancellor or his designee to execute all necessary documents and fulfill the processes necessary to complete the conveyance in compliance with the above terms and conditions.

6. REVENUE FUND SALE – NORMANDALE COMMUNITY COLLEGE PARKING RAMP (*First Reading*)

Brian Yolitz, Associate Vice Chancellor for Facilities, presented a proposal for new on-campus parking to remedy an upcoming parking deficit and to alleviate current parking constraints at Normandale Community College. After substantial study, the college proposes an approximately \$12 million, 724-stall parking ramp that would be financed by a revenue bond to be issued in July 2011.

The College has managed its parking needs using a combination of off-campus leasing, shuttles, subsidizing of mass transit, and class schedule adjustments whenever feasible. In particular, the college has used 300 stalls of off-campus parking at the city's ice arena site near campus that sees heavy use in the early fall and spring semesters, and also at other peak times during the semesters. With recent enrollment spikes and on-campus parking being taken up by current and planned building projects, the city has asked the college to develop a long-term, on-campus solution to meet projected parking deficits.

The campus has very little developable land left to expand surface parking. Normandale's 2008 Facilities Master plan anticipated parking deficiencies on campus, and recommended construction of up to two new parking ramps to resolve the problem. During the design work for the Academic Partnership Center, the City of Bloomington calculated that the campus would need at least 535 parking stalls on campus to align with their zoning code. The city signaled to the college that the college needed to solve its projected parking deficit before the city would issue a building permit for the Academic Partnership Center, if funded in the future.

President Opatz reported that students are frustrated with parking on campus. Consultation with students on this project was positive.

Rating agency presentations would be scheduled for late May or early June to Moody's Investor Service and to Standard and Poor's on the proposed sale. These organizations rated system Revenue Fund bonds as Aa2 and AA- respectively for the

sale that closed in February. These ratings are excellent. Considering the financial condition of the Revenue Fund, similar ratings are anticipated for the new sale.

The second reading for this item will be at the June 2011 meeting.

Chair McElroy adjourned the meeting at 10:35 a.m.

Respectfully submitted,
Nancy Lamden, Recorder