



FINANCE AND FACILITIES COMMITTEE
APRIL 16, 2013
4:15 P.M.

MCCORMICK ROOM
30 7TH STREET EAST
SAINT PAUL, MN

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

- (1) Minutes of March 20, 2013 (pp. 1 - 3)
- (2) Proposed Board Policy 5.24 Safety and Security Compliance (Second Reading)
(pp. 4 - 6)
- (3) St. Cloud State University Contract Approval Exceeding \$3M for TV Studio Upgrade (pp. 7- 9)

Members

Michael Vekich, Chair
David Paskach, Vice Chair
Brett Anderson
Dawn Erlandson
Phil Krinkie
Alfredo Oliveira
Thomas Renier

Bolded items indicate action required.

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES

FINANCE AND FACILITIES COMMITTEE

MEETING MINUTES

March 20, 2013

Finance and Facilities Committee Members Present: Chair Michael Vekich, Trustees David Paskach, Brett Anderson, Dawn Erlandson, Philip Krinkie, Alfredo Oliveira, and Thomas Renier

Other Board Members Present: Duane Benson, Cheryl Dickson, Clarence Hightower

Leadership Council Representatives Present: Chancellor Steven Rosenstone, Vice Chancellor Laura King, President Pat Johns

The Minnesota State Colleges and Universities Finance and Facilities Committee held its meeting on March 20, 2013 4th Floor, McCormick Room, 30 East 7th Street in St. Paul. Chair Vekich called the meeting to order at 8:05 a.m.

1. Minutes of January 16, 2013

The minutes of the January 16, 2013 Finance Committee meeting were approved as published.

2. Proposed Board Policy 5.24 Safety and Security Compliance (First Reading)

Associate Vice Chancellor Brian Yolitz presented the new proposed Board Policy 5.24 Safety and Security Compliance. Mr. Yolitz said the proposed policy will provide guidance and direction for ensuring that Minnesota State Colleges and Universities are safe, secure, and compliant with federal, state and system requirements and able to effectively deliver on their mission of providing extraordinary higher education for Minnesotans.

Mr. Yolitz said that the policy draft was sent out for comment to the Cabinet, Leadership Council, campuses, and student organizations. Only three responses were received, and those were only seeking clarification.

Mr. Yolitz stated that the proposed policy will be supported with system procedures in the areas of occupational safety, environmental health, physical security and emergency management planning and execution for all system locations. The procedures will be formalized to guide campuses in creating, implementing, and monitoring appropriate plans, programs, and training. The procedures will direct campuses to operate in compliance with appropriate standards and available resources that promote the safety and security of individuals and the system's physical assets. Chair Vekich noted this was the first reading and the full board will vote on the second reading next month.

3. Minnesota State University Moorhead Property Surplus Declaration

Associate Vice Chancellor Yolitz sought board approval to declare a small commercial building at MSU Moorhead surplus and authorize the sale of the property. The property is not located on the campus.

Mr. Yolitz said that MSU Moorhead originally purchased the small commercial property from the Alumni Foundation in 2006. The property's use included the housing of a variety of university departments. The property transitioned into swing space during a renovation of MacLean Hall and presently serves as storage space.

Mr. Yolitz reported that, in 2010, the university completed its Comprehensive Facilities Master Plan update, which identified the property be utilized for storage in the short term and for sale in the long term. The campus determined that the property is not a good candidate for the infrastructure improvements required to bring it back into active use. Mr. Yolitz said that pending the board's approval, the property will be appraised in the next couple of weeks and offered for sale to the city, county, and school district in the jurisdiction where the property is located. If there is no interest, the university intends to advertise the property in local newspaper publication(s). If no acceptable offers are generated by advertising, the university plans to hire a local real estate agent to market and sell the property.

Trustee Anderson moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Renier seconded the motion. The motion prevailed.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees approves the designation as surplus and authorizes for sale the property located at 1033 4th 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.

4. Lake Superior College: Approval of Contract Exceeding \$3M for Aviation Program

Vice Chancellor King reported that Lake Superior College (LSC) is seeking board approval to execute a contract for its aviation program that exceeds \$3M. This contract is for the support services for the helicopter training diploma and certificate program at LSC. The cost of the helicopter rental is covered by the tuition and fees of the students enrolled in the program.

The contractor was selected through a competitive bid process. Vice Chancellor King noted that there was only one respondent to the RFP, Lake Superior Helicopters, LLC.

Trustee Krinkie asked how long the program has been operating and expressed concerned that LSC is willing to contract for an estimated \$1 million per year with only twelve students enrolled in the program. Vice Chancellor King asked President Pat Johns to respond.

President Johns said the program has been operational prior to 2010 and there were only six students enrolled at the time. The program is supported through the students' tuition and fees, and the biggest cost of the program is the air time.

Trustee Krinkie asked what would happen if the enrollment would drop. President Johns replied that the contract is pay as you go, on an hourly basis. Under the contract, the college only pays for the hours that the students are flying, so if there are fewer students enrolled, fewer helicopter rental hours would be needed. Chair Vekich asked President Johns to clarify that the program is not subsidized from the college. President Johns said that is correct.

Mr. Jeff Johnson, who serves on the St. Cloud City Council, teaches aviation at St. Cloud State University, and a small business owner, was invited to speak. Mr. Johnson said that owning and operating a helicopter is very expensive and advises caution in a program like LSC's. The cost per student is high, and it does not include the cost of a pilot's license. Mr. Johnson mentioned that North Dakota has a successful program with larger enrollments due to ROTC training.

Trustee Renier moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Anderson seconded the motion. The motion prevailed with Trustee Krinkie voting in dissent.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves execution of a contract with Lake Superior Helicopters, LLC, not to exceed \$3,000,000 with an option for a contract extension not to exceed an additional \$2,000,000. The Board delegates execution of the contract to the Chancellor, or his designee.

The meeting was adjourned at 8:18 a.m.

Respectfully submitted,

Laury Anderson, Recorder

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities Committee

Date of Meeting: April 16, 2013

Agenda Item: Proposed Board Policy 5.24 Safety and Security Compliance (Second Reading)

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|---|---|---|-------------------------------------|
| <input checked="" type="checkbox"/> Proposed
Policy Change | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals | <input type="checkbox"/> Monitoring |
| <input type="checkbox"/> Information | | | |

Cite policy requirement, or explain why item is on the Board agenda:

The board is authorized by Minnesota Statutes section 136F.06, Subdivisions 1 and 2 to adopt suitable policies for the institutions it governs.

Scheduled Presenter(s): Brian Yolitz, Associate Vice Chancellor Facilities

Outline of Key Points/Policy Issues:

Proposed Board Policy 5.24 Safety and Security Compliance, provides guidance and direction for ensuring Minnesota State Colleges and Universities are safe, secure, and compliant with federal, state and system requirements and able to effectively deliver on their mission of providing extraordinary higher education for Minnesotans.

Background Information:

Proposed Board Policy 5.24 Safety and Security Compliance, represents the board's statement of commitment, direction, and expectations for campuses in minimizing risks with regard to environmental health, occupational safety, security and emergency management compliance. This policy will serve as the basis for creating a framework of regulatory compliance procedures ensuring consistency in application throughout the system.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

ACTION ITEM
Proposed Board Policy, 5.24 - Safety and Security Compliance Second Reading

EXECUTIVE SUMMARY

Proposed Board Policy 5.24, *Safety and Security Compliance*, provides guidance and direction for ensuring Minnesota State Colleges and Universities are safe, secure, and compliant with federal, state and system requirements and able to effectively deliver on their mission of providing extraordinary higher education for Minnesotans. The draft policy is included as **Attachment A**.

BACKGROUND

Board Policy 5.24, *Safety and Security Compliance*, represents the boards statement of commitment, direction, and expectations for campuses in minimizing risks with regard to environmental health, occupational safety, security and emergency management compliance. This policy will serve as the basis for creating a framework of regulatory compliance procedures, ensuring consistency in application throughout the system.

Regulatory agencies, particularly those with responsibility for environmental health and occupational safety, view the system as one entity for purpose of authority and allocating responsibility if a regulatory violation occurs at one of the system's campuses. This proposed policy is a signal of understanding and commitment to these agencies and serves as the initial framework meeting agency standards and expectations.

The policy will be supported with system procedures in the areas occupational safety, environmental health, physical security and emergency management planning and execution for all system locations. Furthermore, procedures will be formalized to guide campuses in creating, implementing, and monitoring appropriate plans, programs, procedures, and training to operate in compliance with appropriate standards and available resources to promote safety and security of individuals and the system's physical assets.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves Board Policy 5.24, *Safety and Security Compliance*.

RECOMMENDED BOARD OF TRUSTEES MOTION:

The Board of Trustees approves Board Policy 5.24, *Safety and Security Compliance*.

Date presented to the Board of Trustees: April 16, 2013

**Minnesota State Colleges and Universities
Board Policies
Chapter 5 – Administration**

5.24 Safety and Security Compliance

Part 1. Policy Statement.

Minnesota State Colleges and Universities is committed to creating and maintaining safe and secure environments in order to fulfill its mission of providing high quality higher education. Each college and university and the system office shall create, implement, and monitor appropriate plans, programs, procedures, and training consistent with applicable legal and professional standards, regulations and available resources to promote safety and security of individuals and system property. These measures include, but are not limited to, compliance with standards for security for individuals and system property; environmental health; occupational safety; and emergency management.

Part 2. Definitions.

Subpart A. Security. Actions, practices, procedures, processes, and programs associated with protecting individuals and the physical assets such as property, facilities, vehicles, equipment, and material on system property and operating locations from threat of or actual damage or loss.

Subpart B. Environmental health. Actions, practices, procedures, processes, and programs associated with preserving and protecting the natural environment (air, soil, and water) of system property and operating locations.

Subpart C. Occupational safety. Actions, practices, procedures, processes, and programs associated with protecting the health and well-being of employees in performing their assigned responsibilities on system property and operating locations.

Subpart D. Emergency management. Planning, organizing, coordination, integration, training and execution of efforts to prevent, minimize, respond to, and recover from injury or damage resulting from natural or manmade disasters or other crisis situations.

Subpart E. System property. System property means the facilities and land owned, leased, or under the primary control of Minnesota State Colleges and Universities, its Board of Trustees, system office, colleges, and universities.

Part 3. Applicability.

This policy applies to all employees and students of the Minnesota State Colleges and Universities system. To the extent that more than one standard is established for matters subject to this policy, the more stringent standard shall govern.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Finance and Facilities Committee **Date of Meeting:** April 16, 2013

Agenda Item: St. Cloud State University Approval of Contract Exceeding \$3 Million for TV Studio Upgrade

Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring

Information

Cite policy requirement, or explain why item is on the Board agenda:

Board Policy 5.14, requires pre-approval by the Board of Trustees for contracts, including amendments, with values greater than \$3,000,000. The proposed action item is for Board approval of a contract valued at approximately \$5,000,000.

Scheduled Presenter(s): Laura M. King, Vice Chancellor - CFO
Douglas Vinzant, Vice President, Finance & Administration
St. Cloud State University

Outline of Key Points/Policy Issues:

The purpose of this request is to seek Board approval for St. Cloud State University to proceed with an investment of approximately 5 million dollars in high definition digital broadcasting equipment and infrastructure upgrades for the TV production and broadcast facility in the Department of Mass Communications and several sports venues.

Background Information:

Mass Communications is one of the largest undergraduate degree programs at St. Cloud State University. The program offers studio, news and live event production opportunities to students, preparing them for jobs in their chosen field. The program has high job placement success due to professional/real world experience that is directly attributable to the TV studio and production facility.

In August 2012, a report was drafted from the Media/Broadcasting Work Group identifying the need and vision of the media broadcasting upgrade. A strategic investment plan was approved by the President in November, 2012.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
St. Cloud State University Contract Approval Exceeding \$3.0 Million for TV Studio Upgrade

BACKGROUND

Board Policy 5.14, Procurements and Contracts, requires approval by the Board of contracts exceeding \$3,000,000. The proposed action item is for Board approval of a contract with a value not to exceed \$5,000,000 that will support upgrading the Department of Mass Communications TV production equipment, infrastructure and facility, enabling high definition (HD) digital broadcast capability.

Mass Communications is one of the largest undergraduate degree programs at St. Cloud State University with an average of approximately 560 students each year majoring in this field of study and 650 more enrolling in coursework. The program offers studio, news and live event production opportunities to students, preparing them for jobs in their chosen field. The program has high job placement success due to professional/real world experience that is directly attributable to the TV studio and production facility.

UTVS began operations in 1978 and is a student-run television station. The station, its programming, and Husky Hockey productions reach hundreds of thousands of households per year in the region, and serves as an educational facility where students learn how to produce professional television programming. The University has a contract with Charter Communications to broadcast on channel 21, with Husky Hockey productions carried as needed on other channels.

Every year, UTVS and student television productions receive numerous regional and national awards for student work. These awards are the direct result of the Mass Communication program, the professional facility and student dedication to excellence.

The majority of critical production and broadcasting equipment was purchased in the late 1980s. As a result, current infrastructure is out-of-date and does not support current student needs or industry standards. It also does not support future expansion or development.

In August 2012, a report was prepared by the Media/Broadcasting Work Group identifying the need and vision of the media broadcasting upgrade. The project entails upgrading the TV production studio and three sports venues (basketball, football and hockey) to deliver HD quality audio/video. Work includes providing and installing all of the equipment to upgrade

*St. Cloud State University Contract Approval
Exceeding \$3.0 Million for TV Studio Upgrade*

the current systems. Complete audio/video integration will also be provided to ensure the entire upgraded system delivers the desired functionality. A strategic investment plan, including the improvements contemplated here, was approved by the President in November, 2012.

Revenues:

2012 general budget balances -- \$5,000,000

Expenses:

Equipment - \$4,470,000

Professional Services – Design, Installation, and Integration -- \$530,000

Total -- \$5,000,000

A Request for Bid was made public in March, and bid responses are due April 15, 2013.

RECOMMENDED COMMITTEE MOTION:

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees approves St. Cloud State University's request to proceed with the execution of a contract in an amount not to exceed \$5,000,000 for the high definition upgrade of its TV production facility and selected sports venues.

RECOMMENDED BOARD MOTION:

The Board of Trustees approves St. Cloud State University's request to proceed with the execution of a contract in an amount not to exceed \$5,000,000 for the high definition upgrade of its TV production facility and selected sports venues.

The Board delegates execution of the contract to the Chancellor, or his designee.

Date presented to the Board of Trustees: April 16, 2013