

MINNESOTA STATE COLLEGES AND UNIVERSITIES

BOARD OF TRUSTEES

FINANCE AND FACILITIES COMMITTEE

MEETING MINUTES

April 16, 2013

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

Other Board Members Present: Ann Anaya, Duane Benson, Alexander Cirillo, Cheryl Dickson, Clarence Hightower, Louise Sundin

Leadership Council Representatives Present: Chancellor Steven Rosenstone, Vice Chancellor Laura King, President Joe Opatz, President Richard Hanson

The Minnesota State Colleges and Universities Finance and Facilities Committee held its meeting on April 16, 2013 4th Floor, McCormick Room, 30 East 7th Street in St. Paul. Chair Vekich called the meeting to order at 4:40 p.m. and noted Trustee Paskach was present by phone.

1. Minutes March 20, 2013

The minutes of the March 20, 2013 Finance Committee meeting were approved as published.

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

Vice Chancellor Laura King presented the second reading of proposed Board Policy 5.24 Safety and Security Compliance. Vice Chancellor King said the first reading of the policy was presented at the March Finance Committee meeting. 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. Chair Vekich asked if procedures would be developed under this policy. Vice Chancellor King replied that some procedures are already in place, and that this policy would act as a home for them. Vice Chancellor King noted that new and amended board policies come before the board as action items, and procedures come to the board as information items.

Trustee Anaya asked if the proposed policy addresses cyber security. Vice Chancellor King said that cyber security is addressed by Policy 5.23, which is scheduled to come before the board in June.

Trustee Krinkie moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Anderson 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 Board Policy 5.24, Safety and Security Compliance.

3. St. Cloud State University Contract Approval Exceeding \$3M for TV Studio Upgrade

Vice Chancellor King stated that St. Cloud State University is seeking approval of a contract not to exceed \$5M for a high definition upgrade of the broadcasting equipment in the Mass Communications department. A Request for Bid was made public in March and the consultation process is complete. Vice Chancellor King introduced Douglas Vinzant, Vice President of Finance and Administration at St. Cloud State University.

Trustee Krinkie asked how the project will be funded and what would happen if there were revenue shortfalls for the project. Vice Chancellor King responded that the university has budgeted for the project from savings in the general fund. Trustee Krinkie asked if the program was revenue generating. Mr. Vinzant replied that to his knowledge, it was not. Trustee Krinkie asked if there were opportunities for revenue generation. Chancellor Rosenstone responded if interest in commercial time arose, the university would be pleased to accommodate the request. Chancellor Rosenstone added that Mass Communications is one of the largest undergraduate degree programs at St. Cloud State University, with 560 students majoring in this field, and another 650 enrolling in coursework. The studio serves a lab for students in digital communication courses. The program has high job placement success, largely attributable to the TV studio and production facility.

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

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends 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.

5. Other

Vice Chancellor King said first reading of the FY2014 Operating Budget is scheduled for the May Finance Committee meeting. The first reading of the FY2014-19 Capital Budget request is also scheduled for May. Recommendations for 2014 will be influenced by the outcome of the legislature's consideration of a bonding bill in the 2013 session.

Vice Chancellor King reported that Minnesota Management and Budget (MMB) released the state's comprehensive financial statements on March 20, 2013. The state received an "unqualified" opinion on the 2012 Comprehensive Annual Financial Report from the Office of the Legislative Auditor.

Vice Chancellor King noted that MMB borrowed another \$150 million in March 2013, bringing the balance owed to \$675M. All funds will be repaid by June 30, 2013 and historically, MMB has always repaid on time.

The meeting was adjourned at 4:55 p.m.

Respectfully submitted,

Laury Anderson, Recorder