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Board of Trustees Minutes, August 17, 2006

Eastern Washington University

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**EASTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES**

August 17, 2006

Open Public Session ~ 9:00 a.m. (TAW 215 B&C)

MINUTES

Trustees Present:

Kris Mikkelsen, Chair
Paul Tanaka, Vice Chair
Gordon Budke
Isaura Gallegos
Jo Ann Kauffman
Neil McReynolds
Bertha Ortega
Ines Zozaya-Geist

Call to Order, I.

Chair Mikkelsen called the August 17, 2006, meeting of the Eastern Washington University Board of Trustees to order at 9:05 a.m.

Quorum, II.

A quorum was present, as all Trustees were present.

Executive Session.

Executive Session was held for purposes authorized in RCW 42.30.110 and/or 42.30.140. No action was taken during the executive session.

Reports, III.

University President's Report, III.A.

President Arévalo began his report by encouraging the Trustees and others to review his written report which highlights accomplishments of Eastern faculty, staff, and students. President Arévalo reported that Eastern's grant and contract funding was over 14 million dollars this past fiscal year, larger than anticipated, which demonstrates Eastern's ability to garner external support for the university. Dr. Arévalo reported he had the pleasure of attending the American Association of State Colleges and Universities conference recently, which was a worthwhile experience. Dr. Arévalo shared that he has participated in discussions with local businesses regarding their possible financial support of the university, and he and his wife will continue with these types of efforts to bring additional support to Eastern.

Trustees' Reports, III.B.

Chair Mikkelsen introduced Eastern's new Student Trustee, Isaura Gallegos. Isaura began her term as Trustee by spending the last two full days at the Board retreat, where she gave great input and perspective. Chair Mikkelsen expressed that Isaura is a delightful addition to the Board and the Board is looking forward to having her as a member this year.

Board of Trustees Retreat, III.B.

Trustee Budke reported that the Trustees, along with the President and vice presidents, spent the last two days focusing on Eastern at their retreat. This was valuable for the Trustees to spend time with and bond with President Arévalo. The retreat agenda also contained topic items for discussion such as Eastern's presence in Spokane, the Image and Marketing Survey, a legislative report and discussion, and Eastern's strategic plan. Final decisions about these topics were not made at the retreat. The retreat facilitator, Ken Riley, guided the Board through a self-assessment exercise that helped identify areas and ways the Board can improve their effectiveness. The Board confirmed that the structure of Board Committees is the right approach, but decided the committees should focus more on policy matters and assisting the university in moving forward with important initiatives and directions. The traditional presentations given at Board Committee meetings won't occur any longer, and instead the Board Committees will engage in interactive discussions about important topics and the Board will set expectations, give directives, and hold the administration accountable for the accomplishment of goals. Trustees also talked about how the Board communicates as a board, and identified the goal of increasing the Board's interaction and communication with the broader university community. One example of this is that the Board invited the officers of the Faculty Organization to dinner on Tuesday evening to get to know them, communicate with them and begin working together for the benefit of Eastern. The strategic plan was discussed at the retreat. Dr. Dalla outlined the plan to move the strategic plan to the department level. The Board embraced this presentation and looks forward to the strategic plan being implemented, and the Board plans to hold the campus community accountable for implementation of the plan. As time goes by, the Board will discuss the goals developed throughout the two day retreat. The Board will also support Dr. Arévalo in his goals and achievements.

Chair Mikkelsen expressed a special thank you to Julie and the rest of the staff for coordinating the retreat and providing an environment for the Board to work together for the benefit of the university. The Board looks forward to this next year at Eastern.

Presidents' Reports, III.C.

Faculty Organization, III.C.1.

Dr. Youngs thanked the Board for including the Faculty Organization leadership in dinner on Tuesday evening. He stated there was good conversation and they feel they were able to get to know Trustees a little bit better and he feels this was a very productive event and he appreciates the opportunity. Dr. Youngs introduced Don Richter, the new president of the United Faculty of Eastern. Dr. Youngs highlighted several points from his written report. He pointed out the importance of the relationships between faculty and students, and he reported that the faculty/student ratio has gone up approximately 20% since 10 years ago, depending upon how this is calculated. One of the Faculty Organization's goals is to have greater participation in the decision making processes at the

university. Their request for greater transparency in budget matters has been responded to positively, collaboratively, and with great support by Vice President Voves and President Arévalo. The strategic planning process has also been a positive and collaborative process with Dr. Youngs serving as co-chair of the planning committee. Dr. Youngs believes it is important that people feel connected to the plan and can take ownership of it in order to implement it well. Dr. Youngs mentioned that the Faculty Organization is looking into a process for faculty to evaluate the administration, as faculty are evaluated by students. He shared his vision to have a plaque engraved with the faculty values statement somewhere in the university mall. In closing Dr. Youngs stated that he has seen steps toward and he believes the Board has a true commitment to improve communication and understanding between the Board and the faculty, and he is looking forward to this.

Chair Mikkelsen mentioned that the Board spent a lot of time at their retreat talking about some of the topics Dr. Youngs mentioned. There is a real commitment on the Board's behalf to improve communication and increase understanding both ways – from the faculty's perspective and the Boards and she believes the university will benefit as they move through this process. This has been a new effort to engage each other in a different way than have in the past and the Chair and board members are looking forward to this. The Board also talked at their retreat about how to improve the board committee process and how to make the meetings more substantive, and Chair Mikkelsen looks forward to dialogue in a new way at those meetings as well.

Classified Staff Union, III.C.2.

No report from the Classified Staff Union

Associated Students, III.C.3.

Ms. Kinne reported that she has not been as active with her Associated Students work this summer as she was last summer, due to the much larger learning curve last summer. She has, however, been working with Dr. Arévalo and Dr. Youngs during the last several months. This year the Associated Students will place emphasis on making the student government more effective and also on communicating with students and getting them engaged. The Associated Students will attend the Quality Service Initiative conference, aimed at staff and faculty, here on campus for the first time this year. ASEWU plans to develop their own strategic plan, with measurements that can be assessed for success in serving and reaching the students.

Several student involvement activities are planned for this year. Constitution Day, sponsored by the New York Times, will feature a speaker from the New York Times. This year, through a partnership with the Faculty Organization and the Office of the President, the theme for Constitution Day is "The Power of Collaboration and Engagement." The theme for homecoming is "Ride the Tide of Pride at Eastern." A new leadership initiative is being planned through the Dean of Students office. Stop the Hate week will feature important and valuable programs. Romeal Watson has developed an outstanding partnership between Gonzaga, Spokane Falls Community College, and Eastern to bring three amazing speakers on October 19. He has done an amazing job of getting this funded and organized to benefit not only students, but faculty, staff and the greater communities as well. See Ms. Kinne's written report for further details.

University Initiative Reports, III.D.

Diversity Initiative, III.D.1.

Dr. Dalla introduced Dr. James Ochwa-Echel, Faculty Fellow, who joined Eastern on July 1st from Oberlin College. He has been quite busy, meeting with those involved with various diversity programs at Eastern, and moving things forward. He has started two initiatives already, a mentoring program and a community housing program. Dr. Ochwa-Echel said he is glad to be here at Eastern, and in time he will be visiting more offices and joining with more people to collaborate in implementing diversity initiatives for the university community. Dr. Ochwa-Echel will also meet with Trustee Kauffman, as she is the diversity representative of the Board. Dr. Dalla also reported that they are looking into more effective ways to showcase the diversity grant projects funded by the diversity initiative.

Strategic Planning, III.D.2.

Dr. Dalla reported that the strategic plan is moving from the general level to the college and department level. At the strategic planning retreat on October 10, representatives from departments across campus will work on their department plans and will develop learning outcomes for their programs in order to measure success.

Action Items, IV.

Consent Action Items, IV.A.

Minutes of the June 23, 2006, Special Board of Trustees' Meeting, IV.A.1.

Chair Mikkelsen reported one correction to the minutes of the June 23, 2006 Board of Trustees meeting: on page six near the top, the portion dealing with the operating budget amendment contains a typographical error. The first sentence should state 1.2 million dollars instead of one million and two hundred dollars.

***Motion 8.01.06:** Motion by Trustee Budke that the Board approve the corrected minutes of the June 23, 2006 meeting of the Eastern Washington University Board of Trustees.*

Seconded by Trustee Ortega.

Motion carried.

Agency Approval of Request for Defense, IV.A.2.

Associate to the President, Laurie Connelly, explained that when employees of Eastern are named in Eastern-related law suits, a request must be approved by the Board of Trustees in order for the employee to be represented by Eastern's legal counsel. This is according to state law.

***Motion 8.02.06:** Motion by Trustee Budke that the Eastern Washington University Board of Trustees approve Requests for Defense for the following staff members and student who have been named in a law suit; Anthony Flinn, Jolynn Rogers, Mary Voves, and Michael Graybeal.*

Seconded by Trustee Tanaka

Motion carried.

Discussion Action Items, IV.B.

Amended and Restated Master Resolution – Special Fund Revenue Bonds, IV.B.1.

Series Resolution – Services and Activities Fee Revenue Bonds, Series 2006, IV.B.2.

Mandatory Student Service and Activity Fee for University Recreation Center Debt Service, IV.B.3.

The presentation about the proposed new EWU Recreation Center was given by a team of four people: Ms. Toni Habegger, Chief Financial Officer, Shawn King, Associate Vice President for Facilities, Susan Musselman, Financial Advisor, Mike Ormsby, Bond Counsel.

It was pointed out that this project is a joint effort and partnership between the students and the university and it is the first of its kind in Washington State.

Bids were accepted from three general contractors, and the low bidder is Lydig Construction. Lydig has experience with higher education buildings as well as other major projects. They have a track record of being capable of managing this type of project. The due diligence came back well and they checked out as reliable. A question was asked as to whether the cost of fixed furnishings will be confirmed ahead of time, so the cost doesn't go over the budget. Mr. King replied that yes, this will be confirmed ahead of time to stay within budget.

Ms. Habegger reported that the new mandatory fee of \$65.00 per quarter will be assessed to all students taking six or more credit hours per quarter, beginning either winter or spring quarter 2008. The students will be paying solely for debt service and the university will pay the operating costs of the facility. The \$65.00 fee is a change from the originally proposed \$55.00 fee. It has been determined that the debt service could not be covered with a \$55.00 fee, and that it needs to be \$65.00. Compared to other universities, this is still a lower fee for our students. The recommendation from the Board Business and Finance Committee was to figure out a fee amount that would cover the expense of the center over time, and that would keep the fee fixed over the years rather than increase the fee each year.

The issuance of revenue bonds is to pay for construction of the facility and the cost of issuing debt. Also included in this financial package is the refunding of the 1993 Pence Union Building bonds.

Ms. Susan Musselman, Eastern's financial advisor for this project, has been working with the team to put together the revenue bond issue, which is the financial side. Ms. Musselman reported on the size of the bond issue. She pointed out that the legal portion of the bond resolution has a specified maximum bond amount, and at this point they expect the bond amount to total 34.4 million dollars. This represents 28.65 million dollars for the EWU Recreation Center and 5.75 million dollars for the re-funding of the 1993 bond. By refunding the 1993 bond, the students will save money each year and those savings will go into the service and activity fee side to be used to benefit clubs and organizations here at Eastern. The two bonds, refunding and recreation center, will be accounted for separately. Timing of the bonds – the approval of the bonds today will result in the sale of bonds on September 12, the payment of funds at the end of September, with the repayment being 30 years after

completion of the project. The exact financial numbers will change slightly depending on the interest rate at the time the bonds are purchased.

Bond resolutions: Master and Series Resolutions.

Mr. Mike Ormsby greeted the Board Members and expressed that it is great to be here giving this presentation, as he has been away from Eastern's Board for four years now. He commented that he has noticed in Spokane that Eastern has become more of a school of choice for students in Spokane in recent years. He also complimented Eastern's beautiful campus and acknowledged the many nice improvements on campus.

The Master Resolution authorizes the university to issue series bonds to finance and refinance student activity facilities. It also establishes a lien on services and activities fee revenues to pay debt service. It contains the commitment the university is making for service and activity fee backed bonds and includes a commitment that timely payments will be made.

Series Resolution is more particular to this series of bonds. It describes the public sale process and ensures that the interest rate is the best possible rate. They are exempt from federal income tax. Another important component is the creation of a renewal and replacement fund. By 2009 there will be a replacement plan in place.

Mr. Ormsby remarked that on behalf of the team, it has been a pleasure to work with the Business and Finance staff team. He has been extremely impressed that the staff has reacted to changes very quickly and they did a great job providing information and documents in a timely manner. It has been a real pleasure to work with the staff team.

Shawn King, Associate Vice President for Facilities, gave an overview of the building structure and the facility design and goals. He pointed out that the EWU Recreation Center fulfills the strategic plan goal of providing exceptional student support services, resources and facilities. The facility will be located in the heart of Eastern's residential area and it will be the hub of student and community activities.

The facility plans reflect five major goals adopted for this project:

1. Provide recreational amenities that do not duplicate current facilities and services.
2. Give students an added incentive to live on campus by providing a multi-purpose recreation facility in the center of the residential community.
3. Provide a facility that serves as a nucleus for student life and community health and wellness.
4. Create a unique, open, multi-function facility that provides a competitive advantage in student recruitment and retention.
5. Get the most project value for our money.

Shawn led Trustees and audience members on a tour of the facility using architectural drawings and descriptions of the numerous spaces and their possible uses. The main entry and three story atrium area are designed to be welcoming and comfortable for students and others using the facility. The main features of the center are: 20,000 square foot multi purpose floor or ice rink with fixed seating for 1000 spectators, 8,000 square foot gymnasium, strength training area for 45 or more training

stations, cardio loft for 90 pieces of cardio equipment, 200 meter indoor running track, sports bar with healthy beverages, Student Life Offices, EPIC Adventures outdoor equipment rentals,

Intramural Sports, climbing wall, locker rooms, and covered parking for 44 vehicles as well as 35 additional parking spaces at the old Stahl House site.

A question was asked regarding handicap accessibility. The facility will be built with universal accessibility with elevator service that is per code and above when possible.

The building will be constructed to meet LEED certification, which is Leadership in Energy and Environmental Design Program. The program requires the use of low environmental impact materials and design methods as well as giving special attention to natural lighting, low maintenance landscaping, efficient use of natural resources, and reduction of energy cost for the building. The goal for completion is the winter of 2008.

A question was asked as to whether there is a plan in place to ensure that students will have first priority for the use of the facilities in the recreation center. It was reported that the open usage times for people other than students will be based on student usage patterns.

Mr. King pointed out that Ms. Habegger has gone through a great deal of effort to plan the number of employees needed to run this facility and to ensure that the university has the funds to pay the facility operating costs.

Chair Mikkelsen thanked Mr. King for this helpful presentation. She also thanked Mr. Ormsby for his work and his nice comments about Eastern. Chair Mikkelsen expressed her appreciation that Mr. Ormsby took the time to acknowledge and compliment the staff here at Eastern. She acknowledged that a great deal of dialogue, open dialogue, and collaboration with the students occurred during the planning of this major project. She stated that there is a great deal of excitement for this project and the Board is excited as well. Chair Mikkelsen expressed a special thanks to Mary, Toni, Shawn and others for their work on this project and today's presentations.

Motion 8.03.06: *Motion by Trustee Budke that the Board approve agenda items IV.B.1. Amended and Restated Master Resolution - Special Fund Revenue Bonds; IV.B.2. Series Resolution - Service and Activities Fee Revenue Bonds, Series 2006; and IV.B.3. Mandatory Student Service and Activity Fee for University Recreation Center Debt Service.*
Seconded by Trustee Ortega.

Discussion occurred.

Trustee Tanaka stated he will recuse himself from the vote because one of his relatives works for the bond counsel firm.

Trustee Tanaka reported that the Business and Finance Committee has discussed this project at numerous meetings and the discussion and exchange of ideas has resulted in this project being refined to a facility that will meet the needs of students at Eastern. He is glad the center will provide physical activity, healthy food, and numerous activities that will add to the positive student experience at Eastern. Trustee Tanaka commented that this has been a true partnership with the students of Eastern and he has a great deal of pride and admiration for the students. During this

process, the Board has received a clear sense that the students are supportive of the EWU Recreation Center. Trustee Tanaka thanked Ms. Alicia Kinne for representing the students so well on this

project. He is pleased to have worked with everyone on this project, and he is sorry Rick Romero couldn't be here to see the vote. He encouraged the Board to vote positively, and he stated he fully supports this project.

Ms. Kinne commented that this project has met a lot of debate and discussion amongst the students. She expressed that she is very excited about the recreation center. She expressed, however, that the raising of the fee to \$65.00 is disconcerting to her that it happened over the summer when the majority of students are not on campus, and she hopes this won't happen again. She expressed concern that students may feel the change in the fee wasn't communicated in advance of the decision. She hopes that a precedence will not be set for making major decisions over the summer.

Trustee Budke replied that this is the first time in 9 years that the Board has made a decision like this during the summer. He pointed out that the Board slowed this project down last year in order to make it a better facility and make it more beneficial to the students. They have asked University Relations to help communicate to the students and to help them understand. He also pointed out that if the project were to be put off further, the fee would go up even more due to the increase in costs for the project.

Chair Mikkelsen explained that the Board discussed this carefully and they are very concerned and sensitive to the student's concerns. The reality is that the costs are escalating rapidly and the Board is concerned that the costs will go out of reach for the project if it is delayed any further at this point. The reality is that the timing was such that it wasn't possible to have been different. The Board hopes students will understand that the Board is acting for the benefit of the students.

Chair Mikkelsen acknowledged that this entire process has not been an easy one for the students, or for Ms. Kinne to hold up the student perspective. Chair Mikkelsen complimented Ms. Kinne for her professional manner and her excellent handling of this project. The Board Members believe Ms. Kinne handled this extremely well.

Motion carried.

Contract Award for Project No. AE-05-02G, University Recreation Center, IV.B.4.

Motion 8.04.06: *Motion by Trustee Ortega that the Board approve agenda item IV.B.4. Contract Award for the University Recreation Center.*

Seconded by Trustee Kauffman.

Discussion occurred to verify that this contract award has gone through the normal process as required by state law.

Motion carried.

Personnel Actions, V.

Motion 08.5.06: *Motion by Trustee Budke that the personnel actions, including the original document and the addendum, be approved.*

Motion was Seconded.

"Eastern Washington University strives to satisfy all requests for special access needs for persons with disabilities. Requests for such accommodation are welcome and may be made by calling the President's Office, (509) 359-6598."

Motion carried.

Adjournment, VI.

Chair Mikkelsen said a special thank you to the Board of Trustees Members for carving out three days of their time for both the retreat and the meeting.

The meeting was adjourned at 10:50 a.m.

Kris Mikkelsen, Chair

Rodolfo Arévalo, Secretary