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WMU Board of Trustees Formal Session April 9, 2014

WMU Board of Trustees

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WESTERN MICHIGAN UNIVERSITY
BOARD OF TRUSTEES FORMAL SESSION
WEDNESDAY, APRIL 9, 2014

The Board of Trustees formal session was called by Chair Hettinger at 1 p.m. on Wednesday, April 9, 2014, in Rooms 157-159, Bernhard Center.

Acceptance of the Agenda. The agenda was accepted as presented following a motion by Trustee Miller, supported by Trustee Asmonga-Knapp.

Introduction of Men's Basketball Coaches. Kathy Beauregard, intercollegiate Athletic Director, introduced Head Coach Steve Hawkins and his assistant coaches and congratulated them on their very MAC successful season.

Graphic Art at WMU. Dean Dan Guyette displayed examples and spoke of the Graphic Art area of the College of Fine Arts.

Approval of the Minutes of the January 22 Formal Session and March 19 Special Meeting of the Board of Trustees. The minutes were approved as presented on a motion by Trustee Johnston, supported by Trustee Asmonga-Knapp.

Remarks by the Chair. Attachment A

Remarks by the President. Attachment B

Remarks by former WSA President John Mark Cuarto who introduced new President Abbu Wallace who spoke re the activities of the WSA. Graduate Student Advisory Committee Chair Damon Chambers reported on future plans for the GSAC, noting that it will be changing its name to Graduate Student Association.

Remarks by the WMU/AAUP President Lisa Minnick spoke on the work of the AAUP.

Remarks by the Faculty Senate President Bill Rantz noted that this is his last meeting as President of the Senate, stating that he has enjoyed his time in the position and working with the Board. He reported Dr. Dennis Simpson will be assuming the presidency in May.

Approval of New Name for WMU School of Medicine. As presented by Chair Hettinger, on a motion by Trustee Asmonga-Knapp, supported by Trustee Miller, the Board of Trustees approved the name change of WMed to the Western Michigan University Homer Stryker, M.D. School of Medicine, or such similar name and with such changes as may be approved by the President of the University and authorizes the President or Treasurer of the University to take all necessary or appropriate action to carry out this action, including approving an amendment of the Articles of Incorporation of WMed to accomplish the action. The name was approved with the approval of the primary bene-

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factors of WMed. It was indicated that the officers of WMed and the University believe the name is fitting and appropriate and that it is in the best interest of WMed and the University and recommended approval.

Approval of Extension of Grand Rapids Lease. As reviewed by Vice President VanDerKley, and following a motion by Trustee Hall, supported by Trustee Johnston, the Board of Trustees authorized the Lease Amendment (Attachment C) for the Grand Rapids Building (200 Union) and authorizes the execution of the Lease Amendment on such terms as approved by the President or Treasurer of the University, consistent with the terms set forth and authorizes the President or Treasurer of the University to take all necessary appropriate actions to execute the Lease Amendment.

Lease Agreement Renewal between WMU and AAUP. On a motion by Trustee Johnston, supported by Trustee Miller, the Board of Trustees approved the recommendation presented by Vice President VanDerKley authorizing the administration to renew the Lease agreement for an additional five-year period with the WMU Chapter of the AAUP for the premises known as the Montague House to be strictly used as an office and meeting place according to the terms described in the lease agreement.

Five-Year Capital Outlay Plan. As reviewed by Vice President VanDerKley, the Board of Trustees, on a motion by Trustee Johnston, supported by Trustee Asmonga-Knapp, the Five-Year Capital Outlay Plan for Fiscal Years 2015 to 2019 was approved as mandated by the State of Michigan.

Student Room and Board Rates for 2014-15. The Board of Trustees, on a unanimous roll call vote as moved by Trustee Asmonga-Knapp, supported by Trustee Miller, approved the increase as presented by Vice President Anderson. The action authorized the administration to implement a 2.95% increase in student room and board rates for 2014-15, effective fall semester 2014. (Rate Schedule Attachment D)

Consent Items. As presented by Chair Hettinger, the following consent items were Approved on a motion by Trustee Johnston, supported by Trustee Miller—
Personnel Report, Gift Report, Grant Report, Program Recommendations, Operating Cash Investment Performance Report and Annuity and Life Funds Investment Performance Report.

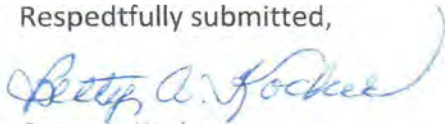
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Public Comments - Representatives of TAU (Teaching Assistants Union) Eric Derby, Robin Bianchard spoke and Brianna Forbis (written comments) requesting that the Board of Trustees eliminate non-resident tuition rates for all students with funded graduate assistantships.

Dr. Henry Cohen, representing the NAACP, Mr. Davidson, and Ms. Cotton spoke re concerns about complaints against CSM (Custodian Contractor).

Adjournment. The meeting was adjourned at 2:45 p.m.

Respedtfully submitted,



Betty A. Kocher
Secretary
Board of Trustees

James Hettinger**Board Remarks****4/9/14**

Good afternoon. Thank you for being with us this afternoon.

The last time we met around this table, we were marking both the beginning of a new year and a new semester. Here we are now closing in on the end of a semester and are about to hold a set of commencement ceremonies and have the opportunity to see our students revel in their success.

Stryker School of Medicine

It's been three months of intense activity and significant milestones--one of the most significant of which is the decision, which we will formally consider today, to name the WMU School of Medicine for Dr. Homer Stryker. In announcing the intent to name the school in early March, President Dunn was able to divulge the identities of the donors who three years ago made a foundational gift of \$100 million.

Homer Stryker's granddaughter, Ronda Stryker, and her husband and our board colleague, Bill Johnston, were the source of that amazing gift as well as additional funding since then. They were not present at that March public announcement, so no one in the community had the opportunity to personally thank them on that momentous day. But today, Bill is here with us, and I will take this opportunity, on behalf of the University, the community and generations of students to come, to say thank you, Bill. We ask you to carry our deep gratitude back to Ronda and let her know how proud we will be to open the Western Michigan University Homer Stryker M.D. School of Medicine this fall. (Pause to lead applause)

East Hall

This winter will also be remembered for the time when plans were developed and finalized for the complete renovation of East Hall, the birthplace of the University that will become the WMU Alumni Center.

It has been a long time coming and a difficult path, but a little over a year from now, there will be a renovated East Hall that once again is an integral part of the daily life of this University. I congratulate those who have been

involved in the design process and who heard and responded to members of the university and broader community who wanted to help ensure the development of a functional and attractive building that honors our heritage. Thank you.

Spring Into the Streets

The University/Community connection is critical. As someone who cares deeply for this University and the communities it serves, I have to note that I was gratified to read on Sunday of the annual Sprint Into the Streets program that took more than 100 of our students into Kalamazoo and beyond for a day of volunteer work at such locations as the Kalamazoo Nature Center, the VA Hospital in Battle Creek and a variety of senior centers and neighborhood organizations.

Engineering Senior Design Day

Community interaction of a whole different type is front and center twice each year when seniors in our College of Engineering and Applied Sciences present their Senior Design Projects. Next Tuesday is the 54th

Conference on Senior Engineering Design. Dozens of graduating seniors will show off the original design work they've done to help solve real-world industry problems. Their work was sponsored and encouraged by about 40 southwest Michigan companies like 40 southwest Michigan companies, including Denso Corp., Humphrey Products, Kellogg Co., Parker Hannifin, Stryker Instruments and Whirlpool Corp. as well as state and local government agencies. I know from my own years of experience with industry just how critical interactions like that are to our business community and the quality of our future work force.

Commencement

Those senior engineers will join some 2,600 other WMU graduating students Saturday, April 26, to walk across the Miller Auditorium stage and receive their diplomas. Each and every commencement is a milestone for those graduating and for the University. It is what we are here for and the signature moment for each one of our students as they transition into proud alums. It will be a great day for our graduates and their families and a reaffirming day for all who play a role in the day-to-day operation of this university.

Closing

And now, I'm going to turn the microphone over to President Dunn, who has some additional items to share with you.

...After President Dunn's remarks

Now it's time to hear from our student and faculty leadership. We have with us today, the outgoing president of the Western Student Association John-Mark Cuarto (MARK QWAHR toh) and the newly elected WSA president Abby Wallace; Damon Chambers, chair of the Graduate Student Advisory Committee; WMU-AAUP President Lisa Minnick; and Faculty Senate President William Rantz.

John M. Dunn
Board Remarks
April 9, 2014

Opening

Good afternoon, and let me add my thanks to you all for being with us today. This has been a semester full of accomplishment--and it's far from over.

Faculty death

Before I recount some of those achievement milestones, I'd like to take a moment to note a very sad close to the career of one of our remarkable faculty members. This has been a difficult semester for many on campus personally and professionally. When we gathered in January, I told you of two untimely faculty deaths. Since then, we have lost another member of our active faculty. Greg. D. Roehrick (ROARick), died Feb. 25 at the age of 60. He was an award-winning theatrical design professional who taught design and technical production courses here for 36 years. A service this Saturday will be held in our Williams Theatre to celebrate his life.

Teleka Patrick

And just this morning, we learned that the outcome we so feared for missing School of Medicine resident Dr. Teleka Patrick was confirmed. A body found Sunday close to the spot in Indiana where her car was

found last December has been formally identified as her. Her family and friends have our condolences and deepest sympathy at this sad time. I would ask that we take a moment to remember both Greg Roehrick who was part of our community for decades and Dr. Patrick who was here for too short a time. (Ask for a moment of silence.)

Missing K College Faculty Spouse

Our thoughts and prayers also are with the Kalamazoo College community as local authorities search for Takashi Sugimori (TAHkah shee SOO gee more ee), the husband of a faculty member there who has been missing for the past week and was last seen near Asylum Lake. We have pledged to do whatever we can to assist.

Climate Leadership Award

This has been a period in which our University is being recognized for its commitment and accomplishments in the area of sustainability. I'm very pleased to note that Western Michigan University is a finalist in the 2014 Second Nature Climate Leadership Award Program. We're one of four finalists in our Carnegie classification. The others are University of Mass.-Amherst, University of North Texas and Ohio State University. This is a significant national award that recognizes not only what we've accomplished, but also our commitment to a future

of nurturing a culture of sustainability that involves every part of the campus.

Two new DEQ awards

Sustainability work in our stormwater management and related efforts on campus, for instance, reflect one area of focus. Those efforts received a big boost this month, when the Michigan Department of Environmental Quality announced that WMU has been awarded two grants totaling \$757,214.

The \$516,061 and \$241,153 grants will be used to create campuswide stormwater and wastewater asset management plans. These projects will involve inventory data collection, condition assessment, risk assessment, metering, computer modeling and mapping. The end goal is to improve water quality on campus and in the community.

Tree Campus designation and Hackberry trees

We've recently received word as well that for the sixth consecutive year, our University has been designated a Tree Campus USA by the Arbor Day Foundation. This is a recognition of our commitment to effective community forestry management.

At the same time we were learning of that new award, we also were learning from Dr. Todd Barkman and his students in two Systemic

Botany classes that our campus is a haven for a rare stand of 29 dwarf hackberry trees. Dr. Barkman and his students discovered the rare trees in a campus woodlot and confirmed the species through DNA sequencing. One of those trees has since been measured and crowned the Michigan state champion hackberry tree in the Large Tree Registry-just a bit behind the national champion that is in Virginia.

Goal to increase study abroad

Earlier this month, we announced that our University has committed to increasing study abroad participation by 50 percent over the next five years. We are taking part in a national initiative that aims to double the number of United States college students studying abroad by 2019.

WMU is one of more than 160 higher education institutions representing 41 states that have pledged to support the goals of the Generation Study Abroad Commitment initiative by the Institute of International Education.

The current number of our undergraduate students who annually study abroad is more than 450. We plan to grow that figure with some carefully designed new efforts that include a pre-freshman year program, expanding teaching internships abroad and expanding our relationships with our existing transnational education partners.

Trip to DR

Our outreach to other nations and the strengthening of existing international ties is continuing full throttle. I've just returned from a very brief--four-days--trip to the Dominican Republic. My mission was simply to solidify and celebrate a new partnership with higher education institutions in that nation that will eventually see us offering a Ph.D. in education in that nation in collaboration with four DR universities.

Faculty and student accomplishments

I always like to close with brief comments about some of the accomplishments and accolades received by our faculty and students. There is always a wealth of achievement to highlight.

Faculty and student accomplishment

One of our faculty members, Dr. Christian Hirsch, professor of mathematics and a veteran math education reform expert, will be honored this week at a national conference in New Orleans. On Friday, he will receive the 2014 Lifetime Achievement Award from the National Council of Teachers of Mathematics. He is being honored for more than three decades of work aimed at improving the teaching of high school mathematics. He is the driving force behind WMU's Core-

Plus Mathematics Project, a high school curriculum that is used nationally and hailed by the National Science Foundation as exemplary.

Student accolades/notes

Since we last met, a team of WMU marketing students won the 2014 National Grocers Association University Case Competition, earning the top spot for creating a locally focused marketing strategy for an independent grocer in Ohio.

The competition brought together food and retail marketing students from 10 universities during an annual industry conference in Las Vegas. Fourteen students represented WMU, with a team of four seniors taking home the top prize of \$8,000, which will support scholarships and programming.

And now, I'll turn the mic back to Chair Hettinger so he may introduce our student and faculty leaders who will make remarks as well.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE is entered into April 18, 2014, between THE BOARD OF TRUSTEES OF WESTERN MICHIGAN UNIVERSITY, of 1201 Oliver Street, Administration Building, Kalamazoo, Michigan 49008 ("Tenant"), and 200 IONIA ASSOCIATES, LLC, a Michigan limited liability company, of 220 Lyon Sq., N.W., Suite 510, Grand Rapids, MI 49503 ("Landlord").

RECITALS

A. Tenant and Landlord's predecessor in title, Cherry Street Landing, L.L.C., entered into a Lease Agreement (the "Lease") dated March 14, 2000, with respect to the building (the "Premises") commonly known as 200 Ionia Avenue, S.W., Grand Rapids, Michigan.

B. On February 17, 2003, Landlord and Tenant entered into an Addendum to Lease (the "Addendum") addressing, among other things, the construction of improvements on the fourth floor of the Premises.

C. The Term of the Lease expires on March 31, 2016, subject to Tenant's two five-year renewal options.

D. Landlord and Tenant wish to extend the Term of the Lease to March 31, 2031, and to amend the Lease to provide certain other terms.

E. All capitalized terms used in this First Amendment, if not defined herein, have the meanings ascribed to them in the Lease.

IN CONSIDERATION OF THE PREMISES and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree to amend, supplement and modify the Lease as follows:

1. Extension of Term. The Lease Term is extended such that it will expire on March 31, 2031. The extension of the Lease Term, as provided for in this Section, does not diminish, abridge or extinguish the two five-year renewal options granted to Tenant in Section 1.2(c) of the Lease.

2. Base Rent for Extended Term. Annual Base Rent for the Lease Year commencing April 1, 2016, is \$824,068.80, (and thus Monthly Base Rent is \$68,672.40). Except for this adjustment made April 1, 2016, Annual Base Rent (and thus Monthly Base Rent) will continue to be increased by 2% each April 1 of the Lease Term.

3. Notice Address. The Landlord's notice addresses as set forth in Article 14 is changed to:

200 Ionia Associates, LLC
220 Lyon Sq., N.W., Suite 510
Grand Rapids, MI 49503
Attn: Charlie Secchia

4. Parking. Landlord acknowledges that Tenant will need 250 parking spaces in 2014-15, 300 parking spaces in 2017-19, and 500 parking spaces in 2020 and thereafter during the Lease Term. From the date of this Amendment and thereafter during the Lease Term, Landlord agrees to assist Tenant in obtaining from the City of Grand Rapids Parking Department, parking space reservations (at Tenant's cost) within City of Grand Rapids' parking ramps adjacent to the Premises, sufficient to satisfy the above requirements. It is the intent of this provision that Landlord lead the effort to procure such parking spaces for Tenant's use; it is not the intent that either Landlord be obligated to procure such parking spaces for Tenant or that Tenant's obligations under the Lease are contingent or conditioned on obtaining such parking spaces.

5. Signage. Landlord grants to Tenant the right to install at Tenant's cost, on the building exterior of the Premises (including the roof), such logo and name identification signage meeting all applicable building and use restrictions, historic preservation requirements, and City of Grand Rapids municipal code (including any variances or waivers), subject, however, to Landlord's prior written approval and consent (such consent to not be unreasonably withheld, conditioned or delayed).

(a) Tenant shall provide to Landlord copies of all necessary approvals obtained by Tenant for such signage. The provisions of (a) Lease Section 9.2 regarding the removal of fixtures from the Premises at the end of the Lease Term, and (b) Lease Section 5.3.D. regarding Landlord's prior approval as to certain matters related to Tenant alterations, additions and construction, shall apply to all signage placed by Tenant on the interior and exterior of the Premises

(b) In satisfaction of the above requirement for Landlord approval, Landlord specifically approves and consents to Tenant's future installation of logo and name identification signage as determined by Tenant but comparable in size and lighting (but not color, style or design) to the signage of Grand Valley State University at its facility west of US-131 in downtown Grand Rapids, to be installed by Tenant at the top of the building (or on the roof), subject to all applicable building and use restrictions, historic preservation requirements, and City of Grand Rapids municipal code (including any variances or waivers)

(c) Landlord further agrees to take all actions reasonably necessary to assist Tenant in obtaining any zoning, historical preservation or other municipal approval for any signage to be installed by Tenant, including supporting any variance necessary for such signage.

6. Future Tenant Improvements. At Tenant's request, future Tenant improvements will be constructed by Landlord at Landlord's cost, with the cost to be amortized over the remaining balance of the Lease Term, utilizing a fixed interest rate equal to the Fifth Third Bank prime rate (determined at the time the improvements are substantially complete) plus 200 basis points. Landlord recognizes that this 200 basis point spread may be greater than Landlord's or Tenant's cost of funds at the time the amortization rate is determined; the spread, however, is intended to compensate Landlord for the risk of borrowing rate increases to which Landlord will be exposed for the balance of the Lease Term. Alternatively, Tenant may undertake the improvements at its cost.

7. Option to Purchase. Landlord grants to Tenant an option to purchase the Premises at any time during the period beginning April 1, 2026 and ending March 31, 2031 (the "Option Period"). The option to purchase shall be exercisable by written notice from Tenant to Landlord given not less than ninety days prior to the intended Closing date. The purchase price will be (a) the amount of base rent due under the Lease in the Lease Year in which the option to purchase is consummated, divided by 8.00%, plus (b) the unamortized cost of any Tenant expansion or Tenant improvements paid for by Landlord, plus (c) the cost, if any, of any loan prepayment penalty or loan yield protection fee incurred by Landlord with respect to any mortgage loan secured by the Premises that must, due to Tenant's exercise of this option to purchase, be paid in full prior to its maturity (the "Purchase Price"). All other terms of the exercise and performance of this Option to Purchase shall be as set forth in Article 20 of the Lease, provided that, as clarification, the following term will also apply: should the term of this Lease expire after the Option to purchase is exercised, then this Lease will be extended on the same terms and conditions to the date of Closing.

8. Effect. Except as modified, supplemented or amended by this First Amendment, all of the terms and conditions of the Lease, as modified by the Addendum, continue to bind and benefit the parties, and shall continue in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Lease on the day and year first above written.

LANDLORD:

200 IONIA ASSOCIATES

TENANT:

THE BOARD OF TRUSTEES OF WESTERN
MICHIGAN UNIVERSITY

By: _____
Charles N. Secchia
Its: Authorized Agent

By: _____

Its: _____

Western Michigan University
Room and Board and Apartment Proposed Board Budget

	2013/14 Booked Budget	Change	2014/15 Board Budget
<u>RESIDENCE LIFE AND DINING SERVICES</u>			
Revenue			
Room and Board	\$38,187,014	\$1,201,909	\$39,388,923
Other Revenue	1,725,951	-	1,725,951
Subtotal Revenue	<u>\$39,912,965</u>	<u>\$1,201,909</u>	<u>\$41,114,874</u>
Expense			
Compensation	\$8,362,526	\$488,061	\$8,850,587
Cost of Food	3,187,578	98,242	3,285,820
Debt Service	1,050,191 *	(1,050,191)	-
Other Expense	2,273,704	115,231	2,388,935
Subtotal Expense	<u>\$14,873,999</u>	<u>(\$348,657)</u>	<u>\$14,525,342</u>
Total Residence Life and Dining Services	<u>\$25,038,966</u>	<u>\$1,550,566</u>	<u>\$26,589,532</u>
<u>APARTMENTS</u>			
Revenue			
Apartment Rent	\$4,984,045	\$163,430	\$5,147,475
Subtotal Revenue	<u>\$4,984,045</u>	<u>\$163,430</u>	<u>\$5,147,475</u>
Expense			
Compensation	\$177,895	\$6,427	\$184,322
Debt Service	\$1,449,290 *	(1,449,290)	-
Other Expense	\$764,039	(73,130)	690,909
Subtotal Expense	<u>\$2,391,224</u>	<u>(\$1,515,993)</u>	<u>\$875,231</u>
Total Apartments	<u>\$2,592,821</u>	<u>\$1,679,423</u>	<u>\$4,272,244</u>
<u>OTHER EXPENSE</u>			
Expense			
Overhead Expense	\$8,519,182	\$2,853,391	\$11,372,573
Routine Maintenance	5,645,919	126,814	5,772,733
Refurbishing	8,221,555	92,430	8,313,985
Utilities	5,245,131	157,354	5,402,485
Subtotal Expense	<u>\$27,631,787</u>	<u>\$3,229,989</u>	<u>\$30,861,776</u>
Total Other Expense	<u>(\$27,631,787)</u>	<u>(\$3,229,989)</u>	<u>(\$30,861,776)</u>
NET	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*Centralized to Other Expense effective FY 2014.

**Western Michigan University
Room and Board Rates**

Proposed student room and board rates for 2014-15, effective fall 2014.

<u>RESIDENCE HALLS</u>	<u>2013/14 Rates</u>	<u>% Change</u>	<u>Proposed 2014/15 Rates</u>	<u>\$ Change</u>
<u>Room and Board (Gold/20 Meal Plan)</u>				
Academic Year	\$8,687	2.95%	\$8,943	\$256
<u>Room and Board (15 Meal Plan)</u>				
Academic Year	\$8,473	2.95%	\$8,723	\$250
Summer Session	\$2,030	2.95%	\$2,090	\$60
<u>Room and Board (10 Meal Plan)</u>				
Academic Year	\$7,975	2.95%	\$8,210	\$235
Summer Session	\$1,910	2.95%	\$1,966	\$56

Rates include \$25 per semester/\$12.50 per session deferred maintenance fee.