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9-18-2013

## WMU Board of Trustees Formal Session September 18, 2013

WMU Board of Trustees

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WESTERN MICHIGAN UNIVERSITY  
BOARD OF TRUSTEES FORMAL SESSION  
WEDNESDAY, SEPTEMBER 18, 2013

The Board of Trustees formal session was called to order by Chair Carlson at 1 p.m. on Wednesday, September 18, 2013, in Rooms 157-159 Bernhard Center.

Board Members present: Chair Carlson, Vice Chair Hettinger, Trustee Asmonga-Knapp, Trustee Crumm, Trustee Debel, Trustee Miller and President Dunn (ex officio).

Approval of the Minutes of July 18, 2013. The minutes were accepted as distributed on a motion Trustee Miller, supported by Trustee Hettinger.

Remarks by the Chair. (Attachment A).

Remarks by the President. (Attachment B)

Remarks by the Western Student Association President and the Graduate Student Advisory Committee Chair. President John Mark-Cuarto and Chair Damon Chambers reported on the activities of their organizations.

Remarks by the Faculty Senate President. Dr. William Rantz provided an update on the work of the Faculty Senate.

Remarks by the WMU-AAUP Secretary. Dr. William Warren spoke on behalf of the AAUP.

Resolution of the Western Michigan University Board of Trustees. Approving a Lease Rental Agreement with the WMU School of Medicine (re lease of property, rental payments and reimbursements of costs).. (Attachment C) As presented by Vice President VanDerKley on a motion by Trustee Crumm, supported by Trustee Debel, , the Board approved the lease agreement between WMed and Western Michigan University and authorized the President, Vice President for Business and Finance and the Associate Vice President for Business and Finance to negotiate any additional terms relating thereto if necessary. (Trustee Hettinger abstained on the vote re possible conflict of interest.) The action also recommended that the Board, acting as a Class A Member of WMed, pursuant to the bylaws of the School of Medicine, authorize WMed to enter into the lease agreement with such changes as may be approved by WMed.

Consent Items. Presented by Chair Carlson, on a motion by Trustee Hettinger, supported by Trustee Miller, the following consent items were approved—Personnel Report, Gift Report, Grant Report and Program Changes.


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Informational Item. Annuity and Life Income Funds and Operating Cash Accounts Reports were reviewed by Vice President VanDerKley.

Public Comments. Benjamin Jones, representing the general public, spoke in opposition to the demolition of East Campus buildings.

Adjournment. The meeting was adjourned at 1:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Betty A. Kocher".

Betty A. Kocher  
Secretary  
Board of Trustees

**Jeanne Carlson**

**Board Remarks**

12/5/13

**Good afternoon**

Thank you all for being here with us for the final Board of Trustees meeting of 2013. Our agenda today is packed--much like this entire semester has been here on campus. Fall 2013 has flown by, and we are now just a week away from December commencement and then, of course, the winter holidays.

**Holiday reception**

I'd like to begin by reminding members of the campus community that after the board meeting, you are all invited upstairs to the Bernhard Center Ballrooms from 2:30 to 4:30 p.m. for our annual holiday reception. My fellow trustees and I will join President and Mrs. Dunn to host a holiday event that signals both the close of the fall semester and the start of what we all wish for you--a joyous holiday season. We hope to see all of you there.

**Commencement**

On Saturday, Dec. 14, we will hold three ceremonies to celebrate the ultimate student success story--graduation. This fall we expect some 1,900 people to earn their degrees. That will include 38 who will receive doctoral degrees, 436 who will receive master's degrees and more than 1,450 who

will leave Miller Auditorium armed with a WMU bachelor's degree. This fall's graduates include a number of international students, including the very first graduate from a cohort of six students from Iraq who traveled here to begin their studies in fall 2008 and were sponsored by their government. Today that first small group of Iraqi students has grown to more than 60 students from that nation. But the honor of being the first graduate will belong to Ammar Kamel, who is earning a Ph.D. in computer science. It will be a joyous day for every one of our graduates and a reaffirming day for all who play a role in the day-to-day operation of this wonderful university.

### **Special graduation ceremony**

Not all our graduates will be able to attend the Dec. 14 event. One very special graduate was honored last week and awarded his diploma in a special ceremony that was pulled together for one very compelling reason. Christopher Boes has terminal brain cancer. He had completed all his requirements for a bachelor's degree in political science but his family feared he might not be here to walk with his classmates. President Dunn, Provost Greene, Dean Enyedi and many members of the political science department and others staged a ceremony for Chris, complete with a brass quintet playing the processional. An mLive (EM live) reporter close to the family recounted in detail the Early Convening of the 309th Commencement Exercises of Western Michigan University. The news story she wrote has resulted in a deluge of congratulatory messages for Chris as it was shared thousands of times, first through news sites and social media

and then through a national network of brain cancer survivors, patients and their supporters. I was so touched to learn of this event, and so proud of my University for making this dream come true for a student and his loved ones who are part of our Bronco family.

### **Staying abreast of the news**

I've returned to campus for events since our last board meeting--once to be part of the celebration to mark the affiliation between WMU and the Thomas M. Cooley Law School and another time to be part of a truly wonderful Distinguished Alumni event and homecoming celebration. In between times, it gives me great pleasure to read about our University in the news. There have been some remarkable accomplishments this fall, and I know President Dunn will comment on a few. Among those I would like to note as well are:

- The announcement that WMU has been named, for the fourth year in a row, one of Military Times' EDGE magazine's top colleges for veterans who are pursuing higher education.
- News that our Zhang Legacy Collections Center opened its doors to an enormous crowd of community well-wishers who were there for that Oct. 18 event.
- And a widely published story that more than 300 of our first-year students traveled to Fort Custer National Cemetery in Battle Creek to help that facility prepare for Veterans Day by cleaning headstones on nearly 2,000 graves.

Each of these stories gave me immense pride in the quality of our school and the standards we always work so hard to continue.

### **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 its time to hear from our student and faculty leadership. We have with us today, the newly elected president of the Western Student Association John-MarkCuarto (MARK QWAHR toh); Damon Chambers, chair of the Graduate Student Advisory Committee; Faculty Senate President William Rantz; and WMU-AAUP President Lisa Minnick.



John M. Dunn  
Board Remarks  
Sept. 18, 2013

**Opening**

Good morning, and let me add my thanks to you all for being with us this morning. I'd like to start the morning by sharing some information about several significant initiatives and accomplishments.

**Enrollment**

Our fall enrollment numbers are in and the figures show a number of significant and promising trends. The most positive news is that we have a 5.1 percent increase in the number of new freshmen and strong surges in the number of both international students and graduate students seeking doctoral degrees.

Consistent with our forecasts, smaller upper-level classes from earlier years' entering classes led to an overall enrollment decrease of 1.2 percent compared with last year's numbers. WMU's total enrollment for fall 2013 is 24,294.

The number of new freshman and the fact that this year's pool of applicants was our largest in a decade are significant markers for us in a state where the number of high school graduates is

Among the other good news is that we have a 7.2 percent increase in international students, with 1,688 such students from 104 nations this year. Major increases came from Brazil, Saudi Arabia and the Dominican Republic.



Our graduate enrollment is the second highest in the past nine years and we have a 3.7 percent increase in the number of new doctoral students.

And particularly gratifying is our continued increase in the number of minority students, who make up 19.5 percent of our student body now. Since the fall of 2007, that number has risen by nearly 2,000 students. I think that's a tribute to our work to ensure every student feels welcome and respected.

### **Campus Climate**

Establishing a campus that is welcoming and inclusive is an ongoing mission, and its one that we are being honored for this fall with two national awards. But it is also an area in which we can never think the work is done. Last spring, we undertook a campuswide study of our diversity climate. More than 5,600 people on our campus--about 20 percent of our students, faculty, staff members and administrators--took part in a survey and focus groups. We worked with a nationally known consultant, Dr. Roger Worthington, from the University of Missouri.

After receiving the results and recommendations over the summer, we're rolling that information out over the next few weeks and will be holding town hall meetings to share the information and talk about next steps. Overall, the view on campus was overwhelmingly positive in its appraisal of our campus climate, with 92 percent of respondents feeling that diversity and inclusion are respected and valued here.

But we had asked Dr. Worthington to dive below the surface and find those areas in which we can and need to improve. They always exist in a campus community of some 30,000 people. One significant finding, for instance, was a ~~general reluctance~~ on campus to file official complaints about individual discriminatory or inequitable treatment. That is an area that we will certainly tackle thoughtfully and with considerable focus.

### **Brazilian students**

When I shared the enrollment numbers a moment ago, I noted that Brazil is a nation from which we have a large number of new students this year.

That is thanks to Brazil's Scientific Mobility Undergraduate Program, a scholarship program established by Brazil's national government in 2011 that is bringing students to colleges and universities across the United States. The scholarships fund a year of study in one of the STEM disciplines--science, technology, engineering and math. Also covered is the opportunity for intensive study of English. Through this program, Western Michigan University this year has the fourth highest number of Brazilian students in the nation, with 89 students. (UC-Davis, IIT and Nebraska are 1, 2 and 3, respectively).

### **Trip to Detroit for Archer Event**

"Thank you" is the message I'll be taking with me tomorrow when I travel to Detroit to attend a press briefing and reception in which Trustee Emeritus Dennis Archer will be announcing that a scholarship he established when he left political life has reached a significant milestone. To date, more than \$1 million has gone to minority students in Detroit and Cassopolis, Mich., Trustee Archer's hometown, to help them attend Wayne State University and his alma mater, Western Michigan University.

### **Potash Discovery**

As many of you know, our University has become Michigan's main geologic information resource. We now house the state's geologic survey, which has been added to the substantial treasure trove of geologic resources developed here over the years. That resource is paying off for our state. Last week, we were able to announce that a team led by our longtime researcher Dr. William Harrison, had "rediscovered" a significant deposit of potash under two west Michigan counties. Potash is a rare and expensive mineral traded worldwide for use in fertilizer. The deposit in Michigan is the highest quality such deposit in the world and could well put our state on track for development of an industry being valued at about \$65 billion. We'll be watching that development with more than casual interest.

### **W.E. Upjohn Center Honors**

Another of the research resources we share with our state and nation is our W. E. Upjohn Center for the Study of Geographic Change, established eight years ago with the generous support of the late Edwin and Mary Meader. The center preserves the work of earlier explorers and cartographers and combines that work with digital technology.

Last week, two staffers from the center attended the International Map Industry Association annual conference in Cambridge, Mass. for the first time, at which they made presentations about some of the map products the Center has developed. Those products were awarded two of the top three digital mapping awards at the conference and a "best overall North American product award," beating National Geographic and other major mapping companies for those honors. It's another example of how our researchers work quietly to build international reputations in their disciplines.

### **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.

#### **Faculty accolades**

- Dr. R. Adam Manley, assistant professor of family and consumer sciences, has just been appointed to the National Board for Professional Teaching Standards,

- Dr. Chris Coryn of our Evaluation Center led a team that studied the quality and transparency of the evaluation procedures at the Swiss National Science Foundation. His work was highlighted in that organization's most recent publication for researchers.

### **Student Accolades**

- Horn player Paul Clifton of Howell who graduated in June took second place in the International Horn Society's 45th annual symposium and Premier Soloist competition staged last month at the University of Memphis
- Senior Chad Niemchick, Hopkins, Mich., one of four students in Michigan to be awarded a 2013 Transportation Club of Detroit scholarship worth \$5,000. The Perrigo intern also won a Lakeshore Human Resources Management award, beating three other (Michigan finalists for the \$2,000 scholarship.

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



RESOLUTION OF THE BOARD OF TRUSTEES OF  
WESTERN MICHIGAN UNIVERSITY  
APPROVING A LEASE AGREEMENT WITH  
WESTERN MICHIGAN UNIVERSITY SCHOOL OF MEDICINE  
REGARDING LEASE OF PROPERTY LOCATED AT 300 PORTAGE STREET

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WHEREAS, the Board of Trustees of Western Michigan University (the "Board") has received a donation of the real property located at 300 Portage Street in the City of Kalamazoo, Michigan (the "300 Portage Street Building"); and

WHEREAS, the Board has elected that all or a portion of the 300 Portage Street Building be used by Western Michigan University School of Medicine, a Michigan nonprofit corporation ("WMed"); and

WHEREAS, the Board has determined that it is appropriate to undertake the renovation, improvement, furnishing and equipping of the 300 Portage Street Building at an estimated total cost of \$69,500,000 (the "Project") with the understanding that these costs will ultimately be borne by WMed; and

WHEREAS, the Board has further determined that all or a portion of the 300 Portage Street Building, together with the improvements thereto constituting the Project (collectively, the "Leased Premises"), will be leased to WMed pursuant to the terms of a Lease Agreement between the Board and WMed (the "Lease Agreement"); and

WHEREAS, the Board has incurred indebtedness under a line of credit in the maximum aggregate principal amount of \$30,000,000 (the "Interim Indebtedness") to provide temporary financing for a portion of the costs of the Project; and

WHEREAS, in order to pay all or a portion of the costs of the Project and the costs of refinancing the Interim Indebtedness, the Board, by resolution adopted on June 12, 2013 and entitled RESOLUTION OF THE BOARD OF TRUSTEES OF WESTERN MICHIGAN UNIVERSITY AUTHORIZING THE ISSUANCE AND DELIVERY OF LEASE RENTAL REVENUE BONDS AND PROVIDING FOR OTHER MATTERS RELATING THERETO (the "Bond Resolution"), authorized the issuance of special obligation lease rental revenue bonds of the Board (the "Bonds"), which Bonds will be payable from and secured by rental payments to be paid by WMed pursuant to the Lease Agreement (the "Lease Rentals"); and

WHEREAS, the Lease Rentals will, at a minimum, be established in amounts sufficient to pay the principal of and interest on the Interim Indebtedness and the Bonds and any other payments required with respect to the Interim Indebtedness and the Bonds as the same become due and payable; and

WHEREAS, Western Michigan University Foundation (the "Foundation") has determined to support WMed through the execution of a Limited Obligation Guaranty Agreement, pursuant to which the Foundation will guaranty to the Board and to the holder or holders from time to time of the Bonds, or to a trustee acting on behalf of such holders, the timely payment by WMed of all Lease Rentals required to be paid by WMed under the terms of the Lease Agreement; and



WHEREAS, the Board and WMed have negotiated the terms of the Lease Agreement, a draft of which has been presented to the Board for approval; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the President, the Vice President for Business and Finance and Treasurer, and the Associate Vice President for Business and Finance and Assistant Treasurer, or any of them individually (each an "Authorized Officer"), to complete the negotiation of the terms of the Lease Agreement and to execute and deliver the Lease Agreement for and on behalf of the Board; and

WHEREAS, the Board has determined that it is necessary and appropriate to amend the Bond Resolution to authorize the Board to covenant in the Trust Indenture or Loan Agreement (as such terms are defined in the Bond Resolution) pursuant to which the Bonds will be issued, to use Legally Available Funds (as hereinafter defined) of the Board to pay debt service on the Bonds in the event that the sources of security pledged for payment of the Bonds are insufficient therefor.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF WESTERN MICHIGAN UNIVERSITY THAT:

1. The execution of the Lease Agreement by the Board, in substantially the form presented to the Board and on file with the Secretary of the Board, with such changes not materially adverse to the Board as are deemed appropriate by any Authorized Officer, is hereby authorized and approved. Each Authorized Officer is authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute, acknowledge and deliver the Lease Agreement when such document is in final form.

2. Any or all of the obligations of WMed under the Lease Agreement, including the Lease Rentals required to be paid by WMed under the terms of the Lease Agreement, may be pledged and assigned by the Board to the holder or holders from time to time of the Interim Indebtedness or the Bonds, or to any trustee acting on behalf of such holder or holders, as security for the payment of the Interim Indebtedness or the Bonds, as determined by any Authorized Officer.

3. As the sole Class A Member of WMed, the Board of Trustees has the reserved power to approve certain actions by WMed. One of these reserved powers is to approve any lease for real property for more than 12 months by WMed. The Board, acting as the Class A Member of WMed, pursuant to the Bylaws of WMed, hereby authorizes WMed to enter into the Lease Agreement with such changes as may be approved by WMed.

4. Any Authorized Officer is authorized and directed to make, execute and deliver all such other certificates, documents and instruments, and to do such other acts and things, as may be necessary or as may be deemed by any Authorized Officer to be appropriate or expedient to accomplish the purposes of this Resolution.

5. The first paragraph of Section 3 of the Bond Resolution is hereby amended and restated in its entirety as follows:

“The Bonds, and the obligations of the Board under the Swap Agreement and the Liquidity Device, if any, shall be limited and not general obligations of the Board payable from and secured by a lien on the Lease Rentals, the payments under the Guarantee and, if determined to be appropriate by an Authorized Officer, by a pledge of and lien on gifts received by the University for the benefit of WMed and by a lien on General Revenues (as shall be defined in the Trust Indenture in a manner generally consistent with the definition thereof contained in the Trust Indentures pursuant to which the outstanding General Revenue Bonds of the Board (the “Outstanding Obligations”) were issued) and moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture or Loan Agreement, or agreements entered into in connection with the Swap Agreement or Liquidity Device. As determined by an Authorized Officer, any lien on General Revenues may be on a parity basis with the lien on General Revenues securing the Outstanding Obligations, or may be subordinated to the lien securing the Outstanding Obligations. If determined appropriate by an Authorized Officer, the Board may also covenant in the Trust Indenture or Loan Agreement that the Board shall use Legally Available Funds to pay principal of, premium, if any, and interest on the Bonds in the event that the sources of security pledged for the payment of the Bonds, as described in this paragraph, are insufficient therefor. “Legally Available Funds” shall be defined in the Trust Indenture or Loan Agreement as determined by an Authorized Officer in a manner generally consistent with the following: funds, cash and investments of the Board not pledged for the payment of other indebtedness and legally available to the Board for the payment of the principal of, premium, if any, and interest on the Bonds, but shall not include any funds the use of which would result in the Bonds being construed as a general obligation of the Board or as indebtedness of the State of Michigan under the Michigan Constitution of 1963.”

6. The Bond Resolution, as amended hereby, is hereby ratified and confirmed.