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WMU Board of Trustees Formal Session September 20, 2012

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WESTERN MICHIGAN UNIVERSITY
BOARD OF TRUSTEES FORMAL SESSION
THURSDAY, SEPTEMBER 20, 2012

The Board of Trustees formal session was called to order by Chair Johnston at 11:10 a.m. on Thursday, September 20, 2012 in Rooms 157-159, Bernhard Center

Board members present: Chair Johnston, Vice Chair Carlson, Trustee Archer, Trustee Asmonga-Knapp, Trustee Debel, Trustee Miller, and President Dunn (ex officio).

Acceptance of the Agenda. The agenda was accepted as presented following a motion by Trustee Archer, supported by Trustee Carlson

Approval of Minutes of the June 25 and August 10 Formal Sessions. The minutes were approved as distributed on a motion by Trustee Miller, supported by Trustee Asmonga-Knapp.

Remarks by the Chair. Chair Johnston noted he was especially pleased to be on campus to see activities in full swing with the beginning of the fall semester. He spoke of the completion of the new Sangren Hall and the renovated Lee Honors College, with the communitywide celebration marking the official opening planned for September 28. Chair Johnston said he reported with great pride the work of faculty members shown in, national and international publications, including Dr. Jacqueline Eng featured in the National Geographic and National Geographic TV special for her part with an international archaeology team doing research in Nepal. He said that in today's meeting the School of Medicine, our engineering programs and future building projects are all on the table and topics for discussion.

Remarks by the President. President Dunn said he wanted to begin his remarks by congratulating Trustee Archer for the honor he received on September 11 at Lincoln Center in New York City. He was given the 2012 Minority Corporate Counsel Association's Lifetime Achievement Award. It is a wonderful award, and an opportunity for those honoring him, to reflect on his amazing career as a Detroit mayor, Michigan Supreme court judge, head of the American Bar Association, and President Dunn noted, a "Western Michigan University trustee and alum of this great University."

President Dunn then reported that WMU was recognized for the 22nd consecutive year as one of the nation's "Best National Universities" and named by Princeton Review to its list of the best "Best Midwestern Colleges" for the eighth time. He spoke of the next day's Academic Convocation as start of year's events and an opportunity to celebrate the service and achievements of some of our outstanding faculty and staff members. President Dunn ended his remarks with faculty, staff, and student accomplishments..

Remarks by Graduate Student Advisory Committee Chair Britne Amos. Chair Amos reported on the activities and future plans of the GSAC.

Remarks by Faculty Senate Vice President Dennis Simpson. In the absence of Faculty Senate President Rantz, an update on the work of the Senate was presented by Vice President Simpson.

Lee Honors College Report. Dean Andreadis spoke of the completed renovation of Lee Honors College and expressed appreciation for the generosity of the Lee family. A report on the activities of the college was given by a Lee Honors College student.

Sangren Hall/Sustainability Design. Pete Strazdas, Associate Vice President of the Facilities Management Department, reported on the many sustainability elements used in the design of Sangren Hall.

Naming of Legacy Collection Center. As presented by Vice President Thomas, the Board of Trustees, on a motion by Trustee Archer, supported by Trustee Asmonga-Knapp, approved the naming of the Legacy Collections Center (archives center) the Charles C. and Lynn L. Zhang Legacy Collections Center. Vice President Thomas spoke of the Zhangs long time support of many University programs, including the Haworth College of Business, Department of Economics, the Academically and Talented Youth Program and the Lee Honors College.

Lease Rental Prepayment Agreement between the Western Michigan University School of Medicine (WMed) and Western Michigan University. As reviewed by Vice President VanDerKley, following a motion by Trustee Asmonga-Knepp, supported by Trustee Carlson, the Board of Trustees approved the resolution (attachment A) detailing the agreement noted above re lease of property, rental payments and reimbursement of costs.

Recommendation re Differential Tuition for the College of Engineering and Applied Sciences. As presented by Provost Greene, the Board of Trustees on a 6-0 roll call, vote as moved by Trustee Miller, supported by Trustee Debel, approved the recommendation that effective spring semester 2013, a \$40 per credit differential rate be assessed on all undergraduate students affiliated with the College of Engineering and Applied Sciences.


State Capital Outlay-Priority List. As reviewed by David Dakin, Director, Campus Facility Planning, the State of Michigan requires all state universities to annually submit a five-year comprehensive master plan report. Part of the information required is a priority order of projects, including ones that are funded from private funds or the issuance of university debt (attachment B). On a motion by Trustee Archer, supported by Trustee Carlson, the Board of Trustees approved the Capital Outlay Priority list as attached and the renovation of Lab Floors 4 & 6 in the W.E. Upjohn Campus as WMU's Capital Outlay Request.

Property Purchase with City of Kalamazoo.. Tim Kellogg, Director, Business Services presented a request to enter into a purchase agreement with the City of Kalamazoo for a parcel of land adjacent to WMU's property where Western View Apartments Phase II is planned. The University is currently doing title and survey work necessary to complete the transaction. The parcel is described as "Lots 25 and 26, Block 2, Plat of Woodlawn Park. The City of Kalamazoo has agreed to the sale in principle but must seek approval at a commission meeting, with nominal consideration of \$1 expected. It is a very small parcel that was not transferred from the City to the University when Howard Street was reconfigured a number of years ago. On a motion by Trustee Miller, supported by Trustee Carlson, the Board of Trustees authorized the Treasurer/Assistant Treasurer to take all necessary action to enter into this purchase agreement between Western Michigan University and the City of Kalamazoo.

Consent Items. As presented by Chair Johnston, on a motion by Trustee Archer, supported by Trustee Asmonga-Knapp, the following consent items were approved – Personnel Report, Gift Report, Grant Report, Lease Agreement (Campus Wok, Inc.) Liquor License Application (Emeriti Council, December 12).

Adjournment. The meeting was adjourned at 12:25 p.m.

Respectfully submitted,


Betty A. Kocher
Secretary
Board of Trustees

RESOLUTION OF THE BOARD OF TRUSTEES OF
WESTERN MICHIGAN UNIVERSITY
APPROVING A LEASE RENTAL PREPAYMENT AGREEMENT WITH THE
WESTERN MICHIGAN UNIVERSITY SCHOOL OF MEDICINE REGARDING LEASE OF
PROPERTY, RENTAL PAYMENTS AND REIMBURSEMENT OF COSTS

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

WHEREAS, the University 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 \$68,000,000 (the "Project") with the understanding that these costs will be borne by WMed; and

WHEREAS, it is intended that the 300 Portage Street Building, together with the improvements thereto constituting the Project (collectively, the "Leased Premises"), will be leased to WMed pursuant to a long-term lease agreement to be entered into between the University and WMed prior to the date of occupancy of the Leased Premises by WMed (the "Lease Agreement"); and

WHEREAS, the University expects to authorize permanent financing for the costs of the Project at a future date through the issuance of special obligation notes or bonds of the University (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 Bonds of the University as the same become due and payable; and

WHEREAS, by resolution adopted on July 25, 2012, the University authorized temporary financing for the costs of the Project under one or more loans or lines of credit in the maximum aggregate principal amount of \$30,000,000 (the "Interim Indebtedness"); and

WHEREAS, the Interim Indebtedness is expected to be payable primarily from the proceeds of the Bonds to be issued by the University and, at the election of the University, interest and any other financing cost on the Interim Indebtedness may also be payable from the proceeds of advances made under the Interim Indebtedness; and

WHEREAS, as additional security for the payment of the obligations of the University under the Interim Indebtedness, the Board of Directors of WMed will authorize the execution of a Lease Rental Prepayment Agreement with the University, pursuant to which WMed will agree

to prepay the Lease Rentals under the Lease Agreement in amounts sufficient to pay all principal of and interest on, and any other payments required with respect to, the Interim Indebtedness as the same become due and payable, to the extent that other sources of repayment of the Interim Indebtedness and related required payments are for any reason unavailable or insufficient to make such payments; and

WHEREAS, under the terms of the Lease Rental Prepayment Agreement, the University and WMed will agree to enter into the Lease Agreement for the lease of the Leased Premises at such future date and on such terms as shall be mutually agreed upon by the parties.

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

1. The execution of a Lease Rental Prepayment Agreement by the University upon terms and conditions deemed appropriate by the Vice President for Business and Finance and Treasurer or the Associate Vice President for Business and Finance and Assistant Treasurer (each an "Authorized Officer") is hereby authorized and approved. The terms of the Lease Rental Prepayment Agreement shall include provisions that reflect all of the terms and conditions of this Resolution, but may contain others as deemed appropriate by an Authorized Officer and not inconsistent with the terms of this Resolution. Under the terms of the Lease Rental Prepayment Agreement, the University will agree to enter into the Lease Agreement with WMed for the lease of the Leased Premises at such future date and on such terms as shall be mutually agreed upon by the parties, and WMed will agree to pay the Lease Rentals to the University in amounts established at the time of execution of the Lease Agreement. The Lease Rentals shall, at a minimum, be sufficient to pay the principal of and interest on the Bonds to be issued by the University as the same become due and payable. The Lease Rental Prepayment Agreement shall further obligate WMed to pay to the University, as a prepayment of the Lease Rentals to become due under the Lease Agreement, all amounts required to pay all principal of and interest on, and any other payments required with respect to, the Interim Indebtedness as the same become due and payable, to the extent that the other sources of repayment of the Interim Indebtedness and related required payments are for any reason unavailable or insufficient to make such payments. The maximum amount of Lease Rentals required to be prepaid by WMed under the Lease Rental Prepayment Agreement shall be equal to the aggregate authorized principal amount of the Interim Indebtedness incurred by the University, plus the amounts required to pay all interest and all fees and other amounts due and to become due under the terms of the Interim Indebtedness.

2. Any and all of the Lease Rentals required to be prepaid by WMed under the terms of the Lease Rental Prepayment Agreement may be pledged by the University as additional security for the payment of the Interim Indebtedness, as determined by either Authorized Officer.

3. Each Authorized Officer is individually authorized and directed to negotiate, approve, execute and deliver the Lease Rental Prepayment Agreement for and on behalf of the University. Each Authorized Officer is further individually 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 her to be appropriate or expedient to accomplish the purposes of this Resolution.

ATTACHMENT D

**Western Michigan University
Building Project Priority List
For the Five Year Capital Outlay Plan
FY 2014**

Major Projects: WMU FY 2012 - 2013

Priority	Project	Estimated Cost	Funding	Capital Outlay Request
#1	Renovation of Lab Floors 4 & 6 in the WMU Building on the W. E. Upjohn Campus for Research, Grants and Projects.	\$50 M	State / WMU	Yes
#2	New Student Union and Services Center	\$75 M	State / WMU	Proposed
#3	College of Aviation Classroom Building and Fleet Maintenance Building - Renovation and Addition	\$19 M	State / WMU	Proposed
#4	Renovation of Dunbar Hall (Classroom Building)	\$21 M	State / WMU	Proposed
#5	Campus Housing Apartments & Residence Halls	\$70 M	WMU	No
#6	New Campus Dining Facility	\$8 M	WMU	No
#7	WMU School of Medicine Facility in the WMU Bldg on the W. E. Upjohn Campus.	\$68 M	Private	No
#8	Renovation of North and Central Kohrman Hall (Classroom Building)	\$24 M	State / WMU	Proposed
#9	Addition to College of Engineering for Research, Instruction, and Civil Engineering	\$50 M	State / WMU	Proposed
#10	Multidisciplinary Science Research Facility	\$100 M	State / WMU	Proposed
#11	Sprau Tower Renovation	\$10 M	WMU	No
#12	East Campus Buildings Renovations	\$96 M	Private	No
#13	Upgrades and Improvements to Athletic Facilities	TBD	WMU	No
#14	Relocate Physical Plant	TBD	WMU	No
#15	College of Aviation, Aviation and Flight Operations and Aviation Maintenance Building - Renovation and Addition	\$32 M	State / WMU	Proposed
#16	Faculty, Center, and Institute Office Facility	\$5 M	WMU	No
#17	Miller Auditorium Addition	\$10 M	WMU	No
#18	New Parking Ramp	\$8 M	WMU	No
#19	New Auditorium Hall	\$11 M	State / WMU	Proposed