

12-7-2012

# December 6-7, 2012 - Board of Trustees Meeting Minutes, Regular and Special Meetings

Board of Trustees, Central Washington University

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**Board of Trustees Minutes  
Special and Regular Meetings  
December 6 and 7, 2012**

**Approved February 1, 2013**

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***December 6, 2012***

**Special Meeting**

The Trustees, President and Mrs. Gaudino, and CWU administrators were joined by Mark Auslander, Director of the Museum of Culture and the Environment and Professor Delores “Kandee” Cleary, Director of Inclusivity and Diversity for a private showing of the Native Art Exhibit at the University Reception Center. Later, the Board toured Barto Hall, and had a social dinner with the Dean of Student Success, Sarah Swager, and Associate Dean of Student Living, Richard DeShields, Residence Hall Coordinator Col’lette Gauvin, Residence Hall Association President, Tyler Van Sickle, Barto Hall/Douglas Honors Living and Learning Community, Brock Wolitarsky, and students Karly Jo Harris and Tim Mitchell.

***December 7, 2012***

**EXECUTIVE SESSION**

**Present:**

Mr. Sid Morrison, Chair  
Mr. Keith Thompson, Vice Chair  
Mr. Dan Dixon  
Ms. Annette Sandberg  
Mr. Chris Liu  
Ms. Lindsey Sires

**Absent:**

Ms. Kate Reardon  
Mr. Ron Erickson

**Also present:**

Dr. James Gaudino, President  
Ms. Sherer Holter, Chief of Staff/Secretary to the Board  
Mr. Alan Smith, Assistant Attorney General

The Board convened an executive session at 8:00 a.m. in Barge Hall, room 410, to discuss real estate issues and for a litigation review. Executive session adjourned at 9 a.m.

## **BUSINESS MEETING**

The business meeting in Barge 412 was called to order at 9:05 a.m. Chair Morrison welcomed the audience to the Board meeting and, noting that it was Pearl Harbor Day, expressed his appreciation for those who protect our freedom.

### **Present:**

Mr. Sid Morrison, Chair  
Mr. Keith Thompson, Vice Chair  
Mr. Dan Dixon  
Ms. Annette Sandberg  
Mr. Chris Liu  
Mr. Ron Erickson (via phone)  
Ms. Lindsey Sires

### **Absent:**

Ms. Kate Reardon

### **Also present:**

Dr. James Gaudino, President  
Dr. Marilyn Levine, Provost/Vice President for Academic and Student Life  
Mr. George Clark, Vice President for Business and Financial Affairs  
Ms. Sherer Holter, Chief of Staff/Secretary to the Board  
Ms. Sandra Colson, Executive Assistant to the President and Board of Trustees  
Mr. Alan Smith, Assistant Attorney General

### **Changes to the Agenda**

Chair Morrison called for changes to the agenda. Hearing none, he proceeded to the approval of the agenda.

### **Approval of the Agenda**

**Motion 12-67:** A motion that the Board of Trustees of Central Washington University hereby approves the agenda of the meeting of December 7, 2012 was presented by Mr. Dixon and seconded by Mr. Liu. Motion approved.

### **Approval of Minutes**

**Motion 12-68:** A motion that the Board of Trustees of Central Washington University hereby approves the minutes of special and regular meeting of October 4 and 5, 2012 was presented by Mr. Dixon and seconded by Ms. Sires. Motion approved.

### **Chair Report**

Chair Morrison shared that the Board met at the University Reception Center last night and enjoyed the Native American Art Exhibit, with expert commentary from Professors Mark Auslander and Delores (Kandee) Cleary. He noted that the Board enjoyed their tour of Barto Hall and dinner at the Wellington Event Center and hearing from the students why they chose to come to Central. Their answers, "small class sizes," "location," "great programs," were all consistent with our marketing efforts.

## **Celebrations**

President Gaudino said that it is always a bittersweet moment when the university says goodbye to faculty and staff retirees who have made a significant impact on the life of our community. He noted that some of the individuals that have been nominated for distinguished service were present at the meeting, but others could not attend and one, Kevin Whitaker, who passed away last summer, was represented by his wife Mylene.

Bob Tosch, on behalf of the Facilities Management Department, nominated *Bill Newman*, custodian, who retired on November 30, 2012 after 14 years with the University. Mr. Tosch commented on the quality of custodial services that Mr. Newman has provided to Hebel Hall, his smile and positive attitude, and his professionalism throughout his career at CWU

Noah Rodriguez spoke on behalf of *Kevin Whitaker* and the work he did to install technology throughout the Ellensburg campus. He presented Mylene Whitaker a token of appreciation on behalf of the Information Services Department.

John Lasik, spoke on behalf of the Academic Accounting department in their recommendation for *Sharon Damm*, who retired on June 29 after 18 years with the University. Over the years, *Ms. Damm* provided outstanding support to the department's faculty and 600 accounting majors.

Assistant Professor Jeffrey Stinson spoke in support of awarding faculty emeritus to *Professor James Nimnicht*. *Professor Nimnicht* retired on July 11, 2012 after a 24 year teaching career at CWU. He was instrumental in building the Human Resources Management program.

President Gaudino added that the Board will have the opportunity to approve these nominations during the consent agenda.

## **President's Report**

During his formal presentation the President discussed the new Westside office which will be used by Alumni Relations, Development Officers, Enrollment Management, Financial Aid, Public Affairs, and Students Services, as well as others, to reach out to alumni, parents and potential students living in the Puget Sound area. The site, co-located with Strategies 360, a consulting firm headed by Ron Dotzauer, CWU Alumni and former trustee, is located on Lake Union. It is configured in such a way to fit our needs, has a short term contract, and will not require additional build-out costs. Dr. Gaudino expressed his appreciation to Trustees Erickson and Liu for their assistance in evaluating the space and negotiating a favorable lease.

Dr. Gaudino is moving forward to identify a "Hundred Advocates" to support the mission of the University. The Development Office is leading this effort with support from the Trustees, Colleges, and Public Affairs. He is also putting together an external President's Advisory Group to advise the university on industry needs and advocate to the Legislature for those needs.

During his report, the President discussed progress in updating our information systems and operationalizing the strategic plan. He also summarized each of the Board communications and reports.

On behalf of the entire Board, Chair Morrison applauded the Westside office efforts and said that he was looking forward to attending events there. He also thanked Trustees Erickson and Liu for their efforts.

## **PUBLIC COMMENT**

Kimberly Holland, owner of Lotus Clothing and Jewelry Design, read a letter to President Gaudino that requests that the University convene the Commercial Activities Committee with the express purpose of addressing concerns about items sold in the Wildcat shop. Copies of her letter and supporting documents were provided to the Board Secretary to distribute to Board members after the meeting.

## **BOARD COMMITTEES**

### **Academic and Student Life –Chris Liu**

Mr. Liu reported on information shared by the Provost including department and unit meetings, Advising Task Force, Academic Planning Task Force, entrepreneurial streams of revenue, outreach to community colleges and the Wildcat Caravan.

### **Information – University Housing and New Student Programs**

Richard DeShields, Associate Dean of University Housing and Student Living, discussed the vision and mission of the University Housing and New Student Programs department. He explained how Living Learning Communities connect students with others who have common interests and bridge students' interests with their residence hall living experience as well as out-of-classroom enrichment activities. He showed the trustees how revenue generation supports Housing's 30 year comprehensive plan and that there will be sufficient revenue to cash fund renovations beginning Fall 2013.

### **Action – Approval of Degree**

Mr. Liu explained that the Educational Specialist degree, or Ed.S, is a terminal academic degree providing training above the master's degree level, but below the doctoral level. Educational Specialist programs generally involve two years of coursework and practica followed by an intensive internship. This level of program typically requires in excess of 90-quarter hours of coursework beyond the bachelor's degree, or approximately 45-quarter hours beyond a master's degree. Programs that have traditionally been offered at the Educational Specialist level include School Psychology, School Counseling, and School Administration.

He further explained that this new degree level has been approved by the Faculty Senate and the President's Cabinet. It also was conditionally approved (pending legislative approval) by the former Higher Education Coordinating Board. Once approved by the Board of Trustees, it must also be approved by the legislature, and Northwest Commission on Colleges and Universities before it can be offered.

**Motion 12-69:** A motion that the Board of Trustees of Central Washington University endorses the recommendation of the Faculty Senate and approves the Educational Specialist (Ed.S.) degree pending legislative and Northwest Commission of Colleges and Universities (NWCCU) approval was presented by Mr. Erickson and seconded by Mr. Liu. Motion approved.

### **Business and Financial Affairs – Keith Thompson**

#### **Information – Business and Financial Affairs Overview by Trustee Thompson**

Trustee Thompson reported on information shared by the Vice President for Business and Financial Affairs including the annual report on debt issues/debt outstanding, the results of the 2002 bond refinance, Moody's financial rating, and a revision to the University's Investment Policy that the Board will see in February.

### **Information – iCat Project**

Ed Day, Director of Organizational Effectiveness, provided an overview on the iCat project, which stands for Improving CWU Applications and Technology. This program encompasses 12 individual projects over the next 18-24 months to address faculty needs for better reporting and scheduling systems, eliminate the need for paper-based forms such as timesheets and purchase requisitions, and adds a new role-based portal to campus systems. These projects will modernize our day-to-day business practices and advance our workplace technology while maximizing the benefit of our current systems. Mr. Day presented a project timeline that showed the anticipated completion date for individual projects and discussed the project controls that have been put into place to ensure timely completion.

### **Information – Enrollment Management Update**

John Swiney, Associate Vice President for Enrollment Management and Organizational Effectiveness shared that the enrollment forecast through spring 2013 is unchanged since the October meeting. He noted that the forecast for winter 2013 enrollment includes an increase of 6% for freshman applicants. Veteran applications are up 16%; of the veterans who have applied, admissions are up 25% and payments are up 18%. He also noted that while total admissions are up 12%, total transfer applicants and admissions are down 10%. The Enrollment group is offering dual admission without charging an application fee to students who were admitted as fall transfers but did not enroll, and is continuing tuition merit awards to boost enrollments.

Connie Williams, Assistant Vice President for Finance and Business Auxiliaries, reviewed the FY 2013 budget by fund and source for both revenue and expenses. She noted that the projections are unchanged since the October meeting.

### **Action – S&A Supplemental Allocation Request**

Mr. Thompson reported that the CWU Men's Rugby team will participate in the National 7's Championship during the months of January through March 2013, and requested supplemental financial support for their travel costs. Both the Services & Activities Committee and the Budget and Finance reviewed their request and recommended its approval. However, because the total dollar amount of the request is over the \$25,000 level established by the Board of Trustees, Board of Trustees approval is required.

**Motion 12-70:** A motion that the Board of Trustees of Central Washington University hereby approves a the Services and Activities supplemental allocations totaling \$30,000 to support travel costs for CWU Men's Rugby National Travel and National 7's Championship was presented by Mr. Thompson and seconded by Ms. Sandberg. Motion approved.

### **Action – Depository Services Resolutions**

Mr. Thompson stated that the three Depository Services Resolutions for Governmental Entities authorize U.S. Bank National Association as a depository of university funds. The resolutions add Connie Williams, AVP of Finance and Business Auxiliaries and delete Edward Day, former AVP of Financial Services as approved signers for the investment account, main checking account, and payroll account.

**Motion 12-71:** A motion that the Board of Trustees of Central Washington University approves the Depository Services Resolutions for Governmental Entities, [No. 12-15], CWU Investment Resolution, [12-16], CWU Main Checking Account, and [12-17], CWU Payroll Account, was presented by Mr. Thompson and seconded by Ms. Sandberg. Motion approved.

### **Action – Series Bond 2004 Refinance**

Mr. Thompson explained that Resolution 12-18 provides for the terms of the specific issue of 2013 refunding bonds, other than the final maturity amounts and interest rates. It approves the competitive sale of the bonds, authorizes the purchase of certain obligations out of the proceeds of said sale, and the application of the money derived from those investments to the May 1, 2014 redemption of the outstanding 2004 Bonds.

The Series Resolution authorizes the execution of an agreement with U.S. Bank National Association, as Refunding trustee, and formally provides for the call, payment and redemption of the outstanding 2004 Bonds. The refunding bonds will be sold at a competitive sale in first quarter 2013, depending on market position. Based on the bids received on the sale date, the maturity amounts and interest rates will be submitted for Board action at a future meeting.

**Motion 12-72:** A motion that the Board of Trustees of Central Washington University adopts [Resolution 12-18], authorizing the issue of competitive sale of refunding bonds, authorizing the purchase of certain obligations out of the proceeds of said sale, and the application of the money derived from those investments to the May 1, 2014 redemption of the outstanding 2004 Series Bonds was presented by Mr. Thompson and seconded by Ms. Sandberg. Motion approved.

### **Action – Approval of S&A Administrative Fee**

Mr. Thompson reviewed the history of the Services & Activities Supplemental Allocation Fiscal Year 2013 administrative fee. On April 11, 2012, the Services and Activities (S&A) Fee Committee voted to reject the administration's proposal for the fiscal year 2013 administrative fee to be allocated from the S&A budget. Following that decision, an alternative resolution process was initiated and agreement was reached on the administrative fee.

Subsequently it was brought to the university's attention that there was a potential procedural problem with the dispute resolution process. The university agreed at that time to reintroduce the issue of the FY 2013 administrative fee and did so at the S&A committee meeting on November 14. On November 28, 2012 the S&A committee voted to rescind the vote taken in April, and to approve a unit-based allocation totaling \$571,167 for FY 2013. This amount aligns with the FY 2013 budget presented to the Board of Trustees on June 7, 2012.

**Motion 12-73:** A motion that the Board of Trustees of Central Washington University hereby approves the Services & Activities Fee supplemental allocation for fiscal year 2013 Administrative Fee in the amount of \$571,167 was presented by Mr. Thompson and seconded by Ms. Sandberg. Motion approved.

### **Public Affairs –Annette Sandberg and Ron Erickson**

#### **Information – Public Affairs Update**

Linda Schactler, Executive Director of Public Affairs, briefed the Board on the project to integrate the University's web content into the content management system. This project is on track and under budget and initial analysis shows that the new site has significantly increased traffic to our site. Public Affairs are undertaking three new campus-based marketing initiatives: 1) providing "baseline" marketing materials to departments; 2) creating a comprehensive outreach program for the College of Education; and 3) developing marketing strategies for the Office of Graduate Studies and Research. The

Government Relations staff is focused on building legislative support for Science Phase II. In October the Office of Financial Management asked CWU to propose an alternative that would allow for only part of the project to be built. While the consensus of those involved in the project is that phasing it is not advisable, the university responded by proposing "Phase II-A," which would include the construction of the eastern portion of the facility for \$44 million in 2013-2015 and "Phase II-B" which would cost an estimated \$30 million in 2015-17.

**Administrative** – *Dan Dixon and Lindsey Sires*

**Action – CWU 401(a) Supplemental Retirement Plan**

Mr. Dixon reported that the change to the CWU 401(a) Supplemental Retirement Plan is to comply with the Heroes Earning Assistance and Relief Tax (HEART) Act, and is required to maintain compliance with federal regulations. As required, the definition of "Basic Salary" and "Years of Service" have been amended to comply with Act, relating to eligible compensation and service accrual for members of the Armed Services during qualified military service.

**Motion 12-74:** A motion that the Board of Trustees of Central Washington University approves the amendments of Section 2.2, Definition of "Basic Salary," and Section 2.21, Definition of "Years of Service" of the CWU 401(a) Supplemental Retirement Plan to ensure compliance with federal law was presented by Ms. Sires and seconded by Ms. Sandberg. Motion approved.

**Action – CWU VIP Plan Update**

Mr. Dixon reported that the update to the CWU Voluntary Investment Plan (VIP) document reflects major changes effective November 1, 2012: (1) the addition of a "Roth" after-tax deferral feature; (2) Fidelity's new role as Master Administrator; (3) the addition of acceptance of rollover contributions, and (4) technical changes in the law required in order to maintain the tax-deferred status of the Plan. He noted that this is the final process that we have gone through to comply with the Pension Protection Act of 2006 and the IRS regulations issued in 2007 aligning 403(b) plans with 401(k) plans.

**Motion 12-75** A motion that the Board of Trustees of Central Washington approves the amendments to the CWU Voluntary Investment Plan (VIP) to add the "Roth" after-tax deferral, utilize Fidelity as Master Administrator, accepts rollover contributions, and includes changes to ensure compliance with federal law was presented by Ms. Sires and seconded by Ms. Sandberg. Motion approved.

**Action – CWU Policy 1-80, Delegation of Authority**

Mr. Dixon noted that proposed resolution 12-14 amends policy 1-80, Delegation of Authority, to reflect recent university organizational changes, updating position titles due to organizational changes. The resolution also increases the contracting authority of designated individuals from \$3,000 to \$25,000. The increased level of authority delegates responsibility to account managers for added efficiency while maintaining accountability for each manager to remain within his/her specific budget authorization. All of the controls on spending are still in place so that spending will still be monitored monthly and individuals held accountable for their actions.

**Motion 12-76** A motion that the Board of Trustees of Central Washington adopts [Resolution 12-14], which updates CWUP 1-80, Delegation of Authority to reflect organizational changes and to increase the contracting authority of certain positions from \$3000 to \$25,000 was presented by Ms. Sires and seconded Ms. Sandberg. Motion approved.

## REPORTS AND CONSENT AGENDA

Chair Morrison asked if any members of the Board wished to comment on or discuss the reports and communications received. Hearing none, he moved to the consent agenda.

## CONSENT AGENDA

**Motion 12-77:** A motion that the Board of Trustees of Central Washington University approves the consent action items submitted December 7, 2012 was presented by Mr. Erickson and seconded by Ms. Sandberg. Motion approved.

## Next Meeting

Chair Morrison said that the next special and regular meetings of the Board of Trustees will be January 31 and February 1, 2013 at CWU Ellensburg Campus and wished everyone Season's Greetings.

Meeting adjourned at 11:50 a.m.



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Sherer M. Holter, Secretary to the  
Board of Trustees  
Central Washington University



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Sid Morrison, Chair  
Board of Trustees  
Central Washington University