

TRUSTEE FINANCE & AUDIT COMMITTEE

Friday, April 8, 2005
9:30 a.m.
Board Room, Administration Building

A G E N D A

APPROVED

APR 08 2005

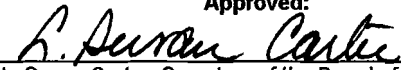
Board of Trustees
Michigan State University
V.P. Finance and Operations

- A. Approval of Agenda
- B. Approval of the February 10, 2005, Minutes of the Trustee Finance & Audit Committee Attachment 1.B
- C. BC – Crescent & Middlevale Road reconstruction – Phase 1 Attachment 1.C
- D. BC – Parking Lots 82 & 83 reconstruction – Service Road Attachment 1.D
- E. AE – Chemistry alterations to rooms 535, 536, and 537 Attachment 1.E
- F. Reconveyance of the Power Plant Addition Attachment 1.F
- G. Residence Halls & University Apartment Rates Attachment 1.G

TRUSTEE FINANCE & AUDIT COMMITTEE

Thursday, February 10, 2005
Board Room, Administration Building

Approved:


L. Susan Carter, Secretary of the Board of Trustees

Call to order:

2:04 p.m.

Committee Members Present:

Trustee Nugent, Trustee Romney, Trustee Ferguson, and Trustee Foster.

Others Present:

Trustee Porteous, Trustee McNamara, Trustee Cook, and Trustee Gonzales; President Simon, Acting Provost Hudzik, Vice President Poston, and Secretary Carter; Faculty Liaison Representatives Maleczka, Melnick, and Sticklen; Student Liaison Representatives Hill, Schepers, and Weber.

A. Approval of the Agenda

Upon a motion by Trustee Nugent, supported by Trustee Porteous, the Committee voted to approve the Trustee Finance & Audit Committee agenda as presented.

B. Acceptance of the Friday, January 14, 2005, Minutes of the Trustee Finance & Audit Committee

Upon a motion by Trustee Nugent, supported by Trustee Porteous, the Committee voted to approve the Trustee Finance & Audit Committee minutes as presented.

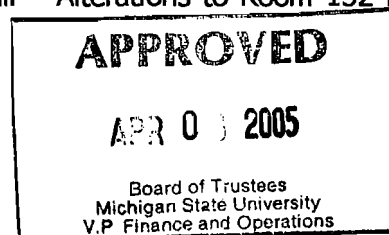
C. BC – Food Stores – Fire Protection and Fire Alarm Upgrade

Upon a motion by Trustee Romney seconded by Trustee Foster, the Committee voted to recommend to the Board of Trustees that a contract in the amount of \$289,000 be awarded to Nielsen Commercial Construction Company, and that a budget in the amount of \$455,000 be established for the project entitled: Food Stores – Fire Protection and Fire Alarm Upgrade.

Vice President Poston indicated that the MSU Bakery project included a fire protection and fire alarm system and this foods stores upgrade will integrate with that project.

D. BC – Farrall Hall – Alterations to Room 132 BSL-2 Food Safety Laboratory

Upon a motion by Trustee Romney, seconded by Trustee Foster, the Committee voted to recommend to the Board of Trustees that a contract in the amount of \$396,400 be awarded to Nielsen Commercial Construction Company, and that a budget in the amount of \$580,000 be established for the project entitled: Farrall Hall – Alterations to Room 132 BSL-2 Food Safety Laboratory.



E. BC – Psychology Research Building – Barrier Free Alterations, Fire Alarm Upgrades, and Interior Renovations

Upon a motion by Trustee Foster, seconded by Trustee Romney, the Committee voted to recommend to the Board of Trustees that a contract in the amount of \$686,800 be awarded to Nielsen Commercial Construction Company, and that a budget in the amount of \$1,130,000 be established for the project entitled: Psychology Research Building - Barrier Free Alterations, Fire Alarm Upgrades, and Interior Renovations.

Vice President Poston indicated that this alteration also included a handicapper ramp and entrance, as well as a snow melt system.

F. BC – Spartan Statue Intersection Reconstruction and Steam Service Replacement

Upon a motion by Trustee Romney, seconded by Trustee Foster, the Committee voted to recommend to the Board of Trustees that a contract in the amount of \$2,916,800 be awarded to Kares Construction Company Inc., and that a budget in the amount of \$4,100,000 be established for the project entitled: MSU Spartan Statue Intersection Reconstruction and Steam Service Replacement.

Jeff Kacos, Director of Campus Planning and Administration, described the extent of the project as well as the location. He indicated the project will simplify traffic patterns, increase pedestrian and vehicle safety, and noted that the intersection would be modified to a "T" intersection providing a three-way stop for vehicles.

Kacos further commented that the existing statue of the Spartan will be relocated to the inside of Spartan Stadium project after May commencement. A bronze replica will stand approximately 90' south of where the original once did by the end of summer 2005.

Robert Nestle, University Engineer, commented on the steam line work that would be done in conjunction with the road reconstruction. Some of the original steam piping to be replaced has been there since 1938.

Kacos responded to a question from Trustee Foster regarding the funding of this project. He indicated that \$425,000 of the project was funded through donations for the replacement of a new Sparty Statue and that other funding had been saved over time to fund the rest of the project. He added that the steam work would be funded by the Utilities fund.

G. BC – Grand River Avenue – Parking Ramp No. 6

Upon a motion by Trustee Romney, seconded by Trustee Porteous, the Committee voted to recommend to the Board of Trustees that a contract in the amount of \$15,260,000 be awarded to Granger Construction Company, and that a budget in the amount of \$19,500,000 be established for the project entitled: Grand River Avenue–Parking Ramp No. 6.

Jeff Kacos, Director of Campus Planning and Administration, and Tom Maleck, Civil and Environmental Traffic Engineer presented information reviewing the history of the project, the safety issues connected with the project and the north campus parking shortage findings from the 2020 Vision Master Planning process. In addition renderings of the new ramp were shown.

Maleck commented on the safety issues on the circle. He also noted that there is an average of 13,000 cars driving on circle drive per day.

2:23 p.m. Trustee Ferguson joined by telephone.

Kacos reviewed the timeline and history of this project as well as the communications with East Lansing over the years regarding the project. He commented further on the easement that was granted to the Michigan DOT in 1994, so that Grand River could be reconstructed according to the plan that had been developed by all of the stakeholders. Kacos also reminded folks that the 2020 Vision Master Plan recognized this ramp and that the planning principles put greater emphasis on perimeter parking. Kacos added that the East Lansing community has voiced concerns regarding the potential impact on parking revenues and traffic on Grand River. Kacos commented on survey data that MSU had collected relative to the current lot capacity and usage in the evening hours. He further added that East Lansing had offered to lease space in their ramp but that it would cost MSU nearly three times as much as what we collect and the term would be only 3 years.

Maleck had noted that it would take about 1-2 months for individuals to adjust how they drive and determine where people would ultimately migrate to.

Trustee Cook asked whether the unsafe parking would be eliminated on circle drive. Director Kacos responded that most will be removed over time and some very soon.

Maleck noted that he has been observing Circle Drive and traffic counts in lots on campus. He stated that the greatest traffic peak is during the lunch hour. He noted that the placement of exits of this ramp were situated between two traffic lights on Grand River. He further commented that the gates would be up in the morning and evening as we typically do now for the ramps to allow cars to exit and enter more quickly.

Trustee Cook asked how an individual would go to head back west on Grand River. Maleck stated that one could go east to Hagadorn and north to Saginaw road. President Simon added that one could go east to Collingwood and west to Circle Drive, heading out to Michigan Avenue. Trustee Cook also wanted to know if a cut-out lane would be established. Maleck stated that this is typically done in traffic with high speeds and this would be an MDOT determination if that is needed and there were unanticipated traffic issues on Grand River.

Trustee Romney commented that an article in today's newspaper indicated that all of East Lansing's parking capacity was only at a 42%. He further stated that MDOT supported in concept the two driveways from Grand River. Trustee Foster asked what would be done with the temporary lot behind horticulture that would provide the temporary parking spaces. Kacos noted that this lot is not permanent and the temporary lot area is part of the 2020 Vision Master Plan which is a protected green space area and is not slated for future development.

Trustee Foster expressed her concerns about the costs of this project and whether it is the best use of money considering the project costs about \$26,000 per space. Maleck added that safety and curbing accidents on the Circle Drive is our number one concern.

Trustee Romney noted that some of the increase in cost is due partly to the façade and architectural features incorporated into the design to help this building blend into the current architectural theme of north campus. Kacos noted that one level is below grade and further added that the access to the construction site is tight in this particular area which contributed to the increased cost of this project. He also added that the parking system is self-supporting and that no tax or tuition dollars would be used to fund this parking structure.

H. Appointment of Investment Manager

Upon a motion by Trustee Romney seconded by Trustee Foster, the Committee voted to recommend to the Board of Trustees the selection of Moon Capital as an absolute return manager contingent upon the approval of the Chairperson of the Trustee Finance and Audit Committee after consultation with the Trustee Finance and Audit Committee.

Director of Investments and Financial Management Glen Klein stated that MSU currently invests with Oaktree Capital Management whose emerging markets fund is closing March 31, 2005. Of Oaktree's two portfolio co-managers, John Moon was primarily credited with the success of the fund's 20% average annual returns since its inception in 1998. MSU's options are to move its current emerging market fund to Moon Capital with John Moon as its portfolio manager or invest in Oaktree's new emerging market fund.

Director Klein indicated that the Moon Capital interview could not take place in advance of the Board meeting and we need to notify Moon Capital and Oaktree of the Board's decision by February 28, 2005. He stated that the interview has been scheduled for February 17, 2005 and that this resolution would approve Moon Capital as an absolute return manager contingent on the Chairperson's approval in consultation with the Trustee Finance and Audit Committee.

Meeting adjourned: 2:50 p.m.

**MICHIGAN STATE
UNIVERSITY**

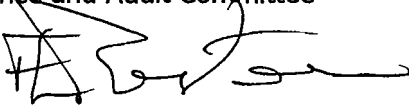
APPROVED

APR 08 2005

Board of Trustees
Michigan State University
V.P. Finance and Operations

March 30, 2005

MEMORANDUM

To: Trustee Finance and Audit Committee
From: Fred Poston 
Subject: Bid and Contract Award
Crescent and Middlevale Road Reconstruction – Phase 1

RECOMMENDATION:

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that a contract in the amount of \$440,796.57 be awarded to Concord Excavating, L.L.C., and that a budget in the amount of \$856,000.00 be established for the project entitled: Crescent and Middlevale Road Reconstruction – Phase 1.

BACKGROUND:

This project is the first of six phases affecting Crescent and Middlevale Roads in Spartan Village. This first phase involves the reconstruction of the north third of Middlevale Road including a section of sidewalk, curb, gutter, storm sewer and drainage structures, along with removal and installation of new streetlights. The following bids were received:

S

OFFICE OF THE
**VICE PRESIDENT
FOR FINANCE
AND OPERATIONS
AND TREASURER**

Michigan State University
420 Administration Building
East Lansing, MI
48824-1046
517/355-5014
FAX: 517/353-6772

BIDDERS

BASE BID

Concord Excavating, L.L.C.	\$440,796.57
Aggregate Industries	462,632.00
L & L Construction Co., Inc.	503,792.46
Cadwell Brothers Construction	521,302.00
Joe Raica Excavating, Inc.	567,453.32

This project was advertised in accordance with University practices. No minority-owned or women-owned businesses submitted bids.

March 30, 2005
Page 2

It is recommended that the following budget be established:

Construction Contract	\$440,796.57
Design Consultant	138,000.00
Engineering & Architectural Services	57,000.00
Physical Plant – Site Restoration	20,000.00
Campus Planning & Administration Services	5,100.00
Contingency	<u>195,103.43</u>
TOTAL	\$856,000.00

The Physical Plant Division estimated this project at \$856,000.00 in November 2004.

This project will be funded by VPFO Support Services.

cc: D. Brower, R. Flinn, P. Fowler, P. George, J. Kacos, G. Klein, K. Lindahl,
J. Mumma, R. Nestle, D. Quinney, C. Gagliano

CP035018

**MICHIGAN STATE
UNIVERSITY**

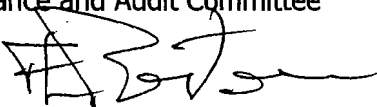
APPROVED

APR 08 2005

Board of Trustees
Michigan State University
V.P. Finance and Operations

March 30, 2005

MEMORANDUM

To: Trustee Finance and Audit Committee
From: Fred Poston 
Subject: Bid and Contract Award
Parking Lots 82/83 Reconstruction – Service Road

RECOMMENDATION:

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that a contract in the amount of \$1,664,293 be awarded to Cadwell Brothers Construction, and that a budget in the amount of \$2,537,000 be established for the project entitled: Parking Lots 82/83 Reconstruction – Service Road.

BACKGROUND:

This project will rebuild the two original parking lots north of Service Road and east of the University Housing and University Services building. These lots were constructed in the 1960's, and are used for employee, student, and visitor parking as well as parking for summer activities including academic orientation, sports camps and a variety of conferences. The reconstruction will enhance vehicle and pedestrian safety and improve barrier free accommodations. Alternative parking arrangements have been made for the summer activities that normally use these lots. The following bids were received:

S

OFFICE OF THE
**VICE PRESIDENT
FOR FINANCE
AND OPERATIONS
AND TREASURER**

Michigan State University
420 Administration Building
East Lansing, MI
48824-1046
517/355-5014
FAX: 517/353-6772

<u>BIDDERS</u>	<u>BASE BID</u>
Cadwell Brothers Construction	\$1,664,293
Sandborn Construction, Inc.	1,689,000
Kares Construction Company, Inc.	1,727,000

This project was advertised in accordance with University practices. One women-owned business (Sandborn Construction, Inc.) submitted a bid. No minority-owned businesses submitted bids. Cadwell Brothers Construction intends to award \$108,000 in women-owned business enterprise subcontracts.

March 30, 2005

Page 2

It is recommended that the following budget be established:

Construction Contract	\$1,664,293
Design Consultant	203,100
Engineering & Architectural Services	70,000
Physical Plant – Site Restoration	80,000
Campus Planning & Administration Services	15,200
Contingency	<u>504,407</u>
TOTAL	\$2,537,000

The Physical Plant Division estimated this project at \$2,381,000 in November 2004.

This project will be funded by Auxiliary Activities Fund – Parking Revenues.

cc: D. Brower, R. Flinn, P. Fowler, P. George, J. Kacos, G. Klein, K. Lindahl,
J. Mumma, R. Nestle, D. Quinney, M. Rice

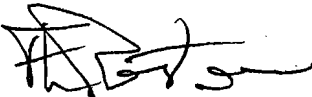
CP035017

MICHIGAN STATE
UNIVERSITY

March 30, 2005

MEMORANDUM



To: Trustee Finance and Audit Committee
From: Fred Poston 
Subject: Appointment of Architect/Engineer
Chemistry Alterations to Rooms 535, 536, and 537

RECOMMENDATION:

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that Fishbeck, Thompson, Carr & Huber, Inc. be appointed as the Architect/Engineer for the project entitled: Chemistry Alterations to Rooms 535, 536, and 537.

BACKGROUND:

This project involves installing larger exhaust hoods and lab benches providing synthesis stations where students can work at isolated desks and workstations. The additional hoods will draw from the expansion of the recently upgraded HVAC system within the Chemistry building.

A selection committee consisting of University personnel reviewed proposals submitted by firms that had the qualifications and expertise necessary to complete the design of this project.

It is recommended that Fishbeck, Thompson, Carr & Huber, Inc. be appointed to provide architectural/engineering services for this project. They are a full-service firm providing architectural, engineering and construction-related services with in-house staff. They have nearly 300 offices in Grand Rapids, Lansing, Kalamazoo and Farmington Hills, Michigan. This firm has completed many projects on campus, including the HVAC upgrade and several laboratory renovations in the Chemistry Building.

cc: D. Brower, R. Flinn, P. Fowler, J. Kacos, G. Klein, W. Latta, K. Lindahl, J. Mumma, R. Nestle, D. Quinney

CP04297



OFFICE OF THE
**VICE PRESIDENT
FOR FINANCE
AND OPERATIONS
AND TREASURER**

Michigan State University
420 Administration Building
East Lansing, MI
48824-1046

517/355-5014
FAX: 517/353-6772

**MICHIGAN STATE
UNIVERSITY**


March 30, 2005

APPROVED

APR 08 2005

Board of Trustees
Michigan State University
V.P. Finance and Operations

MEMORANDUM

To: Trustee Finance and Audit Committee
From: Fred Poston 
Subject: Reconveyance from the State Building Authority: Power Plant Addition

RECOMMENDATION:

The Trustee Finance Committee recommends to the Board of Trustees that it adopt the attached resolution titled "A Resolution of the Governing Body of Michigan State University Approving Conveyance of Property for the Power Plant Addition."

BACKGROUND

In 1992 the State Building Authority (SBA) issued bonds to finance construction of an addition to Michigan State University's T. B. Simon Power Plant (Facility). In support of the financing, the Board of Trustees conveyed the facility site and improvements to the SBA, which then leased the Facility to the State of Michigan and the Board of Trustees in exchange for rents sufficient to repay the bonds.

The bonds have been repaid in full, and under the terms of the lease of the Facility, the SBA is obliged to reconvey to the Board of Trustees title to the Facility, upon the request of the Board and in consideration of \$1.00 and the Board's assumption of all monetary obligations and legal responsibilities for the operation and maintenance of the Facility.

To implement the Board of Trustees' request and the related property conveyance, the SBA has provided a draft of quitclaim deed, including an assumption of obligations by the Board, a draft of release of easement and party wall agreement, and the attached form of Resolution. The documents have been reviewed and approved for legal form by the Office of the General Counsel and have been approved by the administration.

Attachment

cc: L. Simon, D. Brower, S. Carter, R. Noto, G. Klein, K. Lindahl, R. Ellerhorst, C. Reid



OFFICE OF THE
**VICE PRESIDENT
FOR FINANCE
AND OPERATIONS
AND TREASURER**

Michigan State University
420 Administration Building
East Lansing, MI
48824-1046

517/355-5014
FAX: 517/353-6772

A RESOLUTION OF THE GOVERNING BODY OF MICHIGAN STATE UNIVERSITY
APPROVING CONVEYANCE OF PROPERTY FOR THE
POWER PLANT ADDITION

A RESOLUTION of the Governing Body of Michigan State University (the "Educational Institution") requesting and approving the conveyance of property and to provide matters relating thereto.

WHEREAS, the State Building Authority (the "Authority"), a statutory body corporate created under provisions of 1964 PA 183, as amended, is authorized to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage and maintain buildings, necessary parking structures or lots and facilities and sites therefore for use by the State or any of its agencies including institutions of higher education created pursuant to Sections 5, 6 and 7 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the Educational Institution has been created and is maintained pursuant to Sections 4 and 5 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the Authority has previously acquired the Power Plant Addition and the site upon which it was constructed (the Power Plant Addition and the site together are the "Facilities") and the Authority leased the Facilities to the Educational Institution and the State of Michigan (the "State") pursuant to a lease dated as of August 1, 1992 (the "Lease"); and

WHEREAS, under the terms of the Lease, the Authority agreed to convey title to the Facilities to the Educational Institution upon request by the Educational Institution after the Bonds which financed the Facilities (the "Bonds" as defined in the Lease) and any additional bonds or other obligations as provided in the Lease are paid in full or provision for the payment thereof is made as provided in the Lease for consideration of one (\$1.00) Dollar and the assumption by the Educational Institution of all monetary obligations and legal responsibilities for the operation and maintenance of the Facilities; and

WHEREAS, the Bonds have been paid in full and all conditions established by the Lease as conditions precedent to conveyance of title to the Facilities by the Authority to the Educational Institution have occurred.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE EDUCATIONAL INSTITUTION THAT:

1. The Educational Institution hereby requests that the Authority convey title to the Facilities by Quitclaim Deed to the University.

2. The consideration for the conveyance of the Facilities shall be one (\$1.00) Dollar and the assumption by the Educational Institution of all monetary obligations and legal responsibilities for the operation and maintenance of the Facilities.

3. The conveyance of the Facilities pursuant to the terms and conditions set forth above is approved and each of the Vice President for Finance & Operations & Treasurer and Director of Investments and Financial Management of the Educational Institution is authorized and directed to execute any documents to accomplish the conveyance of the Facilities in such form as may be requested by the Authority and approved by counsel for the Educational Institution.

4. All ordinances, resolutions and orders or parts thereof in conflict with this resolution are, to the extent of such conflict, repealed.

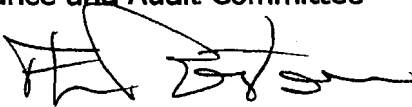
5. This resolution shall be effective immediately upon its adoption.

MICHIGAN STATE
UNIVERSITY

March 30, 2005



MEMORANDUM

To: Trustee Finance and Audit Committee
From: Fred Poston 
Subject: Fiscal Year 2005-2006 Housing Rate Recommendations

RECOMMENDATION:

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees adoption of the basic residence halls room and board rate of \$5,744 per semester effective fall semester 2005.

BE IT ALSO RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees adoption of the basic University apartments rates of \$581 per month for a remodeled, one-bedroom apartment and \$644 per month for a remodeled, two-bedroom apartment effective August 1, 2005.

S

OFFICE OF THE
**VICE PRESIDENT
FOR FINANCE
AND OPERATIONS
AND TREASURER**

Fred L. Poston
Vice President

Michigan State University
420 Administration Building
East Lansing, MI
48824-1046

517/355-5014
FAX: 517/353-6772

BACKGROUND:

Attached are materials from Mr. Charles Gagliano, Assistant Vice President for Housing and Food Services, and Ms. Angela Brown, Director of University Housing, recommending the 2005-2006 University housing rates. The recommendation is for a 5.25 percent increase to the basic room and board option and a 5.25 percent increase to the monthly University Apartments rate. These recommendations will raise the basic room and board option by \$286 per year and the monthly University Apartments rates by \$29 or \$32 depending on apartment type.

It is anticipated that even with these increases, Michigan State will continue to be competitively positioned among universities in Michigan and the Big Ten.

c: L. Simon, D. Brower, A. Brown, S. Carter, C. Gagliano, L. June, K. Lindahl