

**TRUSTEE FINANCE & AUDIT COMMITTEE
AGENDA**

Friday, November 10, 2006 (11:30 a.m.)
401 Administration Building

I. Action Items

Approval of Agenda

Approval of the 10/20/06 Minutes of the Trustee Finance & Audit Committee

Attachment 1

Purchase of Grand Rapids Property

Attachment 2

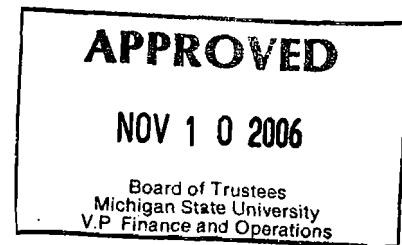
Budget Increase, inclusion of bid alternates
Chemistry – Alterations to Various Rooms and Laboratories

Attachment 3

A. Project Approval - Authorization to Proceed

Physical Plant Storage Building No. 209 - Addition – footprint change

Attachment 4



TRUSTEE FINANCE & AUDIT COMMITTEE

Friday, October 20, 2006

Board Room, Administration Building

Call to order:

9:38 a.m.

Approved:


Alison E. Barber, Secretary of the Board of Trustees

Committee Members Present:

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

Others Present:

Trustee Cook, Trustee Gonzales, Trustee McNamara, Trustee Porteous, President Simon, Provost Wilcox, Vice President Poston, and Secretary Barber; Faculty Liaison Representatives Ernst, Potchen, and Weber; Student Liaison Representatives Gear, Love, Hinojosa, and Ludy.

Approval of the Agenda

Upon a motion by Trustee Romney seconded by Trustee Foster, the Committee voted to approve the Trustee Finance & Audit Committee agenda as presented.

1. Acceptance of the Friday, September 15, 2006, Minutes of the Trustee Finance and Audit Committee.

Upon a motion by Trustee Romney, seconded by Trustee Foster, the Committee voted to recommend that the Board of Trustees approve the minutes as presented.

2. Items moved for Discussion During the Full Board Meeting

Upon a motion by Trustee Romney, seconded by Trustee Foster, the Committee voted to recommend to the Board of Trustees that the discussion of the following items be moved to the full board meeting:

- New Investment Manager - Grantham, Mayo, Van Otterloo & Company
- New Investment Manager - Frontier Capital Management
- FFE - Walter F. Patenge Chair of Osteopathic Medicine
- Enterprise Business Systems Project
- Adoption of 2007-08 Appropriation Request Parameters & Capital Outlay
- Audited Financial Statements for the Year Ended June 30, 2006

A. Authorization to Plan

- Campus Donor Recognition Landscape Feature – Footprint change
- Physical Plant Storage Building No. 1 – Addition – footprint change
- College of Human Medicine Medical Education Building – West Michigan Expansion
- Hannah Administration Building – 4th floor renovation

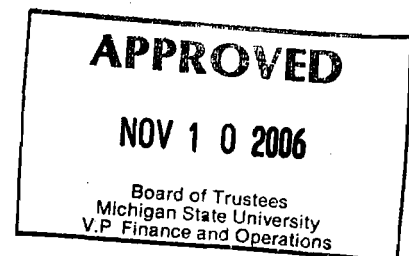
B. Project Approval - Authorization to Proceed

- Wilson Road – Reconstruction 2006 – Phase II
- Spartan Village Elementary School & University Housing Office - Renovation

C. Bid and Contract Approval

- Natural Science – New Electrical Substation

Meeting Adjourned: 9:39 a.m.



MICHIGAN STATE
UNIVERSITY

November 1, 2006



MEMORANDUM

To: Trustee Finance and Audit Committee

From: Fred L. Poston

Subject: Purchase of Grand Rapids Property

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that the University purchase approximately 1.5 acres in the City of Grand Rapids, Michigan for \$4,287,500, upon such terms and conditions as may be acceptable to the Vice President for Finance and Operations and Treasurer.

BACKGROUND

This property is located at the northwest corner of Michigan Street and College Avenue in Grand Rapids, Michigan and will be used the planned expansion of the College of Human Medicine in West Michigan. Situated on the property is a 6,000 sq ft medical building, an old two-story building to be demolished, and a surface parking lot. The medical building and the surface parking lot are currently being leased. The purchase is intended to be financed through a tax-exempt bond offering with initial funding and debt repayment from the General Fund.

The administration is recommending that the Board of Trustees approve the purchase of this property.

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

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


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

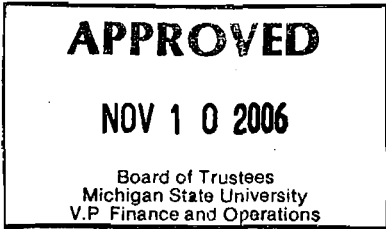
517/355-5014
FAX: 517/353-6772

MICHIGAN STATE
UNIVERSITY

November 1, 2006

MEMORANDUM

To: Trustee Finance and Audit Committee
From: Fred L. Poston 
Subject: **Budget Increase, inclusion of bid alternates**
Chemistry – Alterations to Various Rooms and Laboratories



RECOMMENDATION

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that the project budget be increased from \$1,600,000 to \$2,040,000 for the project entitled Chemistry – Alterations to Various Rooms and Laboratories.

BACKGROUND

The Board of Trustees authorized this project for planning in May 2006 with an initial estimate of \$2.2 Million. When the project returned to the Board to proceed in June 2006, funding was available for the established budget of \$1.6 Million. At that time, the Chemistry Department had identified more work than available funding. As a consequence, the Construction Manager was directed to bid the additional work as an alternate to determine the exact cost. With this approach, it was determined that if the bids exceeded the identified funds, then the project scope could be reduced by the alternates or alternatively, the unit could seek additional funds. After receiving bids, it was clear that the work identified in the alternates would exceed the available funds and originally identified budget. The department has secured the additional funds for the entire project and wishes to execute the full work scope at this time. The additional work would increase the budget by \$440,000 and would be managed by the current Construction Manager.

Project Cost and Timetable:

The additional funding will be from a combination of the College of Natural Science, the Chemistry Department, and the General Fund – Infrastructure. The project is planned for completion by May 2007.

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

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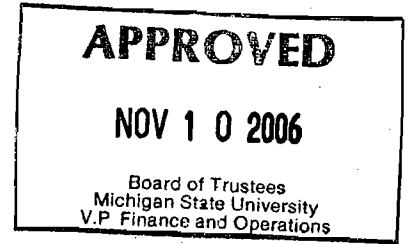
Michigan State University
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517/355-5014
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MICHIGAN STATE
UNIVERSITY

November 1, 2006

MEMORANDUM



To: Trustee Finance and Audit Committee

From: Fred L. Poston

A handwritten signature in black ink, appearing to read "Fred L. Poston".

Subject: **Project Approval - Authorization to Proceed – footprint change**
Physical Plant Storage Building No. 209 – Addition

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that it authorize the administration to proceed with modifications that will result in a material change to the campus footprint for the project entitled Physical Plant Storage Building No. 209 – Addition.

BACKGROUND

Program Need:

Additional storage space is required to support the ongoing facilities needs of the University. The Physical Plant Storage Building was originally constructed to hold materials needed for minor renovation projects constructed by Physical Plant's Alterations and Improvements crew, but space is now needed for other physical plant units, including Grounds Maintenance.

Description of the Project:

The Physical Plant Storage Building is located on Incinerator Road in the Service District. This project involves the addition of 17,000 square feet to Physical Plant Storage Building No. 1 and will match the existing building. The building will have a concrete foundation and floor with a pre-engineered metal building 16 feet high. The building will have continuous 20 foot overhangs along each side for the storage of materials and equipment underneath. Physical Plant Engineering and Architectural Services is providing design services for this project.

Communication Feedback:

Units who access this area of the Service District were given an opportunity to provide feedback during the planning phase. No issues or concerns were raised regarding the project.

The Office of Campus Planning and Administration has reviewed this project, and it meets the 2020 Campus Master Plan and Planning Principles. The Campus Infrastructure Planning Work Group also supports the recommendation to proceed with the project.

As design and construction proceed, the construction schedule and phasing will be reviewed with the building occupants and administrative heads in the vicinity of the building.

Project Cost and Timetable:

As information, the project cost is less than \$1 Million and the source of funds for the project is from the Physical Plant.

Construction is planned to begin in November 2006 and will be substantially complete by June 2007, with final completion by December 2007.

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

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