

**TRUSTEE FINANCE & AUDIT COMMITTEE**

**AGENDA**

Friday, December 8, 2006 (9:30 a.m.)

401 Administration Building

REVISED

**I. Action Items**

Approval of Agenda

Approval of the 11/10/06 Minutes of the Trustee Finance & Audit Committee

Attachment 1

FFE - W. J. Beal Botanical Garden Fund

Attachment 2

FFE - Edwin A. Brophy Endowed Discretionary Fund in Neurobiology

Attachment 3

FFE - Edwin A. Brophy Endowed Chair in Central Nervous System Disorders

Attachment 3a

**A. Authorization to Plan**

New Art Museum

Attachment 4

**B. Project Approval - Authorization to Proceed**

Steam Distribution and Road Reconstruction -- East/West Circle Drive

Attachment 5

Hannah Administration Building -- 4th floor renovation

Attachment 6

Crescent Road/Middlevale Road -- Phase III

Attachment 7

**C. Bid and Contract Approval**

Jenison Field House - Indoor Pool Maintenance & Repair

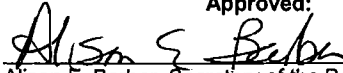
Attachment 8



**TRUSTEE FINANCE & AUDIT COMMITTEE**

Friday, November 10, 2006  
Board Room, Administration Building

Approved:

  
Alison E. Barber, Secretary of the Board of Trustees

**Call to order:** 11:38 a.m.

**Committee Members Present:** Trustee Ferguson, Trustee Foster, and Trustee Nugent.

**Others Present:** Trustee Cook, Trustee Gonzales, Trustee McNamara, Trustee Porteous, President Simon, Provost Wilcox, Vice President Poston, and Secretary Barber; Faculty Liaison Representatives Ernst, Payne, and Potchen; Student Liaison Representatives Gear, Love, and Hinojosa.

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**Approval of the Agenda**

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

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**1. Acceptance of the Friday, October 20, 2006 Minutes of the Trustee Finance and Audit Committee.**

Upon a motion by Trustee Foster, seconded by Trustee Ferguson, the Committee voted to recommend to the Board of Trustees the Trustee Finance and Audit Committee minutes as presented.

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**2. Items moved for Discussion During the Full Board Meeting**

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

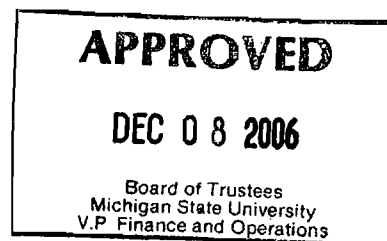
- Purchase of Grand Rapids Property
- Budget Increase, inclusion of bid alternates – Chemistry – Alterations to Various Rooms and Laboratories

**Project Approval - Authorization to Proceed**

- Physical Plant Storage Building No. 209 – Addition

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**Meeting Adjourned: 11:40 a.m.**



**MICHIGAN STATE**  
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November 29, 2006

**APPROVED**

**DEC 08 2006**

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

**MEMORANDUM**

**To:** Trustee Finance and Audit Committee  
**From:** Fred L. Poston   
**Subject:** Fund Functioning as an Endowment  
W.J. Beal Botanical Garden Fund

**RECOMMENDATION**

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees the establishment of a fund functioning as an endowment entitled W.J. Beal Botanical Garden Fund.

**BACKGROUND**

The initial \$50,000 funding to establish the W.J. Beal Botanical Garden Fund funds functioning as an endowment (FFE) will be transferred from the Campus Arboretum discretionary gift account. Additional gifts can be added to this FFE. Consistent with the purpose of the underlying discretionary gifts, the endowment income will be used to support the mission and operation of the garden. Provost Kim A. Wilcox has approved this recommendation of Jeffrey R. Kacos, Director of Campus Planning and Administration.

cc: D. Denovich, J. Kacos, G. Klein, K. Lindahl, K. Wilcox



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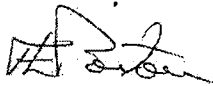
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**MICHIGAN STATE**  
**UNIVERSITY**

November 29, 2006

**MEMORANDUM**



**To:** Trustee Finance and Audit Committee  
**From:** Fred L. Poston   
**Subject:** Fund Functioning as an Endowment  
Edwin A. Brophy Endowed Discretionary Fund in Neurobiology

**RECOMMENDATION**

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees the establishment of a fund functioning as an endowment entitled Edwin A. Brophy Endowed Discretionary Fund in Neurobiology.

**BACKGROUND**

The initial \$832,642 funding to establish the Edwin A. Brophy Endowed Discretionary Fund in Neurobiology funds functioning as an endowment (FFE) will be transferred from the University Development discretionary gift account. Additional gifts can be added to this FFE. Consistent with the purpose of the underlying discretionary gifts, the endowment income will be used to support the Department of Neurology and Ophthalmology, or any future successor MSU unit in the College of Human Medicine, in endeavors connected to research or teaching related to central nervous system disorders. Provost Kim A. Wilcox has approved this recommendation of Dr. Marsha D. Rappley, Dean of the College of Human Medicine.

cc: D. Denovich, G. Klein, K. Lindahl, M. Rappley, K. Wilcox



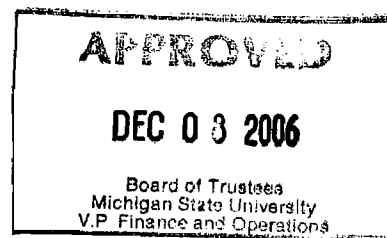
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**MICHIGAN STATE**  
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December 5, 2006



**MEMORANDUM**

**To:** Trustee Finance and Audit Committee

**From:** Fred L. Poston 

**Subject:** Fund Functioning as an Endowment  
The Edwin A. Brophy Endowed Chair in Central Nervous System Disorders

**RECOMMENDATION**

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees the establishment of a fund functioning as an endowment entitled Edwin A. Brophy Endowed Chair in Central Nervous System Disorders.

**BACKGROUND**

The initial \$2,000,000 funding to establish the Edwin A. Brophy Endowed Chair in Central Nervous System Disorders funds functioning as an endowment (FFE) will be transferred from the University Development discretionary gift account. Additional gifts can be added to this FFE. Consistent with the purpose of the underlying discretionary gifts, the endowment income will be used to support a faculty position in the College of Human Medicine to be filled by a clinical neurobiologist doing research in central nervous system disorders. Provost Kim A. Wilcox has approved this recommendation of Marsha D. Rappley, Dean of the College of Human Medicine.

cc: D. Denovich, G. Klein, K. Lindahl, M. Rappley, K. Wilcox



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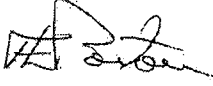
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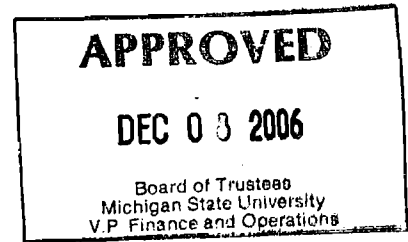
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# MICHIGAN STATE UNIVERSITY

November 29, 2006

## MEMORANDUM

**To:** Trustee Finance and Audit Committee  
**From:** Fred L. Poston   
**Subject:** **Authorization to Plan**  
New Art Museum



### RECOMMENDATION

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that it authorize the administration to plan for the project entitled New Art Museum.

### BACKGROUND

#### **Program Need:**

Kresge Art Museum exhibit and support space was built in 1959, with an addition in 1967, and is not large enough for the university's current art collection, and makes acquisitions to increase the quality of the collection problematic. The current temperature and humidity control as well as lighting do not, in all cases, meet current museum standards. Additionally, selected traveling exhibits from other museums that would enrich art education program and community outreach efforts cannot be shown at the Kresge Art Museum due to space and general facility limitations. Public access to the site is limited, restricting the museum's education and interpretation functions. Finally, it would not be economical to renovate the current museum's air handling, lighting, and service to contemporary museum standards.

#### **General Description of the Project:**

The planning of this project is anticipated to include the programming and design of a new Art Museum and Sculpture Garden. The New Art Museum would be located on East Circle Drive in the North Academic District, on the Paolucci building site; the building is vacant and slated for demolition. Redevelopment of the Paolucci site is consistent with the 2020 Campus Master Plan. The site is also close to the Grand River Parking Ramp. This location provides an opportunity to enhance the museum as a cultural resource to the region, and create a connection with the broader community.

#### **Communication Plan:**

During the planning phase, faculty and staff who work in and adjacent to the current Kresge Art Museum and the new building site will be given an opportunity to provide feedback on the project as it is being designed. The planning process will include multiple feedback opportunities for both the campus and greater Lansing area. Input from the project planning team will also be solicited during design.

#### **Preliminary Project Cost Information:**

Based on cost experience for similar projects and current pricing information, the preliminary project cost estimate is \$30,000,000. The source of funds for the project is expected to be from donor gifts.

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

CP06050

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**MICHIGAN STATE**  
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November 29, 2006

**MEMORANDUM**

**To:** Trustee Finance and Audit Committee

**From:** Fred L. Poston 

**Subject:** **Project Approval - Authorization to Proceed**  
Steam Distribution and Road Reconstruction – East/West Circle Drive



**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 the project entitled Steam Distribution and Road Reconstruction – East/West Circle Drive and approve a budget of \$13,500,000.

**BACKGROUND**

**Program Need:**

There are a number of traffic safety and utility requirements along West Circle Drive. Water line capacities are being upgraded and steam lines are aging and in need of repair. Communication duct lines need to be separated from other utilities. Roadway alignments need improvements to safely move motorized vehicles. Pedestrian circulation corridors need enhancements to increase safety. Bicycle lanes are needed to connect the central campus to the City of East Lansing. All of these project initiatives are being coordinated simultaneously.

**Description of the Project:**

This project is located in the North Academic District. This project involves replacing deteriorating direct buried steam and condensate lines which were installed in the 1947; reconstructing traffic lanes (12' to 10'); adding bicycle lanes in roads and crosswalks; removing on street parking along East Circle Drive (north of Farm Lane) and 3 parking bays on West Circle Drive (2 bays by Marshall Hall and 1 bay southeast of the Union Building) to improve safety; converting the area between North Kedzie Hall and Agriculture Hall to green space which is consistent with the 2020 Campus Master Plan; improving the communication network; and improving the water distribution system.

The Architect/Engineer is Fishbeck, Thompson, Carr & Huber.

**Communication Feedback:**

Faculty and staff who work in the area and representatives from programs likely to be impacted by this project were given an opportunity to provide feedback during the planning phase. The project has also been reviewed with the All University Traffic Committee and the Department of Police and Public Safety. Among the issues raised were increased pedestrian and bicycle safety, accessible parking and entrance locations, and preservation of the campus arboretum. These concerns have been addressed in the project design.

The Office of Campus Planning & 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 within the surrounding buildings.

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**Project Cost and Timetable:**

The budget for this Design Bid Build project is \$13,500,000 and will be funded by the General Fund Utilities – Just-In-Time, and a tax-exempt bond offering with initial funding and debt repayment from the General Fund.

Construction is planned to begin in March 2007, will be substantially complete by August 17, 2007, with final completion by March 2008.

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

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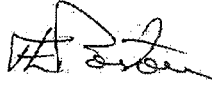
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November 29, 2006

**MEMORANDUM**

**To:** Trustee Finance and Audit Committee

**From:** Fred L. Poston



**Subject: Project Approval - Authorization to Proceed**  
Hannah Administration Building – Alterations to 4<sup>th</sup> Floor



**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 the project entitled Hannah Administration Building – Alterations to 4th Floor and approve a budget of \$1,400,000.

**BACKGROUND**

**Program Need:**

The Hannah Administration building was constructed in 1968. The current space configuration is inefficient and lacks functionality given the program objectives of the Office of the Provost and Vice President for Finance and Operations. Addressing these inefficiencies accommodates realignments and staffing changes within the offices. A new collaborative approach to utilization of the available space and shared space is part of the project.

**Description of the Project:**

The Hannah Administration Building is located on Circle Drive in the North Academic District. This project involves the renovation of 10,400 net square feet of space on the 4<sup>th</sup> floor. The renovations will create a shared work room and file space; eliminate selected corridors; improve way-finding for visitors by creating a more defined entry and reception area; enhance technology in the shared conference rooms; and create an improved work environment for the Offices of the Provost and Vice President for Finance and Operations.

The Architect/Engineer is Bernath Coakley Associates. The Construction Manager is Granger Construction Company.

**Communication Feedback:**

Faculty and staff who work in the Hannah Administration Building 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 & Administration has reviewed this project and it meets the 2020 Campus Master Plan and Planning Principles.

As design and construction proceed, the construction schedule and phasing will be reviewed with the building occupants and administrative heads within the Hannah Administration Building.



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**Project Cost and Timetable:**

The budget for this Construction Management project is \$1,400,000 which will be funded by the Jenison Trust.

Construction is planned to begin in May 2007, will be substantially complete by August 17, 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, K. Wilcox

CP06036

**MICHIGAN STATE**  
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November 29, 2006

**MEMORANDUM**

**To:** Trustee Finance and Audit Committee  
**From:** Fred L. Poston   
**Subject:** **Project Approval - Authorization to Proceed**  
Crescent Road/Middlevale Road - Phase III



**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 the project entitled Crescent Road/Middlevale Road - Phase III and approve a budget of \$3,300,000.

**BACKGROUND**

**Program Need:**

Crescent Road, located south of Service Road and west of Harrison Road was originally constructed over 40 years ago and has long since outlived its useful life. Further maintenance of this portion of the roadway would be counter productive. There are pedestrian, bicycle and vehicle safety issues that need to be addressed and the water capacity needs to be enhanced in this area.

**Description of the Project:**

Crescent and Middlevale Roads are in the Residential District west of Harrison Road. East of Harrison, Crescent Road is in the Service District. As a traffic calming device, the road west of Harrison Road will be converted from a boulevard to two 10' vehicle lanes, a 10' center turn lane and two 5' bike lanes will be added. The road east of Harrison Road will be narrowed to 10' wide and two 5' bike lanes will be added. The Harrison and Crescent Intersection will be redesigned to accommodate dedicated turn lanes to improve traffic flow. The project will also upgrade the water capacity both east and west of Harrison Road. The timing of this project is such to be sequenced in advance of the Farm Lane Underpass project in 2008.

The Architect/Engineer is Consoer Townsend Envirodyne Engineers of Michigan.

**Communication Feedback:**

Faculty and staff who work in buildings adjacent to this project and residents of Spartan Village were given an opportunity to provide feedback during the planning phase. Several concerns were raised, including the timing of construction, access to offices and apartments, parking, desired improvement to the Harrison and Crescent intersection, why bike lanes were being added, how construction operations would take place during the day, and the impact on the Ag Expo area and the MSU Federal Credit Union. These concerns have been addressed in the project design.

The Office of Campus Planning & 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 residents, building occupants and administrative heads of buildings adjacent to the project.



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**Project Cost and Timetable:**

The budget for this design bid build project is \$3,300,000 which will be funded by the General Fund, - Just-In-Time and a tax-exempt bond offering with initial funding and debt repayment from the General Fund.

Construction is planned to begin in May 2007, will be substantially complete by August 10, 2007, and be finally complete by August 2008.


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

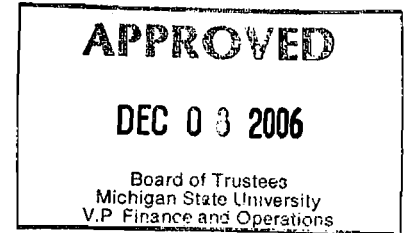
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**MICHIGAN STATE**  
**UNIVERSITY**

November 29, 2006

**MEMORANDUM**

**To:** Trustee Finance and Audit Committee  
**From:** Fred L. Poston   
**Subject:** **Bid and Contract Award**  
Jenison Field House – Indoor Pool Maintenance and Repairs



**RECOMMENDATION**

BE IT RESOLVED that the Trustee Finance and Audit Committee recommends to the Board of Trustees that a contract in the amount of \$769,706 be awarded to Thatcher Construction Co., Inc. for the project entitled Jenison Field House – Indoor Pool Maintenance and Repairs.

**BACKGROUND**

**Description of the Project:**

This project involves the replacement of existing equipment, lights, ceramic tile, pumps, filters, pool piping, and other related repairs.

**Bid List:**

The following bids were received:

<u>BIDDERS</u>	<u>BASE BID</u>
Thatcher Construction Company, Inc.	\$769,706
Kares Construction Company, Inc.	799,000
Sorensen Gross Construction Company, Inc.	799,000
Irish Construction Company	807,500
E & L Construction Group, Inc.	807,800
M One Limited Inc.	1,368,428



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It is recommended that Thatcher Construction Company, Inc. be selected as the contractor for this project, with a lowest bid submitted of \$769,706.

**Project Cost:**

In September 2006, The Board of Trustees authorized a budget of \$1,500,000 for this project. The project is intended to be financed through a tax-exempt bond offering with initial funding and debt repayment from the General Fund – Just-In-Time.

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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