

**REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE EVERGREEN STATE COLLEGE**

July 10, 2013

Trustees Attending: Fred Goldberg
Irene Gonzales
Keith Kessler
David Nicandri
Anne Proffitt
Gretchen Sorensen
James Wigfall

Staff Present: John Carmichael, Deputy to the President and Secretary to the Board
Andy Corn, Assistant Director of Student Activities
Julie Garver, Director of Government Relations
Sharon Goodman, Director of Residential and Dining Services
Steve Hunter, Associate Vice President for Enrollment Management
John Hurley, Vice President for Finance and Administration
Sandra Kaiser, Media and Community Relations Manager
Phyllis Lane, Dean of Student and Academic Support Services
Thomas L. Purce, President
Jeanne Rynne, Director of Facilities
Todd Sprague, Director of Marketing, Communications and College
Relations
Steve Trotter, Executive Director for Operational Budget and Planning
Amanda Walker, Associate Vice President for Development and
Alumni Programs
Michael Zimmerman, Vice President for Academic Affairs and Provost

Others present: Kitty Jones, Staff Representative
Colleen Warren, Senior Assistant Attorney General

Mr. Kessler called the meeting to order on time at 9:04 a.m. Todd Sprague, Director of Marketing, Communications and College Relations introduced Sandra Kaiser, the new Media and Community Relations Manager.

Energy Savings Contract

John Hurley, Vice President for Finance and Administration, and Jeanne Rynne, Director of Facilities, presented a proposal to install a microturbine to recapture waste heat from the

Costantino Recreation Center to improve the efficiency of natural gas in the building. The project would be funded through grants from the state Department of Commerce, Puget Sound Energy and Evergreen's student Clean Energy Committee.

Recital Hall Project

Jeanne Rynne provided an update on the Recital Hall renovation. The project is connected to the overall renovation of the Communications Building. Renovation of the Recital Hall was initially removed from the scope of the project in response to reduced state funding. Institutional funds were subsequently identified for renovation of the Recital Hall. In the course of the project, it became clear significant modifications to the plenum are necessary to meet modern building codes. Consequently, the project may reach a level that requires board approval.

Legislative Report and Budget Recommendations

Director of Government Relations Julie Garver reviewed the 2013 legislative session. Institutional authority for setting resident undergraduate tuition, which was granted by House Bill 1795, is suspended for the first year of the biennium. In lieu of revenue from tuition increases, the legislative budget restores some general fund support to the institutions. The provisions of House Bill 1795 for tuition setting go back into effect in the second year of the biennium. Evergreen will receive \$2.9 million in additional general fund support. The budget bill's enrollment expectation for Evergreen increases from an annual average of 4,213 full-time equivalent students to 4,335.

Dr. Garver noted that the college's public policy institute received legislative funding for seven new studies, three of which were vetoed by the Governor. Increases in Services and Activities Fees are no longer limited to the amount of increase in tuition. A Technical Incentive Funding Model Task Force will be formed with representation from each public baccalaureate institution to report on a performance funding model.

John Hurley, Vice President for Finance and Administration, noted that the legislative capital budget provided less funding for the design of the Lecture Hall renovation than had been requested. The final budget does include funding for capital preservation projects that was cut in earlier proposals.

Executive Director for Operational Planning and Budget Steve Trotter led a discussion of proposed changes to the college's biennial operating budget. He noted that the legislative budget represented a restoration of temporary cuts made in the previous biennium. He said that the legislative budget represented a departure from recent state budgets in that it invests general fund money in higher education rather than relying on tuition increases and provides new funding directly to institutions rather than funding state financial aid programs to partially offset tuition increases.

Mr. Trotter noted proposed changes in non-resident and graduate student tuition, Services and Activities fees, housing and dining rates, health and counseling fees, transit fees, and the WashPIRG fee.

President Purce highlighted changes since the presentation of a draft budget proposals at previous Board meetings: additional funding for Recreation and Athletics and the addition of a faculty salary line.

Public Comment

Mr. Kessler invited public comment. There was none.

Executive Session

Mr. Kessler announced that the Board would meet in executive session to review the performance of a public employee. He said that the Board would return to an open meeting at 1:30 p.m. At that time, he announced the executive session would be extended to 1:45 p.m. The Board returned to an open meeting at 1:45 p.m.

Energy Savings Project

Motion Mr. Nicandri made a motion to adopt Resolution 2013-11, delegating authority
2013-21 for the Evergreen Energy Savings Project:

- a. Approve a project budget of \$1,162,175 for the Evergreen Energy Savings Project – Phase 4, which includes Department of Enterprise Services fees, the design, construction and verification of the new energy efficiency project, state sales tax, project management costs, and project contingency.
- b. Delegate to the President or his designee the authority to award a contract to the Department of Enterprise Services (DES), which has contracted with McKinstry to provide the design, construction and verification services, in the amount of \$1,162,175 (includes Enterprise Services interagency fee and Washington State sales tax) to install a 65 kW micro turbine at the CRC.

The motion was seconded and passed on a voice vote.

Recital Hall Renovation

Motion Dr. Gonzales made a motion to adopt Resolution 2013-10 delegating authority
2013-22 for the Recital Hall Renovation Project:

- a. Approve a project budget for the Communications Building (Comm) Recital Hall Renovation project of \$808,000, which includes the architect and engineering fee, construction contract, state sales tax, project management fee, and project contingency.
- b. Delegate authority to the President or his designee to award the construction contract to the apparent low, responsible bidder.
- c. Delegate authority to the President (or designee) to approve change orders for the Recital Hall Renovation project provided the total cost for the project does not exceed the approved project budget, \$808,000, including a contingency of \$69,612 (or 10% of the MACC).

The motion was seconded and passed on a voice vote.

Capital Budget for 2013-15

Motion Mr. Nicandri moved adoption of the 2013-15 capital budget spending plan and
2013-23 reappropriations:

2013- 2015 CAPITAL BUDGET SPENDING PLAN

2013-2015 Preservation Projects	Total
• Facility Preservation	6,700,000
• Preventive Maintenance	760,000
• Building Condition Assessments (OFM)	13,000
Sub-Total Preservation Projects	\$7,473,000
<u>2013-2015 Program Projects –Major and Minor</u>	Total
• Science Center – Lab I, Basement	1,805,000
• Science Center- Lab II, 2 nd Floor Renovation	4,694,000
• Lecture Hall Renovation – Design	1,308,000
Sub-Total Program Projects	\$7,807,000
<u>TOTAL NEW 2013-2015 CAPITAL APPROPRIATIONS</u>	<u>\$15,280,000</u>
2011-2013 Re-appropriations	Total
• Facilities Preservation	375,000
• Communications Laboratory Building Preservation and Renovation	350,000
• Science Center – Lab I, 2 nd Floor Renovation	375,000
TOTAL RE-APPROPRIATIONS AUTHORIZED	<u>\$1,100,000</u>
GRAND TOTAL SPENDING PLAN	<u>\$16,380,000</u>

The motion was seconded and passed on a voice vote.

Operation Budget, Tuition and Fees for 2013-15

Motion Ms. Proffitt made a motion to adopt the proposed operation budget spending
2013-24 plan for 2013-15 including the following changes from the previous Board-approved budget:

Operating Budget Spending Plan

1. Approve the \$163,569,713 operating budget spending plan for all areas of the college

For Student Tuition and Fee Adjustments:

2. Increase non-resident undergraduate and resident graduate tuition levels 5% per year; and
3. Increase non-resident graduate tuition levels 2% per year; and
4. Set future summer session tuition levels where the per-credit assessment charged during summer session will be identical to amounts charged during the previous Spring quarter; and
5. Increase the Student and Activities fee by 4% in 2013-14 and by 2% in 2014-15; and
6. Increase Housing Rates by an average of 2% per year; and
7. Increase Dining Plans by an average of 3.5% per year; and
8. Increase the Community Health and Counseling Fee by 12% in 2013-14 and by 6% in 2014-15; and

For Adjustments to Base Budget:

9. Rebase the College's enrollment plan to a 4,270 (full-time equivalent) total student enrollment level with an expectation of a 23% non-resident mix, and;
10. Increase faculty compensation to reflect Collective Bargaining agreements that will raise faculty compensation 5.5% effective July 1, 2013; and
11. Increase classified staff compensation to reflect the collective bargained agreement to add an additional step M on the compensation plan (equal to 2.5%) on July 1, 2013 and a general 1% additional compensation increase on July 1, 2014; and
12. Increase represented exempt employee salaries to reflect the collective bargained agreement to add 3% on July 1, 2013 and another 1% general salary adjustment beginning July 1, 2014. In addition provide for a 1% step increase on anniversary of start of their current exempt position provided they been in their current exempt position at least 12 months; and
13. Increase non-represented exempt employee salaries by 3% on July 1, 2013 and another 1% general salary adjustment beginning July 1, 2014; and
14. Add \$1,235,272 to the base operating budget to support investments in Information Technology and Basic Infrastructure (see attached); and
15. Add \$1,622,300 to the base operating budget in programming to improve student recruitment, retention and success (see attached); and
16. Create an \$814,183 Hold-back to support Strategic Planning during the 2013-15 biennium.

The motion was seconded and passed on a voice vote.

Services and Activities Fees

Motion Ms. Proffitt made a motion to:
2013-25

- a) Approve the 2013-2015 Services and Activities Fee biennial budget as developed by the Services and Activities Fee Allocation Board, totaling \$6,207,526.
- b) Approve an increase in the Services and Activities Fee of four percent for 2013-2014.
- c) Approve an increase in the Services and Activities Fees of two percent for 2014- 2015.

The motion was seconded and passed on a voice vote.

Evaluation of the President

Mr. Kessler said that the Board had reviewed the President's performance in executive session. In keeping with Board policy, he will provide a written evaluation of the President at a future date. He invited the Trustees to discuss their assessment of the President's performance. Mr. Kessler said he was extremely impressed by the president's performance in a variety of fields. Ms. Proffitt expressed appreciation for the President's leadership and skill at building an effective leadership team. President Purce thanked the Trustees for their support and acknowledged the extraordinary work of the Vice Presidents, the President's Staff, and staff and faculty throughout the college.

Mr. Kessler proposed renewing the President's contract with some modifications. He noted that the President had proposed a reduction in his compensation in during the economic crisis of 2009. The Board agreed to the President's proposal and reduced his annual base compensation 6.8% from \$188,857 to \$175,857. Mr. Kessler suggested that the new contract restore the President's compensation to its previous level and provide a 3% increase, bringing base compensation to \$194,523.

Motion Mr. Kessler made a motion to renew the contract between the College and the
2013-26 President, extending the terms and conditions to 2018, increasing annual base compensation to \$194,523 and increasing the College's contribution to a 401(a) deferred compensation account by \$5,000. The motion was seconded and passed on a voice vote.

Approval of Minutes

Motion Ms. Proffitt made a motion to approve the minutes of the June meeting. Dr.
2013-27 Gonzales moved to amend the motion to correct two spelling errors. The amended motion was seconded and passed on a voice vote.

President's report

Amanda Walker, Associate Vice President for Development and Alumni Programs, provided an update on fundraising. Including academic grants, the Foundation received \$2,957,929 in gifts

during the fiscal year, exceeding the annual goal. With the help of a capacity-building and gift-matching grant from the Gates Foundation, the Foundation's annual income has doubled in the past few years.

President Purce described his schedule since the previous meeting.

Mr. Kessler adjourned the meeting at 2:30 p.m.

Keith Kessler, Chair

Anne Proffitt, Secretary

Resolution No. 2013-10

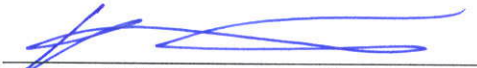
*of the Board of Trustees
of The Evergreen State College*

Delegating Authority for the Recital Hall Renovation Project

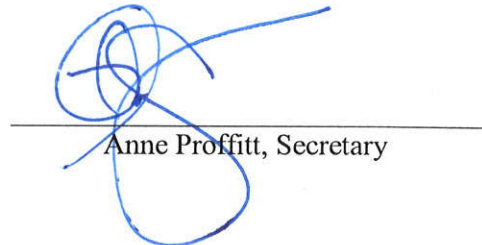
The Board of Trustees of The Evergreen State College does:

- a) Approve a project budget for the Communications Building (Comm) Recital Hall Renovation project of \$808,000, which includes the architect and engineering fee, construction contract, state sales tax, project management fee, and project contingency.
- b) Delegate authority to the President or his designee to award the construction contract to the apparent low, responsible bidder.
- c) Delegate authority to the President (or designee) to approve change orders for the Recital Hall Renovation project provided the total cost for the project does not exceed the approved project budget, \$808,000, including a contingency of \$69,612 (or 10% of the MACC).

Done on this 10th day of July, 2013, in open meeting by the Board of Trustees:



Keith L. Kessler, Chair



Anne Proffitt, Secretary

Resolution No. 2013-11
of the Board of Trustees
of The Evergreen State College

Delegating Authority for the Evergreen Energy Savings Contract – Phase 4

The Board of Trustees of The Evergreen State College does:

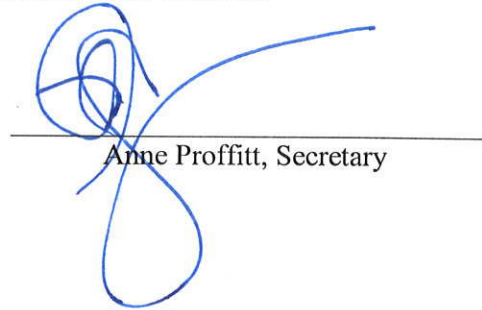
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Done on this 10th day of July, 2013, in open meeting by the Board of Trustees:



Keith L. Kessler, Chair



Anne Proffitt, Secretary