

**WESTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES**

**REGULAR MEETING
April 3, 2009**

I. CALL TO ORDER

Chair Phil Sharpe called the regular meeting of the Board of Trustees of Western Washington University to order at 8:00 a.m., April 3, 2009 in Old Main 340, Western Washington University, Bellingham.

Board of Trustees

Hannah Higgins
Howard Lincoln
Dennis Madsen, Secretary
Phil Sharpe, Chair
John Warner
Peggy Zoro, Vice Chair (via conference phone)

Western Washington University

Bruce Shepard, President
Wendy Bohlke, Assistant Attorney General
Stephanie Bowers, Vice President for University Advancement
Paul Cocke, Director, University Communications
Eileen Coughlin, Vice President for Student Affairs & Academic Support Services
Matthew Liao-Troth, President, Faculty Senate
Erik Lowe, President, Associated Students
Dennis Murphy, Provost and Vice President for Academic Affairs
Paula Gilman, Executive Director for University Planning and Budgeting
Elizabeth Sipes, Secretary to the Board of Trustees
Barbara Stoneberg, Administrative Assistant to the President
Steve Swan, Vice President for University Relations
Kathy Wetherell, Interim Vice President for Business & Financial Affairs

APPROVAL OF MINUTES

MOTION 4-1-09 Dennis Madsen moved that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve the following:

- Board of Trustees Meeting, February 12 & 13, 2009

Motion passed unanimously.

II. RECOGNITIONS AND INTRODUCTIONS

President Bruce Shepard introduced Kathy Wetherell, Interim Vice President for Business & Financial Affairs. Wetherell's appointment is effective, March 23, 2009. She joined WWU as Assistant Vice President for Financial Services in March, 2008. Wetherell has a Bachelor's of Commerce from the University of Alberta and received her Chartered Accountant certification in 1992.

Dennis Murphy, Provost, introduced Brent Carbajal, Dean of the College of Humanities & Social Sciences. Carbajal served as interim dean since July 2008 and was chosen for the position following a national search.

Dean Norman introduced George "Pinky" Nelson. Nelson will be inducted into the Astronaut Hall of Fame in May 2009. Nelson has been the Director of Science, Math & Technology Education at WWU since 2003 and in 2008 received the first Faculty Service Award. Trustee Hannah Higgins read and presented Nelson with a Board of Trustees Certificate of Recognition.

Dean Carbajal introduced Joseph Trimble, Professor of Psychology. Trimble was awarded the Henry Tomes Award for Distinguished Contributions to the Advancement of Ethnic Minority Psychology. The Council of National Psychological Associations for the Advancement of Ethnic Minority Interests and the American Psychological Association Society for the Psychological Study of Ethnic Minority Issues presented Trimble the award on January 14 in New Orleans. Trustee Sharpe read and presented Trimble with a Board of Trustees Certificate of Recognition.

III. EXECUTIVE COMMENTS

A. Board Chair Report

Chair Sharpe thanked the staff for their hard work and preparation for the April 2 discussion about the pipeline project and the budget.

B. University President

1. Update on Provost Search

Craig Dunn, Chair of the Provost Search Advisory Committee, updated the Board on the Provost search. Dunn reported that the search was resumed in January. Several new candidates were added increasing the pool to 170 applicants. Eight semi-finalists were interviewed at the neutral site and three were chosen for on-campus interviews. Two have visited campus and the third candidate will visit this week. Dunn thanked Provost Murphy for his willingness to continue in the Provost office, allowing the committee to do their work without the pressure to fill the position quickly.

Provost Murphy announced that Daniel Guyette has accepted the position as Dean of the College of Fine and Performing Arts and will assume the position on July 1, 2009.

2. Waterfront Development Project

Steve Swan, Vice President for University Relations, reported that the project is moving along both on and off campus. The Master Plan is moving forward and the city and port are working

together on planning the infrastructure. Swan reported that per WWU's request, the university will have 6 – 6-1/2 acres located in the middle of the area and options for possible expansion in the future will be held open.

Swan said that no money has been allocated for the project. The City and Port had submitted requests for stimulus money but none was allocated. Swan reported that Senator Cantwell will meet with the Mayor, County Executive, Port Director, and President Shepard for a briefing on the waterfront project, including a tour of the project site.

Swan reported that he is working with Dean Smith of the Huxley College of the Environment and Dean Burton of the College of Business & Economics to establish an initiative around building green businesses at the waterfront. They hope to make the waterfront a “destination point” for people to learn about green businesses through the educational programming and research that is being done at the waterfront.

Swan reported that the STRATUS Consultants are conducting a Character Study using the original principles of the Waterfront Futures Group and the recommendations of the University's Waterfront Committee, STRATUS will be working with various groups, including two WWU design classes, as to what our footprint could be on the waterfront. STRATUS will present their findings the first week of May and these will be shared with the Board and other groups on campus.

C. Associated Students

Erik Lowe, AS President, read a statement regarding the Student Technology fee on behalf of the Associated Student Board of Directors. Lowe said that it had come to the attention of the AS Board that since the 2004-2005 academic year, the university has not contributed to the Student Technology program, as mandated by the Board of Trustees. The program, to which the students (enrolled in a minimum of 6 credit hours) contribute \$15/quarter, is to be used for the purchase new technology for the university. Instead, the university's contribution of \$150,000 annually was put into a reserve fund. At the beginning of this year, because of difficult budget times, the fund was swept and reabsorbed by the university. Lowe said the university's total contribution to the program, amounting to approximately \$830,000 to date, has not been made. He reported that if the student technology fee were to end this summer as scheduled, no funding is available for the projects approved for this coming academic year.

Lowe reported that the AS Board unanimously approved the referendum language for a student vote on a reauthorization and expansion of the Student Technology Fee. The AS Board asked the WWU Board of Trustees:

- To conduct an independent audit of the finances and operations of this fee, including the university's contribution and the rationale behind change in 2004 to be reported to the Board of Trustees; and
- pending the results of the independent audit, and if the Student Technology Fee were to be passed by the Associated Students and ratified by the Board of Trustees, the students propose that the university use fee revenue from the current academic year, plus the necessary university dollars to fund all awarded projects through this year. AS Board would have oversight over this process to ensure all projects are funded properly; and
- to recommend that students have oversight over the finances of all mandatory student fees, using the model of the Alternative Transportation Program.

President Shepard reported that they are analyzing the situation. He said the university will honor all commitments regarding the technology fee. Shepard once they understand what happen they will present some proposals to the AS Board regarding oversight of the fund. A full report of the findings will be made to the AS Board and the Board of Trustees at the June meeting.

Shepard proposed that in the future, the university have a 5-Year Technology Plan that is directed by the needs and priorities of the university.

Lowe reported that the AS Board approved the referendum to go before students regarding the changes to the Washington Student Lobby Fee. The referendum will be presented to the Board of Trustees for ratification at the June meeting.

D. Faculty Senate

Matthew Liao-Troth introduced the video, "*Faculty Serving Washington.*" The Council of Faculty Representatives presented video segments from each of the six state institutions in the Capital Rotunda during the legislative session in Olympia. WWU's segment, highlighting the research of some of Western's faculty, was produced by John Purdy, WWU's liaison on the Council of Faculty Representatives and coordinated by Lisa Spicer.

Liao-Troth presented the Revised Faculty Senate Bylaw 7.2 through Bylaw 9.1. The new Bylaws are in line with the contract with the UFWWU.

IV. ACTION ITEMS

A. Approval of Adjust 2008-09 Operating Budget.

No action was taken. WWU has not received the approved operating budget from the Legislature.

B. Consent Agenda

MOTION 04-2-09 Howard Lincoln moved that the Board of Trustees, upon the recommendation of the President, approve the following consent items:

- Construction Contract for Chemistry Building Addition (PW 540A)
- Construction Contract for Parks Hall Ground Floor Remodel (PW 580)

Motion passed unanimously.

C. Approval of the Revised Constitution of the Faculty, Article V.3

Matthew Liao-Troth reported that this revision to the Constitution of the Faculty brings it in compliance with the UFWWU contract.

MOTION 04-3-09 Dennis Madsen moved that the Board of Trustees, upon the recommendation of the President, approve the proposed changes to the Constitution of the Faculty Senate, Article V.3

Motion passed unanimously.

D. Approval of the Identity Theft Policy

Kathy Wetherell reported that *Pol-U3000.01 Identifying, Detecting and Responding To Identity Theft Red Flags and Notices of Address Discrepancies*, will bring the University into compliance with the “Red Flag” rules issued by the Federal Trade Commission. The policy will establish an identity theft prevention program coordinator to implement and maintain the program, and an identity Theft Prevention Oversight Committee to ensure that university staff are appropriately trained on this program. The policy is effective by May 1, 2009

MOTION 04-4-09 Howard Lincoln moved that the Board of Trustees, upon the recommendation of the President, approve that Policy U3000.01 “Identifying, Detecting and Responding to Identity Theft Red Flag and Notices of Address Discrepancies” be adopted effective May 1, 2009.

Motion passed unanimously.

E. Approval of Housing and Dining Rates

Eileen Coughlin, Vice President for Student Affairs and Academic Support Services, reported they are requesting a 4.75% increase in housing and dining rates. The increase is consistent with the 10-Year Capital Plan. Erik Lowe, AS President, reported that the AS Board is in agreement with the proposed increase.

MOTION 04-5-09 Peggy Zoro moved that the Board of Trustees, upon the recommendation of the President, approve the Housing and Dining rates as proposed. The 2009-2010 proposed rates call for an average 4.75 percent increase in residence hall, Birnam Wood and leased apartment rental rates.

Motion passed unanimously.

At 9:42 a.m. Chair Sharpe announced a fifteen minute break. At 10:05 a.m. the Board reconvened in OM 340.

V. DISCUSSION ITEMS

A. Project Overview and Financing – Buchanan Towers Addition

Eileen Coughlin, Vice President for Student Affairs and Academic Support Services gave the Board an overview of the Buchanan Towers project. This location was chosen for additional housing because Buchanan Towers is a 12 month operation and with the additional landscaping planned, will increase the attractiveness of the south entrance to campus. Buchanan Towers already has 12 month residents and the addition will be “apartment style” ready for flexibility in

the future. Coughlin said the request for campus housing is very high and we are currently housing only 1/3 of our students. The additional 100 beds in Buchanan Towers are needed as we do not have the space to meet the current demand.

Kathy Wetherell, Interim Vice President for Business & Financial Affairs introduced Susan Musselman, our financial adviser and Cynthia Weed, Bond Counsel. Wetherell referred to the Housing & Dining System Proposed Bond Sale in the Board packet. She recommended a negotiated Bond Sale vs. a Competitive Bond Sale because of the current financial market. She noted that because of the current financial market, the cost of the Bond Insurance may outweigh the financial advantage of the low interest rate. Wetherell said the Housing & Dining construction needs to begin in July 2009 in order to meet an August 2010 completion date. Because of the timing of the receipt of construction bids and the date Bond proceeds are delivered, Wetherell is anticipating a Special Board meeting at the end of May to meet all the legal requirements.

After brief discussion it was agreed that the Board of Trustees would delegate President Bruce Shepard to approve and award the construction contract on behalf of the Board. It was noted that the Housing & Dining Bond Resolution will be approved at the June 12, 2009 meeting.

John Warner read into record Resolution No. 2009-01.

**RESOLUTION No. 2009-01
REGARDING BONDS AND CONSTRUCTION OF HOUSING**

WHEREAS, the Western Washington University Board of Trustees (Board) intends to proceed towards the issuance of housing and dining system revenue bonds (bonds) for the financing of the Buchanan Towers Residence Hall Addition, and

WHEREAS, market conditions and timing of the receipt of bids for the construction of the Addition are such that certain actions are required to be undertaken prior to the next regularly scheduled meeting of the Board, and

WHEREAS, the Board is authorized by law to delegate its authority as it deems appropriate by resolution;

NOW, THEREFORE, Be it Resolved,

The Board of Trustees hereby delegates authority to President Bruce Shepard, in consultation with the Chair of the Board, to:

1. Approve and award the construction contract for the Buchanan Towers Residence Hall Addition, not to exceed the Maximum Allowable Construction Costs (MACC) as set out in the bid documents;
2. Approve the selection of an underwriter for a negotiated sale of the bonds;
3. Proceed with rating agency applications as he deems necessary and appropriate; and
4. Approve a preliminary official statement with respect to the bonds and deem it final in accordance with Securities and Exchange Commission Rule 15c-2(12).

Dated the 3rd day of April 2009.

MOTION 04-6-09 Phil Sharpe moved that the Board of Trustees, upon recommendation of the President, approve Resolution 2009-01.
Motion passed unanimously.

B. Legislative Update

Sherry Burkey, Associate Vice President for University Relations, participated in the Board meeting via conference call. She briefed the Board on pending legislative matters including reductions of the state operating budget and proposed tuition increases for the six four-year institutions. Burkey reported on the Senate and House Capital budgets and the current legislative Bills.

C. Integrated Marketing Initiative

Steve Swan, Vice President for University Relations, reported on the first phase of the Integrated Marketing effort for WWU. Swan said the first phase is to begin to identify a brand for the University. The committee has been working with a Seattle firm who has submitted a proposal, which includes employing Western grad students in the brand research process. The firm will conduct over 600 interviews with members of the Board, faculty, staff, students, and alumni, as well as the Bellingham community.

In response to a question, the Trustees agreed that it is critical that Western's branding exercise be focused and centrally controlled. It is important that certain things such as the university's key message, font type and size, colors, etc., are standardized. Once Western's brand has been established, there could be some freedom for individual colleges and programs to add their personal message.

Swan noted that this project will be supported by non-State funds. It is scheduled to begin this spring and concluded by the end of the calendar year.

D. Amendments to the Board of Trustees Rules of Operation

Trustee Hannah Higgins reported that Wendy Bohlke, AAG and Liz Sipes, Secretary to the Board, have met and identified ways that Western's BOT Rules of Operation could be updated. Bohlke said the Board has passed many resolutions since the last update and these also need to be added. The document will also be reformatted to make it more reader friendly. A draft will be sent to the Board in May and action may be taken at the June or August Board meeting.

E. Dashboard Indicators

Dennis Murphy, Provost, updated the Board on the progress on the *Dashboard* development indicators for WWU. Murphy demonstrated the *Dashboard*, which includes data on demographics at Western. It is designed to be seen via a computer and because the information is "live," it is updated at night. Trustees will have access to this information via a link on their secure website.

VI. COMMITTEE REPORTS

A. Board Audit Committee

Howard Lincoln, Chair of the Board Audit Committee reported on the April 2, 2009 Board Audit Committee. The committee:

- Met with KPMG who presented their 2008-2009 audit plan for the university and the auxiliaries
- Heard the Business & Financial Affairs Annual Report to the IRS
- Discussed the University's new Policy on Red Flag Rules
- Heard update on progress for obtaining an outside consultant to conduct an Information Technology Security Audit. Two finalists have been identified.
- Completed their Annual Self-Assessment and review of the Committee Charter
- Heard update from the Internal Audit on current audit projects and process for evaluating her performance
- Had a preliminary discussion on process for establishing the 2009-2010 Internal Audit Schedule, to be approved at the June Audit Committee Meeting
- Met separately with the Internal Auditor and President as provided in the Committee's Charter

VII. INFORMATION ITEMS

A. Admissions and Enrollment Planning Report

Vice President Eileen Coughlin provided a written update on enrollment and admissions.

B. Alumni Association Report

Vice President Bowers provided a written report on the activities of the Office of Alumni Relations. Bowers reported that the Alumni Association has been conducting an email campaign to alums and donors asking them to speak up on behalf of Western in Olympia. It was noted that this work is being done without the use of state resources.

C. Development Report

Vice President Bowers provided a written update on WWU Foundation activities. Bowers thanked the Trustees for their support of the Seattle Business Forum. She reported that the Foundation Board discussed campaign planning at its annual retreat last week.

D. University Relations Report

Steve Swan, Vice President for University Relations provided a written update on the recent activities of External Affairs.

E. Major Capital Projects Status Report

Vice President Wetherell Pierce provided a written update on the major capital projects.

X. MEETING EVALUATION & FUTURE AGENDA TOPICS

Western's Operating and Capital budgets will be on the June agenda.

XI. ADJOURNMENT

Meeting adjourned at 12:00 p.m.

XII. DATE FOR NEXT REGULAR MEETING: June 11 & 12, 2009

XIII. LUNCH PRESENTATION

Tim Wynn, Director of Facilities Management and members of the WWU Custodial staff will join the Board of lunch. WWU recently received Honorable Mention for the Green Cleaning Award, sponsored by American School & University; the Green Cleaning Network, and the Healthy Schools Campaign.