



**Finance and Facilities Committee
Meeting Minutes
May 2024**

A meeting of the Finance and Facilities Committee of the Board of Trustees was held on Wednesday, May 22, 2024.

Committee members present: Jay Cowles, Chair; Micah Coatie, Jim Grabowska, Tim Huebsch, Jerry Janezich, and Kathy Sheran.

Committee members absent: April Nishimura

Other board members present: Alex Cirillo, Dawn Erlandson, Roger Moe, Christopher Richter, George Soule, and Cheryl Tefer

Staff present: Scott Olson, Chancellor; Bill Maki, Vice Chancellor for Finance and Facilities

Meeting materials and audio recordings are available on the [Board of Trustees website](#).

Committee Chair Cowles called the meeting to order at 9:40 a.m.

Agenda Item 1: Approval of the Meeting Minutes for April 16, 2024

Committee Chair Cowles asked if there were any changes or amendments to the minutes, then asked for a motion. Trustee Huebsch made the motion and Trustee Janezich provided a second.

A roll call vote was conducted. The vote was as follows:

Micah Coatie	Aye
Jay Cowles	Aye
Jim Grabowska	Aye
Tim Huebsch	Aye
Jerry Janezich	Aye
April Nishimura	Absent
Kathy Sheran	Aye

The committee voted to approve the minutes.



Agenda Item 2: Updates from the Vice Chancellor

Committee Chair Cowles invited Vice Chancellor Maki to present updates to the committee. The vice chancellor provided information on:

- Moody's Rating Update May 17, 2024
- St. Cloud State University Budget Reductions
- June Board Finance Training
- Legislative results

Vice Chancellor Maki was joined by Brian Yolitz, Associate Vice Chancellor for Facilities, who provided additional updates on the following:

- Legislative results related to our FY2024 Capital Program request to the State of MN
- Update on System Office Space Redesign

Agenda Item 3: Contracts Requiring Board Approval: Lease Agreement, Maverick Innovation Gateway, Minnesota State University, Mankato

Committee Chair Cowles invited Brian Yolitz, Associate Vice Chancellor for Facilities, to present the contract for review. Additional information was presented by Ed Inch, President, MSU Mankato; Anne Gillespie, Vice President for Finance and Administration, MSU Mankato; and Cathy Willette, Assistant Vice President, University Advancement, Director of Development, College of Business, MSU Mankato.

Committee Chair Cowles asked committee members to consider the following recommended committee motion:

The Finance and Facilities Committee recommends the Board of Trustees authorize the chancellor or the chancellor's designee to enter into a lease with Terratron, Inc. for facility space at 230 Stadium Drive, Mankato to create Minnesota State University, Mankato's Maverick Innovation Gateway for a term of 10 years from December 1, 2024, through November 30, 2034, and total lease costs not to exceed \$3,400,000 over the term. The Finance and Facilities Committee further recommends that the Board of Trustees direct the chancellor or his designee to execute all necessary documents.

Trustee Huebsch made the motion and Trustee Grabowska seconded. A roll call vote was conducted. The vote was as follows:

Micah Coatie Aye

Jay Cowles	Aye
Jim Grabowska	Aye
Tim Huebsch	Aye
Jerry Janezich	Aye
April Nishimura	Absent
Kathy Sheran	Aye

The committee voted to approve the recommended motion.

Agenda Item 4: FY2026 Capital Budget Request Guidelines (Second Reading)

Committee Chair Cowles invited Vice Chancellor Maki to present the Capital Budget Request Guidelines as detailed in the meeting materials. The Vice Chancellor was joined by Brian Yolitz, Associate Vice Chancellor for Facilities who presented the second reading of the guidelines.

This agenda item was presented with the goal of obtaining Board of Trustees approval of guidelines for developing the capital investment request of the State of Minnesota during the 2026 legislative session and potential Revenue Fund projects funded through the future sale of revenue bonds by Minnesota State.

Committee Chair Cowles asked committee members to consider the following recommended committee motion:

The Finance and Facilities Committee recommends the Board of Trustees approve overarching capital program guidelines as outlined above. These guidelines are to be used by the chancellor in developing a recommendation for capital investment funding by the State of Minnesota in the 2026 legislative session and for potential Revenue Fund bond sales in future years. These guidelines may be amended by the Board of Trustees based on their ongoing work and outcomes of the 2024 or 2025 legislative sessions.

Trustee Grabowska made the motion and Trustee Huebsch seconded. A roll call vote was conducted. The vote was as follows:

Micah Coatie	Aye
Jay Cowles	Aye
Jim Grabowska	Aye
Tim Huebsch	Aye
Jerry Janezich	Aye
April Nishimura	Absent
Kathy Sheran	Aye

The committee voted to approve the recommended motion.

Agenda Item 5: Proposed Amendment to Board Policy 5.19 Travel Management (First Reading)

Committee Chair Cowles invited Vice Chancellor Maki to present the first reading of the proposed amendment to Board Policy 5.19 Travel Management. The Vice Chancellor was joined by Dr. Tim Anderson, System Director for Procurement and Contract Management.

Proposed amendments consist mostly of technical edits, and the application of new formatting and writing standards. A section pointed to related documents was also added. This being the first reading, there was no vote taken.

Agenda Item 6: Proposed Amendment to Board Policy 5.20 Special Expenses and Chancellor/Presidential Expense Allowances (First Reading)

Committee Chair Cowles invited Vice Chancellor Maki to present the first reading of the proposed amendments to Board Policy 5.20 Special Expenses and Chancellor/Presidential Expense Allowances.

The proposed amendments consist of:

- Retitling of the policy to Special Expenses and Chancellor/Presidential Expense Accounts. The term Allowances has caused confusion because of certain allowances spelled out in system employment contracts.
- Adding a new section defining the policy was added, along with the addition of a section defining the chancellor's authority.
- Updating the expense amount limits which had not been adjusted for approximately 25 years.
- Application of new formatting and writing standards.

This being the first reading, there was no vote taken.

Agenda Item 7: FY2025 Annual Operating Budget (First Reading)

Committee Chair Cowles invited Vice Chancellor Maki to present the first reading of the FY2025 Annual Operating Budget. Vice Chancellor Maki was joined by Steve Ernest, System Director for Financial Planning & Analysis.

Board Policy 5.9, Biennial and Annual Operating Budget Planning and Approval, requires the Board of Trustees to approve the systemwide annual all funds operating budget plans for colleges, universities, and the system office. Board Policy 5.11, Tuition and Fees, requires the Board of Trustees to approve the tuition and fee structure for all colleges and universities.

The budgetary implications of legislation enacted by the Minnesota legislature are being reviewed, and discussions are being held with stakeholders on campuses to finalize budgetary plans as the academic year is coming to a close.

This being the first reading, there was no vote taken. A second reading will take place at the June meeting.

Adjournment

The committee chair adjourned the meeting at 11:25 a.m.