

**Finance and Facilities Committee  
Meeting Minutes  
June 18, 2024**

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A meeting of the Finance and Facilities Committee of the Board of Trustees was held on Tuesday, June 18th, 2024.

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

Committee members absent: Micah Coatie, April Nishimura

Other board members present: Alex Cirillo, Dawn Erlandson, Roger Moe, Javier Morillo, 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 12:50 p.m.

**Agenda Item 1: Approval of the Meeting Minutes for May 22, 2024**

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

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

Micah Coatie	Absent
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: Contracts Requiring Board Approval:**

**2a: Lease Agreement, Detroit Lakes Public School District, Minnesota State Community and Technical College, Detroit Lakes Campus**

Committee Chair Cowles invited Brian Yolitz, Associate Vice Chancellor for Facilities, to present the lease agreement for review. Additional information was presented by Carrie Brimhall, President, Minnesota State Community and Technical College.

Minnesota State Community and Technical College (M State) sought approval of a long-term lease agreement with the Detroit Lakes Public School District for up to 90,000 square feet of the M State Detroit Lake Campus.

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 agreement with the Detroit Lakes Public School District for up to 90,000 square feet of the Detroit Lakes campus of Minnesota State Community and Technical College for an initial term of 20 years with the provision for two (2) 5-year options subject to financial terms consistent with Minnesota Management and Budget and the Fourth Order Amending Order of Commissioner of Finance.*

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

Micah Coatie	Absent
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.

**2b: Maverick Software Consulting Income Contract, Minnesota State University, Mankato**

Committee Chair Cowles invited Tim Anderson, System Director for Procurement and Contract Management, to present the contract for review. Additional information was presented by Ed Inch, President, MSU Mankato.

The request was for a new income contract for Maverick Software Consulting's "Internship Management Service" which handles the administration and management of students and

connects top computer science students with corporations needing software development talent.

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

*The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter an income contract with Maverick Software Consulting, not to exceed \$4,100,000 and with term of five years for the purposes of Maverick Software Student Internship Revenue. The Finance and Facilities Committee further recommends that the Board of Trustees directs the chancellor or his designee to execute all necessary documents.*

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

Micah Coatie	Absent
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.

## **2c: Library Building Renovation Construction – Phase 1, Normandale Community College**

Committee Chair Cowles invited Brian Yolitz, Associate Vice Chancellor for Facilities, to present the contract for review.

Normandale Community College was seeking board approval of an increase in construction contract authority for the Library Building Renovation project. The board approved the initial construction contract in March 2023.

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

*The Finance and Facilities Committee recommends that the Board of Trustees authorize the chancellor or the chancellor's designee to enter into an updated construction contract not to exceed \$17,500,000 for Phase 1 of the Library Building Renovation project at Normandale*

*Community College. The Board of Trustees directs the chancellor or his designee to execute all necessary documents.*

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

Micah Coatie	Absent
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 3: Proposed Amendment to Board Policy 5.19 Travel Management (Second Reading)**

Committee Chair Cowles invited Vice Chancellor Maki to present the second 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. Some additional changes were made to the proposed amendments following the first reading at the May 22 Board of Trustees meeting. These changes were noted in the board materials.

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

*The Finance and Facilities Committee recommends that the Board of Trustees approve the proposed amendment to Board Policy 5.19 Travel Management.*

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

Micah Coatie	Absent
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: Proposed Amendment to Board Policy 5.20 Special Expenses and Chancellor/Presidential Expense Allowances (Second Reading)**

Committee Chair Cowles invited Vice Chancellor Maki to present the second 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.

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

*The Finance and Facilities Committee recommends that the Board of Trustees approve the proposed amendment to Board Policy 5.20 Special Expenses and Chancellor/Presidential Expense Accounts.*

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

Micah Coatie	Absent
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: FY2025 Annual Operating Budget (Second Reading)**

Committee Chair Cowles invited Vice Chancellor Maki to present the second reading of the FY2025 Annual Operating Budget. Vice Chancellor Maki was joined by Steve Ernest, System Director for Financial Planning & Analysis; Carrie Brimhall, President, Minnesota State Community and Technical College; and Edward Inch, President, Minnesota State University, Mankato. Chris Halling, System Director of Financial Aid, System Office, was called upon to answer a specific question.

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.

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

- *Adopt the annual total all funds operating budget for fiscal year 2025 as shown in Table 5.*
- *Approve the proposed tuition structure recommendations and differential tuition rationale for fiscal year 2025 as detailed in Attachments 1A through 1H.*
- *Tuition rates are effective summer term or fall term 2025 at the discretion of the president. The chancellor or designee is authorized to approve any required technical adjustments and is requested to incorporate any approvals at the time fiscal year 2025 tuition recommendations are presented to the Board of Trustees.*
- *Continue the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.*
- *Approve the Revenue Fund and related fiscal year 2025 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in Attachments 2A through 2E, including any housing fees that the campuses may charge for occupancy outside the academic year.*
- *Authorize the chancellor or designee to enter into an agreement with the Learning Network of Minnesota to provide the funding appropriated to the organization in Minnesota Laws 2023, Chapter 41, Article 1, Section 3, Subdivision 4, in the amount of \$4,115,000.*

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

Micah Coatie	Absent
Jay Cowles	Aye
Jim Grabowska	Aye
Tim Huebsch	Aye
Jerry Janezich	No
April Nishimura	Absent
Kathy Sheran	Aye

The committee voted to approve the recommended motion.

**Adjournment**

The committee chair adjourned the meeting at 2:44 p.m.