

Saint Mary's University of Minnesota

Winona, Minnesota

BOARD OF TRUSTEES

**Meeting of
February 14, 2014**

- 1. General Summary**
- 2. Official Resolutions
(General Session)**

Minutes of the October meeting of the Saint Mary's University of Minnesota Board of Trustees, February 14, 2014.

1. General Summary

The meeting was called to order by Mr. Michael Gostomski, Chair of the Board of Trustees.

1. The meeting began with an opening prayer.
2. The roll call was taken by Ms. Mary Becker, Executive Assistant to the President. A quorum was declared.

Present: Ms. Mary Burrichter, Brother William Clarey, FSC, Brother Kevin Convey, FSC, Mr. James Coogan (present via teleconference), Dr. John Domanico, Mr. Michael Dougherty, Dr. Marilyn Frost, Mr. Michael Gostomski, Mr. William Herzog, Mr. James Horan, Ms. Linda Kuczma, Brother William Mann, FSC, Brother Frederick Mueller, FSC, Ms. Kaye O'Leary, Brother David Poos, FSC, Bro. Gustavo Ramirez Barba, FSC, Ms. Mary Ann Remick, Mr. Joseph Ross, Mr. Terrance Russell, Brother Larry Schatz, FSC, Ms. Sandra Simon, Dr. John Smarrelli, Mr. Walter Smithe, Ms. Mary Pat Wlazik

Absent and Excused: Ms. Karen George, Mr. Mark Jacobs, Ms. Betty Kabara, Mr. Paul Meyer, Mr. Hamid Quraishi, Mr. Rich Reedy, Mr. Patrick Salvi, Brother Robert Schieler, FSC, Mr. Michael Slaggie

Trustee Emeriti also present: Mr. Loras Sieve

Resource Persons and Guests: Dr. Donna Aronson, Ms. Mary Becker, Mr. James Bedtke, Ms. Gena Bilden, Mr. Scott Cowdrey, Ms. Genelle Groh Beck, Brother Lawrence Humphrey, FSC, Mr. Chris Kendall, Ms. Audrey Kintzi, Ms. Ann Merchlewitz, Mr. Ben Murray, Dr. John Pyle, Brother Robert Smith, FSC, Students: Paul Schmidt, Matt Traxler, Katie Zuzek

3. Mr. Michael Gostomski, Chair, called for comments from the public. There were none.
4. The minutes of the meeting of October 3-4, 2014, Saint Mary's University of Minnesota Board of Trustees were approved as submitted. (Official Resolutions 2.1)
5. Mr. Gostomski called for the reports from the committees.

5.1 **EXECUTIVE COMMITTEE** – reported by Brother William Mann, FSC

All legal issues were reported as progressing well. Issues that surfaced in the committee included: Our international student initiative on both campuses, the Lasallian Assessment being done by the Midwest District, the question of how leadership will work during Brother William's absence while attending General Chapter, and what is happening with our women's varsity basketball team.

5.2 **UNIVERSITY MISSION AND TRUSTEES COMMITTEE** – reported by Mr. Michael Gostomski

The committee met via conference call on January 13th. Recruitment efforts for new trustees were discussed, and a resolution for the acceptance of three new trustees will be brought before the board at the May meeting. The new trustees are Celeste Suchocki, Peter Pearson, and Brother Michael McGinniss, FSC. Two current trustees, Bill Herzog and Linda Kuczma, will be eligible for renewal, and Mary Ann Remick will be leaving after 10 years of service. The slate of officers will also be presented at the May meeting. Excellent feedback was also given on the Board assessment report.

5.3 **UNIVERSITY ADVANCEMENT COMMITTEE** – reported by Mr. Walter Smithe

Two new members of the Development Team were announced; Dominic Lawrence and Mark Rudolph. It was also announced that Bob Fisher has been named the new Director of Alumni Relations. Audrey Kintzi reported on the progress toward FY 14 goals. As of January 31, the university has secured \$3.5 million, about 45% toward the goal of \$8 million. The Saint Mary's Fund is currently at 70% of goal with \$635,187 total toward a goal of \$900,000. John Pyle, VP for Enrollment, Marketing and Special Initiatives, provided a brief update on the branding initiative. The next phase will deliver the creative concepts and approaches to market and promote the university. Lastly the committee continued conversation regarding the next steps toward a comprehensive capital campaign. The results of the feasibility study recently completed by Bentz Whaley Flessner were shared with the committee. The working goal of the \$50 million campaign and the university's ability to achieve this goal were carefully deliberated upon. Once the approval of the Board is received, the plan will be to have the campaign leadership committee up and running in the nucleus fund/leadership gift phase during the following six months.

5.4 **UNIVERSITY STUDENTS AND ADMISSION COMMITTEE** – reported by Mr. Michael Dougherty

Chris Kendall and Ann Merchlewitz provided an overview of our policies on sexual harassment, sexual assault and discrimination. The annual campus crime statistics review was done and a report submitted to the federal government. There was a joint session with the Finance Committee to discuss tuition and the proposed tuition increase. Applications for new students are currently running ahead of last year on the

undergraduate campus. Enrollment at SGPP is reported as being flat. Rochester still is believed to have potential.

5.5 **UNIVERSITY FINANCE AND FACILITIES** – reported by Ms. Mary Burrichter

There was a review and discussion of the initial operating budget draft for 2014-15. Vice President for Financial Affairs, Ben Murray, has a good operating budget in place but it still continues to be a work in progress. A resolution was brought forth concerning the mandate for a balanced budget. (Official Resolution 2.2) A second resolution was brought forth concerning tuition increases. (Official Resolutions 2.3) With regard to investments, 2013-14 proved to be a positive year and the move to Northern Trust was a good move. Some investments still remain with Christian Brothers Investment Services. A third resolution was brought forth concerning the authorization of the refinance of the series Five-U bonds (Official Resolutions 2.4). Capital improvement projects slated to be completed this year were discussed as well as new accounting software.

5.6 **UNIVERSITY AUDIT COMMITTEE** – reported by Ms. Mary Burrichter

The university audit was discussed and the 990 form was examined. A resolution was brought forth requesting acceptance of the IRS form 990 return. (Official resolutions 2.5) The engagement letter for Baker Tilly Virchow Krause, LLP, was also reviewed and accepted.

5.7 **UNIVERSITY FACULTIES AND ACADEMIC COMMITTEE** – reported by Mary Ann Remick

The committee was made aware that significant progress has been made since the last report in October regarding the university's reaccreditation efforts. The Quality Initiative proposal was submitted and the university awaits a response from HLC with the expectation that approval will be given in February. Planning continues for development of a CELT (Center for Excellence in Learning and Teaching) at the SGPP. It was reported that FGI has senior students graduating this May and that 20 of the 35 students enrolled had a GPA of 3.0. The Countdown to College program had their first graduation last July and of the 20 students, 16 applied to Saint Mary's and were accepted. There is an ongoing great financial need for this initiative.

6. **OLD BUSINESS** - none

7. **NEW BUSINESS** - There were three motions brought forth for Betty Kabara, Bernie Wagnild and Lyle Delwiche, stating that they were missed at this Board meeting, that the Board wished them well, and that they are each in our prayers as they struggle through some health situations. (Official Resolutions 2.6, 2.7, and 2.8)

There was a discussion about Mayo Clinic becoming a destination medical center. Saint Mary's sent Mayo a letter of support on behalf of this initiative. Bro. Robert Smith and Ann Merchlewitz reported that we now have a Rochester Initiative Task Force in place

and we are looking at ways to better connect Saint Mary's to the broader Rochester community. We have increased our membership with the Rochester Chamber of Commerce and we are lead sponsors of some activities there. Currently we are a co-sponsor of an education summit and of a STEM initiative in Rochester. We are developing some relationships with Mayo and trying to find better ways to connect with Lourdes High School.

Special thanks went out to students Paul Schmidt, Editor of the Cardinal, Katie Zuzek, President of the Student Senate and Matt Traxler, President of SAC for attending the meeting.

Brother Fred Mueller expressed thanks to Brother Robert Smith for having some of the SGPP staff interact with the trustees during the Board meeting.

8. A motion was brought forth to adjourn the meeting. (Official Resolutions 2.9)

Official Resolutions Approved (General Session)

- 2.1 **Be it resolved** that the minutes from the October 3-4, 2014 Board of Trustees meeting be approved as previously submitted.
- 2.2 **Be it resolved** that the Board of Trustees continues to mandate the administration to complete the University's financial planning for the next fiscal year within the requirements of a balanced budget.
- 2.3 **Be it resolved** that the Board of Trustees approves a 3.5% rate increase in tuition, room and board for the Undergraduate College – Winona Campus for the 2014-2015 academic year.

Be it further resolved that the Board of Trustees approves an average rate increase of 3.0%, with program specific increases ranging from 0% to 3.7% for tuition for the Schools of Graduate and Professional Programs for the 2014-2015 academic year.

- 2.4 **WHEREAS** the Executive Committee was authorized by an October 4, 2013 resolution of the Saint Mary's University of Minnesota Board of Trustees to approve the final terms and conditions of borrowing on behalf of the university, in lieu of the Board approval, for the refinancing of the Series Five-U Bonds and the issuance of the Series Eight-A bonds provided that approximate maximum principal amount of the bonds shall not exceed \$6,800,000 (plus additional principal amounts necessary to provide for cost of issuance, net original issue discount, credit enhancement and any debt service reserve fund) and the true interest cost on the bonds shall not exceed 4.91%; and

WHEREAS a Request for Proposal process led to the selection of a refinancing proposal submitted by U.S. Bank, with terms that fall within the previously approved parameters; and

WHEREAS such selection only occurred in early February; and

WHEREAS the Executive Committee thought it more appropriate for the Finance Committee to consider the final terms and conditions of borrowing on behalf of the university;

THEREFORE BE IT RESOLVED that the Board of Trustees, accepts the Term Sheet submitted by U.S. Bank, with the final terms dated January 31, 2014, for the refinance of the Series Five-U Bonds.

BE IT FURTHER RESOLVED that the Board of Trustees, authorizes Brother William Mann, President, and Benjamin Murray, Vice President for Financial Affairs to give final approval to all terms and conditions of such borrowing including the authority to, at the time of sale of the Bonds, determine final interest rates, principal amounts, maturity dates, redemption provisions and other terms of the Bonds.

BE IT FURTHER RESOLVED that the Board of Trustees, authorizes Brother William Mann, President, and Benjamin Murray, Vice President for Financial Affairs to execute any and all documents to which the University, as borrower, is a party, with such changes therein finally approved by such officers, such approval to be conclusively evidenced by the execution thereof, and the President and Vice President for Financial

Affairs are authorized and directed to execute any and all such instruments and documents necessary and required to carry out any obligation of the University, as Borrower, under the documents necessary to issue the Bonds, and to effectuate the issuance and sale of said Bonds to the purchaser and to carry out the intent and purposes of these resolutions

BE IT FURTHER RESOLVED that the Board of Trustees, authorizes the officers, agents and employees of the University, as borrower, to assist in the negotiation and the sale of the Bonds to the purchaser.

BE IT FURTHER RESOLVED that the Board of Trustees, authorizes any officers of the University, as borrower, to do any and all such acts and things and to execute any and all such instruments and documents as any of them may deem appropriate in order to carry out any obligations of the University, as borrower, under the financing documents to effectuate the issuance and sale of the Bonds and to carry out the intent and purposes of these resolutions.

- 2.5 **Be it resolved** that the Board of Trustees, upon the recommendation of the Audit Committee, accepts the IRS FORM 990 Return, prepared by Baker Tilly Virchow Krause, LLP, for the year ending May 31, 2013.
- 2.6 **Be it resolved** that the Board of Trustees wants Trustee Betty Kabara to know that she was missed at the February 2014 Board meeting, that she is wished well and that she remains in their prayers.
- 2.7 **Be it resolved** that the Board of Trustees wants Emeritus Trustee Lyle Delwiche to know that he was missed at the February 2014 Board meeting, that he is wished well, and that he remains in their prayers.
- 2.8 **Be it resolved** that the Board of Trustees wants Emeritus Trustee Lyle Delwiche to know that he was missed at the February 2014 Board meeting, that he is wished well, and that he remains in their prayers.
- 2.9 **Be it resolved** that the February 14, 2014 meeting of the Board of Trustees be adjourned.