

WESTERN ILLINOIS UNIVERSITY

BOARD OF TRUSTEES

November 10, 2006

FINANCE COMMITTEE

Meeting Summary

September 8, 2006

Agenda items:

1. **Approval of June 2, 2006 Finance Committee Meeting Minutes.** The minutes were approved as presented.
2. **Purchases of \$500,000 or More.** Vice President Thompson spoke in regards to the architectural engineering firm for the Multicultural Center and also on approving the contractor for Hanson Field. She responded to questions from trustees.
3. **Revision to Regulations II.C.7.c Employee Benefits – Second Reading.** The members of the Finance Committee agreed to support passage of holidays for prevailing raye groups when presented to the full Board for action.
4. **FY2007 All-Funds Budget.** Assistant to the President for Planning and Budget Joe Rives presented a \$198M budget.
5. **FY2007 Departmental Budget Allocations.** Assistant to the President for Planning and Budget Joe Rives presented \$109M planned expenditures.
6. **FY2008 Appropriated Operating Budget Recommendations.** Assistant to the President for Planning and Budget Joe Rives recommended to the Board, for submitting to the Board of Higher Education, a \$10.3M increase in total appropriation for FY2008.
7. **FY2008 Appropriated Capital Budget Recommendations.** Assistant to the President for Planning and Budget Joe Rives presented a \$117.6M capital recommendation to the Board for approval before submitting to the Board of Higher Education.
8. **Purchases of \$100,000-\$500,000 Receiving Presidential Approval.** Vice President Thompson spoke in regards to fuel for campus fleet and maintenance agreements. She responded to questions and comments from trustees.
9. **Budget and Financial Data for the Period Ended June 30, 2006.** Vice President Thompson and Assistant to the President for Planning and Budget Joe Rives presented the information on the budget. They responded to questions from trustees.
10. **Report on Investment Activities.** Director of Business Services Ron Ward discussed the report and responded to questions.

11. **Listing of Approved Depositories.** Vice President Thompson noted Metro Bank is now The National Bank. Director Ron Ward also noted they have recently added First Midwest Bank and Metro Bank as the Quad Cities banks.
12. **Report on Income Producing Grants and Contracts for the Fourth Quarter.** Vice President Thompson and Director Beth Seaton presented their report and responded to questions.
13. **Report on Contributions.** Vice President Hendricks reported on contributions. He responded to questions from trustees.
14. **General Comments by Vice Presidents.** Vice President Thompson updated everyone on the internal auditor search and construction of DPS building.

Vice President Hendricks updated everyone on the new database and development software, the website project and progress in terms of the new capital campaign.
15. **Motion to Adjourn.** The meeting of the Academic and Student Services Committee adjourned at 10:02 A.M.

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Meeting Minutes

September 8, 2006

Committee Members Present: Trustee Carolyn J. Ehlert (Chair), Trustee J. Michael Houston, Trustee Steven L. Nelson, Board Treasurer and Vice President for Administrative Services Jacqueline K. Thompson, Vice President for Advancement and Public Services Daniel L. Hendricks

Also Present: Trustee Robert J. Cook, Trustee Donald W. "Bill" Griffin, President Alvin Goldfarb (*Ex-Officio*), William L. Epperly (*Ex-Officio*), Trustee Blake E. Antonides, Legal Counsel Bruce J. Biagini and Administrative Assistant to the Board Kerry L. Yadgar.

Guest Speakers: Julie DeWees (Budget Director), Al Harris (Associate Vice President for Student Services), W. Garry Johnson (Vice President for Student Services), Joe Rives (Assistant to the President for Planning and Budget), Ron Ward (Director of Business Services)

Trustee Carolyn Ehlert, Committee Chair, called the meeting of the Finance Committee to order at 8:30 A.M. on the campus of Western Illinois University – Macomb. She welcomed everyone to the committee meeting.

Approval of June 2, 2006 Finance Committee Meeting Minutes

The minutes of June 2, 2006 Finance Committee Meeting were approved as presented.

Purchases of \$500,000 or More

Vice President Thompson commented there are two items in this resolution. The first one is for the architectural engineering firm for the Multicultural Center and we want to amend that to \$850,000 and there are two reasons. First of all, it is just going to cost a little more for the building, and, second, we want to make it another acronym for you, LEEDs certification. LEEDs is "Leadership in Energy and Environmental Design" and that does add on the front end about \$100,000-\$150,000 in terms of design costs, but they believe when the building is constructed, over time we will recoup all those savings and more.

The second part of the resolution is to delegate the authority to the President to approve the contractor for the Hanson Field student side addition. It is really critical, and I think Garry can probably add something if there are specific questions. Needless to say, this is a project that is totally an outdoor project. It is not like getting it enclosed and then you can work inside, so we are on some very, very narrow timelines to complete the student side of Hanson Field before next season.

Vice President Johnson commented that construction will start when this year's football season is over.

Trustee Houston asked about the additional costs in terms of the final project being a third more. Vice President Thompson replied that about \$150,000 of the increase is because of the environmental, the LEEDs part. It just adds on to the project. The remainder would be because of additions in the building.

Vice President Thompson stated there would be paybacks in energy consumption and other things because of it being a green building.

Trustee Houston asked for clarification of the "green roof." Vice President Thompson noted we are talking about energy systems such as heating and cooling, window design, and internal systems of the building design that should promote energy savings over time.

Trustee Ehlert commented on the premier location and asked if that accounted for additional demolition costs. President Goldfarb agreed it was.

The members of the Academic and Student Services Committee agreed to support passage when presented to the full Board for action.

Revision to Regulations II.C.7.c Employee Benefits – Second Reading

Vice President Thompson noted this item was discussed initially at the June meeting and stated that this is to extend the same benefits that all of our other employees have on campus in terms of holidays. These are for holidays for prevailing rate groups, such as the plumbers, pipefitters, carpenters, painters and electricians. Every other employee on campus for as long as I can remember, received Christmas, New Year's, Memorial Day, Fourth of July, Labor Day and Thanksgiving off as a holiday, but these groups would have to take them off either without pay or take a vacation day. What we are doing is extending to these groups these same holidays as all of our other employees. I just happened to be in a conversation with a carpenter and an electrician yesterday at a Civil Service Employees Council meeting, and they are certainly appreciative of the Board's consideration of this request.

The members of the Finance Committee agreed to support passage when presented to the full Board for action.

FY2007 All-Funds Budget

Joe Rives commented in June we brought to the Board a preliminary spending plan for FY2007. This is a continuation for the all-funds budget for the institution. Presented to you this morning is \$198M budget. The preliminary spending plan that you reviewed in June was based on estimated expenditures from last fiscal year. This is based on actual fiscal year expenditures. The FY2007 appropriated funds budget signed into law by the Governor is now reflected in this budget. The 1.5% increase for WIU, or \$822,000, was put into the University's highest priorities including faculty and staff salaries, the First Year Experience program and new academic programs. The \$198M budget presented for your approval today reflects strong commitments to personal services, three-fifths of the University's budget. On page 2, you will see there is also a strong commitment to internal reallocations. As shown in the table, we are planning to reallocate approximately \$6.1M to the highest priorities identified in Higher Values in Higher Education. That is kind of a general overview.

The members of the Finance Committee agreed to support passage when presented to the full Board for action.

FY2007 Department Budget Allocation

After you have approved all-funds budget, the next step outlined by state statute is for you to review and approve departmental budget allocations. As presented to you this morning, there are \$109M in planned expenditures with over two-thirds of that amount for academic affairs to support the University's mission statement. The remaining one-third is for all other support operations including the President's Office, the Vice President for Administrative Services, Public Services and Student Services.

We conducted a three-year trend analysis to look for budget anomalies for you. Basically, there were none. There has been no vast shifting of resources from one division to another. You will also see that we begin FY2007 with \$14.8M more than in FY2005. That's a 12.1% increase, however, it's less than the rate of inflation which was at 13.1%, and it is also significant to note that most of that new income is from the University income funds--tuition.

Trustee Houston commented you might say ALL of it is from tuition. President Goldfarb commented the University did experience a 12% reduction in state revenue funding in prior years.

Dr. Rives noted that the bullet points on page 2 of this item show you we will continue to use new and reallocated sources to advance our strategic plan priorities. I think I will stop now and Julie and I are here to answer any questions that you have.

Trustee Houston commented we have \$2.9M for CMS health insurance in the budget and that was something that the state used to cover all the time. For practical purposes, we are talking basically \$15M.

President Goldfarb commented there is also veteran's grants that have not been covered fully and so the \$800,000 we received last year as an increase was eaten up beyond that or equal to that to support veteran benefits.

The members of the Finance Committee agreed to support passage when presented to the full Board for action.

FY2008 Appropriated Operating Budget Recommendations

Joe Rives commented, one thing I would like to note for you is that in previous years we have brought you operating and capital recommendations combined, but based on your past preference to approve one thing at a time, we have separated these out. We are coming to you and asking you to approve the operating and then coming back to you in a minute and asking you to approve capital.

Looking at operating, we are beginning as we just noted FY2007 with \$109M in planned total appropriations expenditures. We are recommending to you that you recommend to the Illinois Board of Higher Education a \$10.3M increase in total appropriation. That is a 9.4% increase. The FY2008 increase would be used to advance the prior stated goals and the statewide strategic plan for higher education called the Illinois Commitment, and the same could be set for our strategic plan, Higher Values in Higher Education.

We, as staff, are recommending to you a \$10.3M increase. Three-fifths of this would be applied to salary and program priorities. With the vast majority of that, over 85%, requested for faculty and staff salaries. As you read in the materials we prepared for you, salary erosion is a critical issue facing both Western Illinois University and all of Illinois Higher Education. The remaining two-fifths of our request

recommendations to you, again to advance to the Board of Higher Education, is to advance our strategic plan priorities displayed on page 2 of this report.

In thinking about our social responsibilities and fiscal realities in preparing this request, we questioned whether we should do a 9.4% cost increase. Our answer was a resounding “Yes” for the following reasons. First we are concerned that the general revenue increase at Western Illinois University is 2% below the statewide average of 2.3%. Second, we are also concerned from a public policy perspective the tuition as a percent of total state appropriations continues to increase. Third, we are concerned that Western Illinois University, a regional masters granting degree institution, is on the verge of becoming a state assisted university with general revenue accounting for less than half of the total state appropriations. Only two of the 12 Illinois public universities are in this state assisted category. That’s Illinois State University and Northern Illinois University. Both are national doctoral granting institutions. We feel we are justified in coming forward with a 9.4% request. We are demonstrated stewards of our state resources. We are one-third lowest in general revenue to total appropriations, if you think of it as a ratio. This is not due to aggressively raising tuition.

You approved last year a 7.4% all funds cost increase for this fiscal year. That was the lowest in the state. Values ranged from our low 7.4% to a high of 21.4% at the University of Illinois at Springfield, with a statewide average of 12.4%. Our fall 2006 new student tuition rate ranks in the middle at 6 of the 12 Illinois public universities. In summary, the text of the recommendations that we are bringing to you this morning is centered on advancement of Higher Values in Higher Education to advance the priorities and goals of our strategic plan, as well as the State of Illinois. We will continue to work with the state on addressing our concerns of statewide fiscal challenges and indeed there are many. Within the past five years alone, the higher education price index has risen by 20.2% and internal reallocations alone cannot sustain these inflationary increases.

So with that bleak news, I am happy to answer any questions and so is Julie.

Trustee Houston asked about the meaning on page 2 of the term “average weighted faculty salaries”.

Joe Rives replied that is an average of all the different categories, such as full professors, associate professors, assistant professors and all categories combined.

President Goldfarb pointed out that all the university presidents have actually made a very strong appeal that if we are really going to focus on the issue of affordability we need to turn around exactly the process that Joe has been talking about. This is without any increase in state support. There is just no way that we cannot increase tuition. We have been politicking and lobbying very hard that there has to be a turnaround in the state’s general revenue support for higher education or we are not going to see a turnaround in affordability. I think basically what Joe is saying is that we are really making the request based on the desire to not to have to increase tuition at the levels the tuition has been increased around the state. As Joe points out, I think we have been great stewards, especially if you look at comparative costs last year in particular.

Trustee Houston commented on the affordability of tuition. President Goldfarb stated affordability in higher education is a national crisis.

The members of the Finance Committee agreed to support passage when presented to the full Board for action.

FY2008 Appropriated Capital Budget Recommendations

Trustee Ehlert commented it is helpful to the trustees to have the operating and capital budget recommendations separated. Joe Rives stated he will continue to present them to the Board this way, unless we hear otherwise.

Dr. Rives reviewed the capital recommendations. Today we are asking you to approve \$117.6M in your FY2008 capital recommendations to the Board of Higher Education. As you read this report, some things you can keep in mind consistent with our newly developing campus master plan, the Performing Arts Center remains the Macomb's campus highest facilities priority, and the Quad Cities Riverfront Campus continues to remain the highest Quad Cities priority. Truly, there has been significant activity on both campuses. Our partnerships with Renew Moline, the city of Moline and our state and federal legislators are really beginning to pay dividends.

It is hard to believe that just a couple of weeks ago you were celebrating the \$1M federal grant for Rivertech Boulevard that will be to the south of our current campus. As the President jokes, if River Drive ever floods students will still have to come to class because they will not be flooded out anymore, so that is good news. The City of Moline also received \$770,000 for streetscape enhancements along River Drive, and we have been working with Renew Moline and the City. All of that money will be applied to our property so the streetscape will be the first visible evidence to Quad Cities area residences that we continue to move ahead on that campus. Institutionally, we have received HUD grants totaling \$500,000 to clean out the asbestos.

Also, we did some internal reallocations and we are starting to look at technology infrastructure and establishing dark fiber with which to access the latest internet, and it not only does 3-D simulations, grid computing and other really cool things, but it will serve as a backup system for the Macomb campus, as well.

Returning to Macomb, as you read the report you will see your total infrastructure enhancements are now #2. Given as Vice President Thompson has repeatedly emphasized, the equipment is running well beyond its life expectancies. Replacement parts in many cases are no longer available and we are experiencing the escalating utility costs associated with running out-of-date equipment. There are also costs in there again to look at our environmental impacts and running environmentally friendly utilities. Life safety enhancements to electrical and mechanical co-compliance remain a priority as well.

As you saw, and as you discussed this morning, the Multicultural Center is no longer a state request, but we are taking care of that internally. What you will see that is new on this request is the request for a new science building. You will note that there were no funds associated with the science building request. What we decided to do was honorably mention this.

When you honorably mention it to the Board of Higher Education, what you are saying is the institution is going to study it for year. We are not ready to advance a request to you. The reason that is important is you really want to know exactly what is the facility you are wanting--what are the dimensions of it, and what will go inside of it. Otherwise, you might have one opinion one year, and another opinion the next, so your cost estimates are not stable.

You might be wondering what prompted the new science building. It is a result of the master planning conversations with the campus both in April and repeated over these last three days, as well as the utility infrastructure and ventilation concerns. Humidity concerns and other things are beginning to affect the recruitment and retention of our high achieving students, faculty and staff in the sciences.

After making all these requests, we again went back to the cost data for both *RS-Means* for the Peoria metropolitan statistical area, as well as measured against engineering use and building costs indices to make sure that the recommended 3.5% factor that you read about from the Illinois Capital Development Board was appropriated to the Macomb type construction.

New this year, and starting on page 7 of this report, you are going to see our construction projects are space type estimates. Again, we are trying to bring to Western Illinois University stability in cost estimates. In the past, we based our construction cost estimates on total gross square feet, but what you see is that we now work with the Illinois Capital Development Board to say this is the type of space we are requesting in this building and this is how much per gross square feet it will cost.

As you page through the different recommendations, for example, you will see that laboratories are much more expensive than the general instructional classroom. The end result again will be stability in our cost estimates to you and to the Illinois Board of Higher Education. It will also help promote space planning.

If you do approve the idea for a science building, we would not immediately write a request. The next thing we would start to do is conduct a space planning study to make certain that we are in line with the master plan. We next would begin to ask what would go into the box. We are trying to be more systematic and deliberate in our conversations and requests we bring to you.

Trustee Nelson commented that as we submit this to the Board of Higher Education, do we have some feel as to where our utility infrastructure may fall in their priorities?

Vice President Thompson stated “No” and that we need a capital bill and have not had one in three years.

Trustee Ehlert asked about the total deferred maintenance on campus.

Vice President Thompson noted the figure at \$280-\$300M for deferred maintenance and indicated that it will take a chunk of money to catch up. She also noted that if you look at every building on campus, and there are 52 campus buildings, many of them have not been upgraded in many years. You think of all the movable parts in a building and stationery walls, and it just takes a lot of money to start re-doing all the things that we have deferred year after year. I guess a prime example, and I go back to my favorite topic, is when you have chillers in buildings that are 38 years old and their lifespan is 30 and we continue to try to patch them. It really does start to put a strain on what we do.

Joe Rives commented that is why they made utility #2 on the capital list, then Waggoner, Currens and Tillman. Those buildings have significant high vac and ventilation issues, so we tried to link our new request to bring down the back log, but it will not zero it out.

President Goldfarb commented there has not been any capital improvement dollars in three years to confront some of the problems.

Vice President Thompson stated we used to receive about \$1.2M a year in capital renewal. If you think about three years without capital renewal, you are at about \$3.6M that has not been available to invest in campus. This capital renewal might be a roof project. It might buy a new chiller for Horrabin Hall because it is so critical at this point and time, or be used to repair elevators. This is right down to life safety issues as well when you have no money in those arenas to start repairing some things. We have identified \$100M worth of projects that we would do in priority order, but there is just not enough money in our budget to address those projects.

Trustee Ehlert asked why we do not have a line item for deferred maintenance. You mention life safety and that is here and so is utility infrastructure. Trustee Ehlert questioned if it would be appropriate to have other items of other projects in deferred maintenance added to our capital request budget.

Vice President Thompson stated if there is a capital bill that is exactly what the capital renewal will start to do.

President Goldfarb added capital renewal is allocated separately.

Trustee Nelson asked if the staff reports to the Capital Development Board what we figure the deferred maintenance costs are to date.

President Goldfarb commented that he presented to the Budget Director the other evening at a meeting where the Presidents met with the Director of Budget of the State. Actually, each president had developed a chart where we showed the increase in deferred maintenance over just the past three years. I think ours had increased on the chart Joe Rives prepared for me over 20% just in terms of increases over the past three years, and that is without taking care of the obvious problems we had previously. Each of the institutions had developed similar presentations.

There has been talk in some of the other state institutions, just to tie this to Trustee Houston's comment earlier, about tuition fees or student fees to deal with deferred maintenance issues. My concern is it begins to become another way in which we hurt affordability and are not dealing internally statewide with a major issue. The presidents tried to indicate that concern to Budget Director Filan.

If there are state dollars for deferred maintenance, it would release some of the internal reallocation we have to do regularly. Right now any emergency maintenance is usually coming out of our tuition increase.

The reality is last year we had to fix the front of Stipes Hall. Everybody knows what happened on campus. That repair was the result of internal reallocations. As Trustee Houston pointed out there were no new state dollars to deal with that. We had to reallocate dollars and those dollars were coming out of the additional income tuition dollars from last year.

Trustee Nelson stated that we have to reallocate if we do not have money for it.

President Goldfarb stated he does hold some dollars back, as the Vice Presidents will tell you, I am not a big fan of it, but I held back about 2% of the budget last year, or about \$1.2M. It is there just in case we have those kinds of emergencies. Before I returned any of the hold-back dollars, we agreed we would have to figure out what it cost to take care of Stipes Hall and that was our top priority in the middle of the year.

Vice President Thompson stated Stipes Hall was around \$100,000.00 and we repaired it, but if you think about deferred maintenance, we did not gain a lot except for repairing the stones on the outside of the building.

Trustee Ehlert commented deferred maintenance has always been a fuzzy area for her. If there is a list of 30 projects, I wonder if you could share that with trustees on a routine basis. If we made a presentation to the Illinois Board of Higher Education, what did that look like and when does that happen and how does it fit with the budget.

Joe Rives stated he will bring to the Board at the next meeting a master plan update and we can fold the deferred maintenance in as a part of it. In the Performance Report which we will get to later this morning, you established a benchmark on deferred maintenance expenditures. The Association of Facilities Administrators (“AFA”) says you should spend 2% annually of your facilities replacement value as a general guideline. Again, since there has been no state support, what you will see is we spend about 12.5% of the benchmark. Actually, our public institutional research colleagues across the state have put that into their statewide results report as well, so the Illinois Board of Higher Education is getting it from a number of fronts from the institutions.

When we transmit this capital recommendation, if you should approve it today, we will make a clear linkage that the requests are linked.

Vice President Thompson noted that we cannot recoup all the dollars lost, so now we are three years behind on that list as to what we were going to use capital renewal funds for.

Trustee Houston commented that as we talk about the utility infrastructure, and we have asked the question before, I think we said we cannot do it, but that is to possibly bond out and pay for it with savings.

Vice President Thompson stated this would probably not work with today’s environment and knowing what we are facing with just natural gas increases. Even coal costs are going up, and we know electrical costs are going up. We have been tracking that very closely. We will be lucky just to have avoided cost increases. I would love to come before the Board and just say let’s go for it and worry about it later. In all good conscious, I cannot say we are going to have those types of savings. I would love to be proven wrong, but I just do not think they are there. We are watching our utilities very, very closely and I just do not see it.

President Goldfarb stated they have been looking at bonding possibilities and what that would mean in terms of the additional resources needed in the institution. Again, clearly, whenever you do that, you need additional income coming into the institution. Our worry is always affordability. Again, we would not be good stewards of the institution if we were not looking at that as well when I know we have been having conversations with our Bond Counsel and other individuals about what are our potentials. Clearly, we believe this is a state responsibility and we want to start there, but we do not know how long we can go and not at least confront it.

Trustee Houston stated the utilities, as unglamorous as that topic is, are vast approaching a very critical point. You know it is going to be a matter where we may have to think about “out of the box” in some way to get this done. If we do not see a capital bill here during this next year at some point it is going to cost us. In all honesty, this is probably the biggest problem we face.

President Goldfarb stated that is why he has asked Vice President Thompson to look at the bonding possibilities. And I asked Vice President Johnson to consider other ways which we can work together in terms of both sides of the campus. Again, our desire, even if nothing else is accomplished, is to make sure the state recognizes that we need the support because it really is a state responsibility. If we move it back, we become even more of a state-assisted institution rather than a state supported institution.

Chair Epperly questioned whether a large amount of the savings would be achieved if we put the same amount of money up front to build a new facility. A lot of the savings would come from the fact that it will be less much expensive to upgrade a given building because of the central facility.

Vice President Thompson stated that they would not be reinvesting into the building of a cooling tower and that there would be some savings realized.

Chair Epperly also asked about the 20 year allowance. Are there some options available now?

Vice President Thompson stated that before it allowed only 10 years in terms of payback, and the payback was very large in that 10 year time period. It seems to be more manageable in a 20 year payback time frame. The system should last beyond the 20 years, so if you could get it paid off in 20 years, you might then have 5 or 10 years you can decide what we would do next to address some of the aged vac systems on campus. But there still has to be that money sitting there to make that payment.

Trustee Nelson asked about timing of the payback on the bond.

Vice President Thompson stated “Yes” on the bonds and that it would probably be a certificate of participation as opposed to a bond. It could be either way.

Trustee Houston stated he understands what she is saying in terms of utility costs going up, but the reality is they are going to go up anyway, and if we can do anything to reduce the costs, even though we got an overall utility costs that is going up. It is going to be going up more without the improvements than what is it if we would do the improvements. I understand totally what you are saying but the reality is there is still going to be some cost savings there that could in fact be used to justify doing some of it.

President Goldfarb commented, not to be pessimistic about budget, but Chair Epperly is right about savings dollars in terms of additional towers, but there have been no dollars for additional cooling towers. The reality is that we would like to convince the state that they are saving dollars, but they have not been putting those dollars in to even be saved. We are not seeing dollars to support the needs. The chiller we are working on over in Horrabin Hall is being rebuilt by building the replacement parts ourselves.

Vice President Thompson added that the repair is not working real well on the 38 year old chiller. We are not convinced that when we try to start that chiller up next spring that it is going to be cooling the building. We will have to bring in from the outside some type of temporary chiller to keep that building cold. Needless to say, that is not one of those cost effective options and it is also pretty unsightly. You have something on a big trailer sitting outside. This is not like a little air conditioner; you have big tubes going from the unit into the building.

Trustee Houston commented he had one of those sitting at one of the bank facilities since last March and just got moved in August.

Vice President Thompson asked if he would like to loan it to us.

Trustee Houston stated you would not want to pay for that, either.

Trustee Ehlert complimented Joe and Julie for an outstanding job in preparing materials for the Board ahead of time and written in a way we can understand. The questions have been minimal about the status of the current year budget and the recommendations. We appreciate the work you are doing.

The members of the Finance Committee agreed to support passage when presented to the full Board for action.

Purchases of \$100,000-\$500,000 Receiving Presidential Approval

Vice President Thompson stated these are items since the June meeting. There are some that are FY2006 purchases that are end-of-the-year purchases. The remainder of the purchases are for FY2007, and at this time of year we have a lot of our continuous orders for the entire fiscal year. You see a lot of that on this list, such as fuel for campus fleet and as well as a lot of maintenance agreements. This is the time of year when we have a larger number of orders.

Trustee Houston commented he noticed items in terms of contracts with plumbers and pipefitters. Can you explain those. Are those in addition to the cooling system expenses we have had?

Vice President Thompson stated the contracts are for work our plumbers and pipefitters are not experts in doing. We have plumbers and pipefitting employees in our heating plant because it is a steam powered heating plant and it takes a lot of plumbing and pipefitting duties to keep it running. We contract to have some of the other campus maintenance work done because our employees do not have the expertise in that area—like the steam tunnel construction, for example, and certain other maintenance jobs.

Trustee Ehlert commented that one area that caught her eye was related to automotive fuel for \$200,000+.

Vice President Thompson stated WIU bids fuel for the campus fleet and then it is delivered to campus and stored in tanks. We have underground tanks that store fuel for all of the fleet and off road vehicle needs. At the golf course we have some tanks to take care of all the golf carts and their vehicles, and also on the farm. We try to centralize the bid because it really helps those smaller areas to go in on our master bid.

Budget and Financial Data for the Period Ended June 30, 2006

Vice President Thompson briefed the Board on FY2006 year end report. It is really the data as of June 30 and then we close the books in mid-August. Our year-end went very well this year both from our Purchasing and Business Office positions. We are heading into FY2007, so in some ways we can walk away from FY2006 and move right into FY2007.

Joe Rives added that on the appropriated side, revenue was up \$1.2M from what you had approved in the all funds budget last September for that fiscal year. The reason for the increased revenue was due to higher retention as we reported, higher summer enrollments and higher interest income rates.

Expenditures as planned were higher in terms of personal services. You will remember that our controlled growth plan allowed for staffing of the First Year Experience and enhancements to Western Illinois University Quad Cities. We have experienced benefits from our efforts. Retention is up. New student enrollment as you will hear from the President today is significantly up in the Quad Cities, and we are pleased with that.

Expenditures for utilities were up 22%. The good news is, if there is any good news, nationally according to the HEPI utility expenditures are up 27%, so I think some of our use of coal and other things are paying dividends for Western Illinois University. As you read the report you will see as Vice President Thompson was referencing that we are in the lapse period for expenditures in the placement of funds into university reserve account. Basically, what is going to happen is we have a bunch of unpaid bills that we had not received the receipts for yet, so that \$2.7M balance that you see is what we need to pay off. As Jackie had said, we are moving ahead strongly.

Vice President Thompson stated much of the report has changed since that mid-August cut off date, but you do not see that reflected on this report.

Report on Investment Activities

Director Ron Ward discussed the performance of the portfolio and new reporting format. During the quarter ending June 30, 2006, our earnings were \$877,000. That is at a rate of 4.5% for the portfolio as a whole. Our benchmark for that quarter is 4.7%. Year to date through June 30, 2006, we have earned \$2.6M at a rate of 3.33% and the benchmark is 4.10%.

As you look at the quarterly numbers moving back into this time last year, during this quarter we earned \$412,000 for the quarter, and the year before in the quarter compared we earned \$107,000. That was at a rate last year of 3% and then the year before .7%. That basically reflects what has been going on with the Federal Reserve Board over the last two years. They have raised interest rates about 17 times a quarter of a point each time. Since our last meeting, they have raised the rates one more time and then stopped in the August meeting, so that will have some implications for us moving forward. Most of the economists are saying they are going to stay flat or prepare for a flat/lowering rate environment.

This meeting we are presenting a new format with our report. In the past, we have been giving you a real detailed report of all the investments. It was hard to read. We are going to continue to give that to you, but we have added a summary sheet on top of that on page F32 in your book. The summary sheet is a look at the quarter to date going back three years, we are going to look at the fiscal year to date going back three years and then we are going to look at the investment types on how the mix looks for the last three years. This particular report has fallen at the fiscal year ending June 30.

Moving forward, this thing will become kind of a year over year looking at quarters based year over year for the last three years, so when we look at the next one, we will be looking at quarter to date through September and then fiscal year to date through September, so we will be just looking at three months but looking at it three years back.

Ron Ward responded to questions from trustees.

Trustees complimented Ron on the new format and summary page.

Listing of Approved Depositories

Vice President Thompson commented that since the writing of this report, the Metro Bank is now renamed The National Bank. We are basically notifying the Board of a change of the name.

Director Ron Ward stated this is just a routine report each year. We try to show you the depositories that we are doing business with that are approved for our use in depositing and investing funds. Recently, we have added the First Midwest Bank and the Metro Bank as the Quad Cities banks and trying to branch out a little bit up there.

Report on Income Producing Grants and Contracts for the Fourth Quarter

Vice President Thompson said that she and Director Beth Seaton would gladly answer any specific questions about any of the items in the report. Director Seaton has the knowledge about a lot of the grants that goes to her office and I can probably help on a lot on the contracts.

Trustee Houston commented the soft drink contact is a bid item for those that may not be aware of it. Some universities and colleges across the state a few years ago had a problem with the way that was being handled. It has always been bid here to the highest bidder.

Vice President Thompson stated this is a new bid that was done this summer.

Trustee Houston commented that as we deal with the budget items, it can be a very gloomy type of picture and, again, for everybody that is working in that area, I realize your frustrations. I realize Al's frustrations in terms of his timing coming to the campus that it was just a disaster from a fiscal point of view, in terms of the finances of the state. I compliment everybody here and encourage you to continue to work with the resources that we have to work with because all things pass. At some point this will pass.

Again, my compliments to everybody that works here because I know it is an extremely frustrating thing and I do not think there is anybody that is more frustrated with it than Al in terms of being constrained by the fiscal restraints that he has had to work with over the last few years. We have made great progress in terms of the campus in a very, very difficult timeframe. My compliments to everyone in terms of the way the resources have been used and the innovations that have taken place to make sure that we continue to do the job that we are supposed to be doing here.

President Goldfarb thanked Mike and said there is no need to apologize for my timing. I was in the State of Illinois already, so it was not anything I did not expect.

Report on Contributions

Vice President Hendricks stated the report in the packet is a look at the gift income by source and type. Along the left vertical axis you see the source of the gift and along the top horizontal axis you see the kind of gift. As of August 17, 2006, the face value of gifts was \$491,096. The graph on page 2 describes the gift income by source, and as you can see the preponderance of gifts were received from alumni, although there were a number of gifts, about 19%, received from corporations and businesses and then from employees, friends, parents and other organizations.

Vice President Hendricks reviewed the comparative analysis. He noted that for the most part we are moving ahead and we are about on schedule, or a little bit ahead. What we are attempting to do is to move from about 11% alumni participation in the area of giving to about 18% in seven years. In order to do that, we have to really begin growing even this year and we did not quite do what we are hoping to do. There is a national trend where we are receiving fewer gifts from alumni, although the average size of that gift is increasing. We still aim to reach 18% or more by 2014.

President Goldfarb observed recently that in the old days, which was only about 10 years ago, 11 or 12% which was our level of participation was considered a peer leader position. But I think the President observed, and rightly so, that our position has slipped and that it is no longer an exceptional level of performance.

The last page is simply a profile of significant gifts that we received. I think I might point your attention to that CQG research grant, GIK, and also the planned gift from the Mabon Estate which continues to come in for our new trustee scholarships at \$130,000. There were a number of other gifts that came in last month.

Trustee Houston had asked if we could give you a year-end report. I have run the numbers back one year because we actually had not been reporting that information.

Vice President Hendricks gave a brief report gift income in FY2006 year end. He noted it was a good year; it was not our best year. It was not as high as the year that we received the Deere donation of

property, but a good year nevertheless. It did not equal or exceed the record year which was in 2004 when we got the Deere property gift, but it was quite close.

Trustee Guzzardo asked if there are ever family disputes after someone has made a large donation and if there are programs to try and resolve that, so we do not end up litigating the case.

Vice President Hendricks stated it has never happened here at WIU and our policy first of all is that where it is legally appropriate and reasonable, we will honor to the letter donor intent. If the donor says that we want the money used for a particular purpose, that is precisely what we are going to use it for. We are not going to waiver and that keeps us out of a lot of trouble. That is the position of the President and it is a strong legal position as well. The second thing is we are also try to spend a lot of time with these donors who are establishing rather complex legal vehicles to make a gift to the university because these are complex matters and in some instances will counsel donors that a particular option may actually be preferable to another because we want not only to acknowledge their particular personal needs for philanthropic aims, but also to maximize the benefit to the institution. If somebody said we would like to establish a scholarship that will honor the Methodist sons and daughters of Schuyler County, well, we cannot do much if there aren't any, and so what we might suggest that is a bit too specific and we need to widen the parameters of the intent. We do not lecture or counsel people. We try not to be too assertive because we want to recognize people. The third thing we do is listen and be sensitive to the potential complexities of the situation. We try to be sensitive and thoughtful.

President Goldfarb stated that WIU has not had problems in his time here and Larry never communicated to me any difficulties. We try to work as ethically as possible. Usually, the issues are if the donor feels you did not follow through in terms of what you promised. It is usually not an estate issue because they usually work that out legally before. It is rare that it is an estate issue, actually, I think in a university environment it is usually about the donor feeling that the institution has not followed through on its commitment. We are usually pretty clear about those issues.

Trustee Houston added that a lot of times when you are dealing with those larger estates they are in a trust and the trustee is going to be carrying out whatever their wishes are, and it is usually the trustee that may be involved in terms of litigating that if you get into a problem.

Trustee Ehlert inquired if the material suggested that we have a firm campaign goal of \$66M.

President Goldfarb stated the material that Vice President Hendricks presented to you showed he is trying to get the endowment up to that level. As we work on our endowment in terms of the campaign goal, we are meeting with the Foundation Board. I think in another week, we are going to have a press announcement at the end of that Foundation Board meeting about a significant gift to the institution that we are hoping that will convince the Foundation Board that \$60M makes sense in terms of a goal. Vice President Hendricks and I have talked about this. If we stay at \$6M a year in terms of our annual fund, we would already be at \$42M in seven years, so it is not that huge of a stretch to move to \$60M. It seems to have caused a little bit of a stir with the Foundation. The dollar amount sounds so large that we have to go back and once again explain how the process works, but I think the gift that is going to be announced may also help tip a belief that Western actually can do that well, if not better.

President Goldfarb and I will go back to the Foundation and get their full cooperation and support and there were some lingering questions about issues because these things are very complex and have a lot of moving parts. President Goldfarb is going to make a presentation at the Foundation Board and we are going to try to flesh out some of the details for them. What we are doing is taking about \$4.5M-\$5M as a baseline annual fund year, multiply that times 10, and that yields about \$45M-\$50M. If we were to get two or three multi-million dollar gifts to support an athletics facility and the Performing Arts Center and

also the College of Business and Technology, then we would be as the President suggested up around \$70M.

We have got another couple of plumb lines which I have shared with you. We want to go from 11-18% participation in terms of alumni donors. Incidentally, by 2014, we would also like the average annual income of gifts and pledges to be double the base year of 4.5, so in 2014 we might be raising annually as much as \$9M-\$10M and that is what we want to do. President Goldfarb feels we have set very aggressive parameters, but I think one of the reasons the Foundation Board was a little hesitant is that the last campaign totaled \$25M-\$27M. It seems like a huge jump but we have also done a very good job over the last five, six, seven years in terms of constant increases in the annual fund. I think it is not a large and we feel it is doable.

General Comments by Vice Presidents

Vice President Thompson reported that the search for a new internal auditor is going well. We will be bringing candidates to campus on September 19, 20 and 22 and it is posted on our website with names of the candidates, their itineraries and also some biographical information. We are ending that search. Also, as you have heard already today, we are heading toward some construction. We are totally moved out of Memorial Hall except for TV Services who will remain there for the duration of construction. If you look due north, you are going to see some steel grids up and that is the new DPS and Property Distribution Center building, which is moving along quite well and I anticipate that maybe by February we will have a grand opening for that building.

Vice President Hendricks stated they went live back in July on the new database and development software system. Vice President Thompson's division helped us, and her IT staff was able to do a total revision and we were successful in getting that project done on schedule July 1 and we went live. It enables us to manage and establish and keep records to measure our performance much better and also to provide a measure of network transparency.

Secondly, a couple weeks ago, the division staff went on a retreat and we talked about three predictors of excellent performance: trust, teamwork and tasks. We had a good time. I hope that we were able to pull the division together even more for maximum performance.

We were asked by the feasibility study report, and the President asked us as well, to begin to constitute advancement councils for each of the colleges and program units and to train these volunteer advancement councils for campaign advocacy and support. We are now presently involved in constituting councils for the College of Arts & Sciences, an augmented one for the College of Fine Arts and also one for the College of Education and Human Services. We are creating a new leadership committee of the WIU Foundation in Quad Cities area. Trustee Nelson, Trustee Ehlert and Chair Epperly and others have been involved in helping us to do that. We have made a lot of progress.

We are also identifying and recruiting a national advisory group and a lead group of distinguished alumni leaders to review and promote the President's strategic agenda for WIU. President Goldfarb has been able to enlist about 18 people for that and we will be meeting next year in Chicago.

We are crafting a broad university case for institutional support and I have asked John Maguire, our Associate Vice President for Public Affairs, to constitute a campaign communications task force with Kristin Dunstan and they are going to be creating the materials for a case promotion. We are also involved at the alumni association level.

Amy Spelman, our new Alumni Director, is involved in implementing a best practices plan for the Alumni Association. We are looking at the very best practices around the country for comprehensive alumni programs and she is working closely with her board to implement that. We are going to be enlisting some support through a consultant. We want to take this program, which was outstanding, to the second power.

We are going to spend the next several months in campaign preparations and, hopefully, make that report to the WIU Foundation Board next weekend and seek their support.

Chair Epperly asked about the Board thanking donors. Our consultant at the last meeting recommended that the Board be involved in thanking donors. He asked Vice President Hendricks how he wants the Board to be involved in that process. Perhaps in November you could give us your thoughts on that.

Vice President Hendricks indicated he will work with President Goldfarb on that. President Goldfarb usually makes the initial thank you, but we could certainly enlist you in that. I do not think the Board needs to be involved in gifts below about \$100,000. I think the trustees are the distinguished Board of the University and if you are in a partnership to steward these donors, you probably want to target donors that are very, very high, but we can make that work and I will present that to you next time.

Trustee Nelson added we should do it as well for grants where you have a faculty member that gets a grant of "X" amount of dollars. I think it is possibly a way for the trustees to thank someone for the hard work they do. President Goldfarb commented that he and the Provost currently do congratulations letters to faculty members on grants. We can explore that as well.

Vice President Hendricks commented the website is a very, very difficult project. We have finished all of the front door first link pages. We are now working on the second and third floors down from each one of those. The College of Business is totally complete. I think Student Services is complete. Our particular area is complete and up and running. We are still working with the Colleges of Fine Arts, Education and Human Services and a couple of other areas. We have had to re-assign the project manager on this project. I have asked our Associate Vice President for University Relations, John Maguire to take personal responsibility for the final phase. The final phase will be completed toward Christmas. We are going live already but we are trying to get more buy in from faculty because this is a very complex project. John and Kristin are now involved in reviewing the web page and seeking additional feedback from each of our principal public constituencies. They have been at that for quite some time. As I say it is both a technical and diplomatic challenge and we are going to make sure that at the end of process on January 1st, that everybody will be very happy, not only with the technical side but also with their sense of participation.

Chair Epperly asked about the Presidential Scholarship drive and commented he feels it was an outstanding idea.

Vice President Hendricks noted the President came to us a long time ago and said we need mini-campaigns for particular kind of programs. We all know that there is a tradition of scholarships at WIU. The other thing that forced us is that Janice Owens reminds us that we do not have enough money to support all our young people who need assistance due to the rising tuition costs and the things that Joe Rives said about the cost of paying for education. I am very happy and pleased to report to you that we have I believe 70 gifts as of today in excess of \$29,000. We will meet later this semester to determine how we are going to use that chunk of money. The other thing is the annual fund calling team will start calling alums next week and will call for two and a half weeks just reminding people that the President sent this appeal and we hope that you will find a way to respond. It has been a guarded success. I know

Dr. Goldfarb, and all of us, would like to see more money for scholarships and we are going to stay at this until it becomes a significant appeal.

There being no further business to come before the Board, a motion was made and duly processed to adjourn the meeting of the Board at 10:02 A.M.

William L. Epperly, Chair
Robert J. Cook, Secretary
Kerry L. Yadgar, Administrative Assistant to the Board

WESTERN ILLINOIS UNIVERSITY BOARD OF TRUSTEES

November 10, 2006

ACADEMIC AND STUDENT SERVICES COMMITTEE Meeting Summary September 8, 2006

Agenda items:

1. **Approval of June 2, 2006 Academic and Student Service Committee Meeting Minutes.** The minutes were approved as presented.
2. **Housing Deposit.** Vice President W. Garry Johnson proposed the housing deposit be increased from \$50 to \$100. He stated this amount has been the same for approximately 10-15 years. He responded to questions from trustees.
3. **FY2007 Tuition & Fees Report.** Assistant to the President Joe Rives presented his benchmark report on tuition and fees. He responded to questions from trustees.
4. **FY2006 Performance Report.** Assistant to the President Joe Rives stated WIU is at about 2/3 performance but would clearly like to push 100%.
5. **General Comments by Vice Presidents.** Provost Rallo commented on four topic areas: second year of first year experience; nursing task force; bargaining team for new faculty collective bargaining contract; and October 15, 2006 is the deadline for academic deans to present their recommendations.

Vice President Johnson commented that the orientation program went extremely well and opening went pretty well with the exception of a student death. Vice President Johnson introduced the following staff: *Eric Campbell*, Director of Admissions; *Mary Margaret Harris*, Director of Beu Health Center; *John Biernbaum* ("J.B."), Assistance Vice President; *Tara Miller*, Director of Disability Support Services; *Ann Comerford*, Interim Director of Student Activities; and *Rich Moreno*, Advisor to the Courier.

6. **Motion to Adjourn.** The meeting of the Academic and Student Services Committee adjourned at 10:50 A.M.

WESTERN ILLINOIS UNIVERSITY BOARD OF TRUSTEES

November 10, 2006

ACADEMIC AND STUDENT SERVICES COMMITTEE Meeting Minutes September 8, 2006

Committee Members Present: Trustee Donald W. "Bill" Griffin (Chair), Trustee Robert J. Cook, Trustee Carolyn J. Ehlert, Trustee Blake E. Antonides, Trustee George J. Guzzardo, Vice President for Student Services W. Garry Johnson and Provost and Academic Vice President Joseph C. Rallo.

Also Present: Trustee J. Michael Houston, President Alvin Goldfarb (*Ex-Officio*), Trustee William L. Epperly (*Ex-Officio*), Trustee Steven L. Nelson, Legal Counsel Bruce J. Biagini and Administrative Assistant to the Board Kerry L. Yadgar.

Guest Speakers: None

Trustee Bill Griffin, Committee Chair, called the meeting of the Academic and Student Services Committee to order at 10:11 A.M. on the campus of Western Illinois University - Macomb. He welcomed everyone to the committee meeting.

Approval of June 2, 2006 Academic and Student Service Committee Meeting Minutes

The minutes of June 2, 2006, Academic and Student Services Committee Meeting were approved as presented.

Housing Deposit

Vice President W. Garry Johnson explained that basically they are proposing in housing and dining to increase the deposit from \$50 to \$100. It has been \$50 for probably 10-15 years and has not been increased. Most of the other institutions around the state have, in fact, increased theirs. Again, housing tends to be one of the best indicators of what our student population will look like come fall semester. Obviously, in the course of 15 years our processing costs have increased significantly in terms of our housing operations. We are proposing that it be increased from \$50 to \$100; \$50 of that remains as a processing fee and \$50 is refundable if the student does not come to Western. We would propose that the Board approve our increase at this point and time.

Trustee Nelson asked if \$50 would cover the costs. Vice President Johnson commented he does not know if he could say that, but we feel like going from \$50 to \$100 is a fairly significant increase. I think over the course of the next couple years we probably will look at it more frequently than every 15 years, so we think that we will have a better handle on that over the course of the next couple years.

In response to a question from Trustee Cook about the percentage of students at WIU who live in the residence halls, Vice President Johnson stated that the national average is about 25-30% in terms of on-campus students to total campus population. Just in terms of raw numbers, our numbers have been pretty significant over the course of time. So, yes, we have a large population. Again we require first and second year students to live on campus in residence halls. It is very important that we keep students in because we provide them with environments that help them be successful.

Trustee Guzzardo inquired about the number that live on campus for the first two years that are required. Vice President Johnson stated that they have about 5,000 that live in the residence halls. Right now, I guess we are about 4,700, but we have our apartments and they really do not count the same way. We are at 45%.

There was discussion between Vice President Johnson and Trustee Guzzardo regarding on residence hall renovations since they are 40 years old. Student success is the key for residential halls.

Trustee Cook inquired about the numbers staying consistent. Vice President Johnson stated the numbers are pretty similar and maintained the same percentage of our population. About 90% of our freshmen are in the residence halls and most of the second year except we allow some students to live in fraternities and sororities if they have a release to do that. Occupancy is pretty full. We are working now on single rooms and getting some of those things sorted out. It takes us a month or so to get everything sorted out to get everybody where they want to be. We are in great shape!

The members of the Academic and Student Services Committee agreed to support passage when presented to the full Board for action.

FY07 Tuition & Fees Report

Chair Epperly had asked us to benchmark tuition and fees at Illinois public universities and elsewhere. To begin the report, we look at new freshmen and we did limit our analysis to Illinois public universities and the reason for that was 94% of our new freshmen are from Illinois, so we captured the majority in the analysis. What the data show is that Western Illinois University for new freshman this fall paid the 6th highest or 6th lowest, depending on how you want to look at it. Our tuition is right in the middle. Again, as I said this morning, you approved an all funds increase at 7.4%. That was lowest in the state. It ranged from us to a high of 21.6% at the University of Illinois – Springfield to an average of 12.4%.

As we looked at the data, we also looked at the Quad Cities tuition and this reconfirms some facts that we had speculated. Specifically, St. Ambrose has significantly higher tuition than Western Illinois University Quad Cities--at a rate of 3:1. As we looked at this data, it reconfirmed what the consultant's report said that students in Iowa are not aware that they can cross the river and get Illinois in-state tuition.

Trustee Cook commented it is our fault - isn't it? President Goldfarb commented we are working at it. Vice President Hendricks has talked about a marketing campaign that will be used. It's frustrating as a staffer because you feel like you say it 6,000 times but somebody only needs to hear it once.

Trustee Cook stated it is very important, because you have Iowa and Missouri county students who could enroll.

Trustee Ehlert commented St. Ambrose will say in the community that they have scholarships so that no student will be turned away. I do not know exactly what that means but we need to take that into consideration, too.

Dr. Rives added, as you will see from the report, we have significant percentages of students who receive federal, state and/or institutional financial aid. When you look on page 4 of this report, you will see we serve a significant percentage of low income students. There are four different measures that are given to you and in each we are in the top half. We talk a lot about affordability and access to our students and you can see that we really do serve a niche market. As Trustee Ehlert was just alluding to, there is a difference between the published sticker price, that is what these comparisons are based on, and the net price, or what students actually pay after receipt of financial aid, scholarship and/or work. With your concurrence, the Office of Planning, Budget and Institutional Research would like to do a net price study for both Macomb and the Quad Cities to find out what the students are actually paying in terms of out-of-pocket expenditures and look at it, as Trustee Houston has reminded us several times in the past, to look at financial aid, scholarships and look at work and sources of funds. If we could get to it by November, but if not, definitely for March, we would also like to benchmark against the Illinois Public Universities and work with institutional research offices across the state, so we can again look at what is the actual out-of-pocket expenditure to students and how do we at Western compare to the other Illinois Public Universities.

We also have a really good working relationships with Augustana College and I imagine we can work with them to compare what actually students pay at Augustana. We do not have that same relationship at St. Ambrose, so I do not think I will be able to get that comparison.

Trustee Ehlert commented that information would be very important; having that net asset price in the request for donations in the Quad Cities to support a riverfront campus. That is information that is not known generally and I think it would be very helpful in those discussions.

Discussions continued about room and board and out-of-state students. President Goldfarb stated there is a billboard on the Iowa side in the Quad Cities with the campaign slogan, "Live in Iowa, Learn in Illinois, Love the In-State Tuition.", placed near one of our competing campuses. President Goldfarb stated the real question is convincing people it is worth it. We have created marketing strategies for this.

FY06 Performance Report

Assistant to the President Joe Rives discussed the performance report. The performance report is Western Illinois University's annual contributions to the statewide strategic plan for higher education. Again, it is the story of how we are using Higher Values in Higher Education to advance both ours and the statewide institutional goals and priorities. As you may recall, in Spring 2005, all campus governance groups on both Western Illinois University campuses endorsed the use of 37 quantitative performance indicators for reporting back to you and you had approved this methodology. I encourage you to turn to page iv of this report to see those 37 performance indicators. As you look at this table, you will see that four of our actions that we as a campus defined are completed and maintained. Those four are pretty powerful ones, achieving alumni satisfaction ratings of above 90% in 8 domains in the academic experience. Also you will see that we are maintaining structural and administrative costs below the statewide average and achieving our fiscal internal reallocation targets. It is really amazing when you look at this grid and think about this grid that 25, or 68%, of the university's performance indicators are showing progress or maintaining from the previous fiscal year. Again, it has been a challenge because of the fiscal circumstances that we have been living in for the past three years.

There are some factors though that went the opposite way, or the way we do not want them to go. Some of those are within our institutional control and some are not. As you look at these, you will see there has been some movement down on the ACT side and I know next meeting that there's going to be an admission benchmarking report. The Admissions office will talk about new strategies to achieve an aggressive market there. We had the grants and contracts report earlier today in the Finance Committee.

As you study that data, you would see state and federal agencies are not granting out as much, so there is challenge. Another decline is the deferred maintenance. Again, as you heard Vice President Thompson say, it has been three years since we got money from the state. Those are not excuses. Those are circumstances we are up against. We continue to develop institutional action strategies that I anticipate we will be very successful in them, because 2/3 of those performance indicators are moving ahead.

President Goldfarb pointed out the institution does commit to these indicators. In terms of WIU - Quad Cities' enrollment, we spent all of last year working on that as an issue, actually using an executive team. The Provost, VPSS and I were involved to indicate how significant that was and we have seen a reverse trend there.

In terms of civil service salaries, we have done our equity review this year, and again I think we will see a reverse trend there as well. Just to point out, we do really look at these and use these pretty carefully in terms of trying to move the institution along even though we could probably rest on 2/3 success. We clearly want to push to 100% success. Joe Rives commented that his obsessive compulsive behaviors on measuring these are pretty insane. He wants to make sure we get to 100% success. In this report, there are many accomplishments and I just pulled out some highlights that I would like to share with you in the report.

As we look back on the past year, it is hard to believe but we did receive planning money for both the Performing Arts Center and the Quad Cities campus. The report itself talks about many new academic programs. It is hard to believe that forensic chemistry for example is only a year old. We continue to advance P-20 partnerships with the creation of the Center for the Preparation of Educational Professionals. We began offering doctoral coursework. We are recognized nationally in many, many forums including being named a top tier institution by *US News and World Report* a best Midwestern College, National Best Value by the *Princeton Review*, a best practice institution by the Illinois Board of Higher Education for the first year experience, and a national best practice institution for the retention of low income and first generation students by the Pell Institute. A lot of construction is getting ready to go or is in progress. The Multicultural Center was discussed earlier this morning, as well as the expansion to the Spencer Recreation Center and the renovation after this season of the student section of Hanson Field.

Trustee Guzzardo asked if they decided on a location for the Multicultural Center. President Goldfarb commented the architect's expectation have recommended the site currently where Casa Latina sits in that area on Murray Street. We are also still waiting to hear from the master planners as well, but we want to make certain that this is tied together.

Returning to last year, there was significant improvements in the National Survey of Student Engagement and actually what I am going to do for your next strategic plan update is summarize that for you and do a special report on that. As the President just mentioned, we implemented a market salary equity program for all non-negotiated staff and we also gave a 4.5% salary increase for all university employees. We established the new Board of Trustee scholarships that Vice President Hendricks talked about. Lastly, we completed Western Illinois University - Quad Cities Riverfront Campus Master Plan.

In this report you also read about many of the institutional plans for the coming year. Again, I just want to pull out a few examples. That includes partnering with local healthcare industries and educational institutions to develop a nursing program at Western Illinois University - Macomb, implementing new degree programs in telecommunication, emergency management, expanding your Board of Trustee scholarship program - remember we started with 10 this year and next year we will have 20 recipients building to 30 and on to 40, and preparing for the new comprehensive campaign, continuing to support our campus theme program "Global Challenges and Personal Responsibilities in the Area of Cultural Diversity" this year.

Many of our academic colleagues are going to be really busy with discipline-based accreditation over the coming year. You read of several, including history teacher education and school psychology. We will finish the Western Illinois University - Macomb Master Plan. We are hoping to bring that back to you in March 2007 pending endorsement by our governance groups. Because of yesterday's announcement by the Governor, I know many of you did not get the opportunity to talk with Goody Clancy. They are running some visuals for you now and we will get those to you, and then if you would like to have a teleconference with them, I will be more than happy to arrange that with you. Sorry you did not get to see them while they were here, but it was just the way things shook out. We will also continue to promote environmental sustainability. Vice President Thompson and myself are chairing an institutional committee looking at sustainability and it has just been phenomenal to watch that committee grow and grow and grow. We just offered to the campus a first meeting with 7 and now we are 30 and looking for a bigger meeting room. Vice President Thompson commented it is also great to see the excitement of the people on the committee and what they have already done.

Finally, as you read this report, this was benchmarking deluxe, so Chair Epperly, you must be happy today. I really want to thank the Office of Planning, Budget and Institutional Research. It took all of us to pull this off, but what the campus governance groups had endorsed and you had approved was the use of peer groups. Remember those were institutions slightly ahead of Western in different rankings, so they could be our stretch goals. We also compared faculty and administrative salaries to the Western-UI agreed-upon school list and then we also compared civil service salaries to those we used in our market equity program, specifically institutions south of I-80, including Northern Illinois University.

The report this year is incredibly long. It is 42 pages. I think next year we will do a data appendix, so you will have the report and then you will have the data appendix. We are really using the data on campus. There's a variety of institutional committees and task forces who will use this data and we will share it with the governance groups. We will look at what the schools ahead of us are doing and ask ourselves is this what we want to do at Western, is this adaptable to Western, or is this something that we do not want to do at Western. There are a lot of lessons to be learned and speaking on behalf of my office, we will be championing and bird-dogging people to really think about that data, so it just does not sit on a shelf.

Trustee Griffin thanked him personally for an excellent report. He told Joe it was not necessarily bedtime reading, but it is good stuff.

General Comments by Vice Presidents

Provost Rallo stated we have started a great fall semester. We had a busy summer which I am going to summarize briefly in four topic areas. The first one was we are beginning our second year of the First Year Experience program, a partnership between Academic Affairs and Student Services. "Class Matters" is the book that was selected, and I believe every board member received one for you to cherish forever. It is a good book and a good choice. We have 109 sections as of this morning. We have 21 out of the 40 departments that are involved, as well as 70 different faculty members, so that task force under Judi Dallinger's leadership and others, is doing very, very well. We believe that this will be part of our retention statistics. We cannot say it is causal right now, but as retention is going up, we are hoping that obviously the First Year Experience program is contributing to that.

The second is that I met yesterday morning with the nursing task force to continue that process. Our current partners include Spoon River, Graham College of Nursing, and McDonough District Hospital. We have added on since then Carl Sandburg and Blessing-Rieman. We reviewed the feasibility study from the consultant. We see a lot of energy and a lot of synergies. We are on track with respect to what

we can do in terms of presenting the curriculum to the Faculty Senate and getting it through that process. The only bump, and I will have a better sense of that by December, is the Nursing Standards Board, which according to the nursing colleagues they are less than responsive in terms of getting things back and forth. I will have a better sense of our timeline in December when we meet again, but everything is on track, the partnerships in particular.

Third thing, the President will be announcing the bargaining team for the new faculty collective bargaining contract. I assume they will probably start in mid-September with negotiating with an end date of next summer to have the new contract.

Finally, on August 1, 2006, as the President alluded, we met in the Quad Cities for a retreat and set the 15th of October as the deadline for the academic deans to present their recommendations on new programs, enhancing programs, as well as placing programs on a watch list, so that we can move much more aggressively to our goal of 3,000 students and imbedded in there is a bachelor's of liberal arts and sciences, as well as initiatives from the College of Business. I will be able to report back to you in November a much tighter framework in terms of what we are going to be offering.

In closing, let me apologize for having slowed down. I think most of you know I have been reassigned to Alabama for Reserves, so I have taken on some of the cadences of that area.

Chair Epperly inquired about the foreign language requirement. Provost Rallo stated we are in the process of either a cross-cultural or foreign language requirement. A graduation requirement would be one option or another option would be as part of our general education. Faculty Forum is September 26, 2006 at 3:30 P.M. in the Capitol Room to get a discussion on this matter started.

Trustee Ehlert commented on the book that was chosen for the first year experience this year "Class Matters." Thank you for distributing it to the Board of Trustees. I read that book from cover to cover because I really got drawn into it. I thought it was an excellent choice, well-balanced, and should provide conversations that will allow our students to really be useful for them in their lifetimes. Provost Rallo said he appreciated hearing that. It is a collective process of a number of people suggesting and debating. I think the book was a great selection this year.

Trustee Cook stated he was the second trustee that read it. He echoed it was an excellent book.

Trustee Antonides inquired if there were any strong student reactions to the book. Provost Rallo deferred the question to Judi Dallinger. Judi Dallinger stated not in particular but she knows that lots of FYE classes are using it. We have had freshmen say that they did not receive the book this summer, but we know that 99% of the students did.

President Goldfarb commented that we are using an assessment tool for FYE where we survey the students. I know that it is part of the survey and so we will be able to report back on how the students perceive the book, if it is used and their responses.

Vice President W. Garry Johnson commented on joint partnership with the day and a half orientation program for the summer; it went extremely well. Thanks to Tracy Scott, who is the Director of Student Development and Orientation, and Judi Dallinger from the Provost's office, and Tom Sadler, who was our faculty member this summer. I think they worked very well to provide a great opportunity for our students and parents to become adjusted to the notion of being away at college, so we are very excited about that.

Our sprinklers are up and running and seem to be doing fine. Lincoln-Washington will be the next two residence halls sprinkled, and then Olson at the same time as well. We are trying to expedite that process as much so we can to move ourselves through sprinkling exercise and get done as quickly as possible.

Opening went pretty well, with the exception that we had a young lady die as a result of a diabetes incident. Obviously, that is very sad and staff are obviously involved in working with families and other students that are involved. Just sitting here when Joe was giving his report, I was paying attention but I had three e-mails saying that three parents of our students have died just over the course of today or last night. Our staff works with those students to get them to wherever they need to go to take care of all whatever they have to take care of in helping those students with their grief and trauma that happens as a result and with classes and all kinds of things. Unfortunately, that is not uncommon. We usually do not have three in one day, but throughout the course of the year, we have multiple family deaths that our staff tries to address and deal with to get students back in class and do what they need to do.

Over the course of the last year, we had a number of staff leave or retire in the division of Student Services. We have hired some new folks and I have asked them to come today, so you can see them for the first time.

First, *Eric Campbell* is our new Director of Admissions. Eric comes to us from Dominican University. We are excited to have him on board. Look forward to working with him as we develop our admissions program over the course of the next few years.

Pat Sartore retired and *Mary Margaret Harris* is the new Director of Beu Health Center. Mary Margaret has been the Director of Public Health in Macomb, so we have great relationship with Public Health and tying the two together. Mary Margaret has taken the lead for the community on dealing with pandemic planning and has taken the responsibility of working with that with the university. We are excited about her coming in with the skill set and feel we are served extremely well.

John Biernbaum (“J.B.”) is not here today. He is actually at the State Housing Directors meeting in Champaign. He is the new Assistant Vice President who is doing part of Kathy Cavins’ position. We waited a year to figure all that out in terms of how we were going to do it. J.B. has come up in the system. He has been our Rams point person for the whole time the Rams were here. He has done a great job for us, so we are excited that J.B. accepted that role in the division of Student Services.

Tara Miller has been here since last January. She had to leave, so one of these days she will actually show up when I introduce her. She was here earlier but we did not get to it. She has been the Director of Disability Support Services and is in her second semester, but has done an outstanding job and we are very pleased about that.

Ann Comerford is the Interim Director of Student Activities. Dan Maxwell left late this summer and Ann has agreed to step into that role and has done a great job for us and has done a great job as the Associate Director. I am thrilled that she was willing to accept that challenge.

A couple of things, our athletic programs are off and running. Some of us will go to Wisconsin to see our football team play the Badgers tomorrow. Our women’s soccer team has had the best start ever. They were 4-0 and finally lost one game to Graceland College, which is where their former coach came from, so I am going to have to talk to him about that. That aside, they have done very well. 4-0 is the best they have ever done to start. The men’s team are 3-1 the last time I checked and they are doing very well as well. They have been in the NCAA Regional playoffs twice so this will be their third opportunity. They will do very well. We are very proud of our athletes. Last spring their average GPA for the first time as a group was higher than the all school average for students. We are very excited about that and they

continue to do very well. Lisa Melz and the coaches are very much committed to making sure their athletes perform very well in the classroom as well as the fields, courts, pools and other places that they do their things.

One other person that is here I think is *Rich Moreno*. Rich is the new Advisor to the Courier and comes to us from Nevada, and he thinks Illinois is much finer place, no doubt. Rich has great experience and is also on the faculty as well. He teaches in Communications. He has been the former editor of Nevada Magazine and if you had a chance to look at that, it is an outstanding publication, so he will bring great background, great skill and great support to our students that work in our student publications.

This is Moms' Weekend, so there will be a plethora of moms running around campus. This is also Balloon Rally weekend, so they try to tie it into that. Karolynn Heuer and her staff in the Student and Parent Assistance Center have done an outstanding job at that. Ann and her staff are getting ready for Homecoming, which is not too far away. Folks are busy and things are going well. I appreciate the opportunity to report.

Trustee Griffin announced there will be a group photo taken in the Prairie Lounge. I would like to say, and this extends to the audience as well, there is an excellent art exhibit on the south wall in the Prairie Lounge. You may wish to take a look at it.

There being no further business to come before the Board, a motion was made and duly processed to adjourn the meeting of the Board at 10:50 A.M.

William L. Epperly, Chair
Robert J. Cook, Secretary
Kerry L. Yadgar, Administrative Assistant to the Board

WESTERN ILLINOIS UNIVERSITY BOARD OF TRUSTEES

November 10, 2006

Minutes of the Meeting September 8, 2006

The meeting of the Board of Trustees of Western Illinois University convened at 10:50 A.M. in the Capitol Rooms of the University Union, on the campus of Western Illinois University – Macomb. Trustee William L. Epperly, Chair, presided.

The following trustees were present to answer roll call:

Trustee Blake E. Antonides
Trustee Robert J. Cook
Trustee Carolyn J. Ehlert
Trustee William L. Epperly
Trustee Donald W. “Bill” Griffin
Trustee George J. Guzzardo
Trustee J. Michael Houston
Trustee Steven L. Nelson

Trustee Epperly moved to convene the Board to Executive Session to consider personnel, legal, collective bargaining and other such issues as are covered by Section 2.c. of the Open Meetings Act with plans to reconvene in open session at approximately 12:15 P.M. Trustee Houston seconded the motion.

Roll Call

Trustee Antonides	Yes
Trustee Cook	Yes
Trustee Ehlert	Yes
Trustee Epperly	Yes
Trustee Griffin	Yes
Trustee Guzzardo	Yes
Trustee Houston	Yes
Trustee Nelson	Yes

Motion carried. The Board convened to Executive Session at 10:55 A.M.

Following Executive Session the Board reconvened in open session at 12:10 P.M.

The following Trustees were present to answer roll call:

Trustee Blake E. Antonides
Trustee Robert J. Cook
Trustee Carolyn J. Ehlert
Trustee William L. Epperly
Trustee Donald W. “Bill” Griffin
Trustee George J. Guzzardo

Trustee J. Michael Houston
Trustee Steven L. Nelson

Also present for the open meeting of the Board of Trustees:

President Alvin Goldfarb
Legal Counsel Bruce J. Biagini
Board Treasurer and Vice President for Administrative Services Jacqueline K. Thompson
Administrative Assistant to the Board Kerry L. Yadgar
Provost and Academic Vice President Joseph C. Rallo
Vice President for Student Services W. Garry Johnson
Vice President for Advancement and Public Services Daniel L. Hendricks

Advisory Group Representatives present:

Student Government Association President – Macomb, Bridget Early
Faculty Senate Chair – Macomb, Steven Rock
Council of Administrative Personnel Vice President – Macomb, Schuyler Meixner
Civil Service Employees Council President – Macomb, Rick Williams

REVIEW AND APPROVAL OF JUNE 2, 2006 BOARD MEETING MINUTES

The minutes of the June 2, 2006 Board of Trustees meeting were approved via unanimous roll call vote of the Board.

REVIEW AND APPROVAL OF JULY 6-7, 2006 BOARD RETREAT MINUTES

The minutes of the July 6-7, 2006 Board Retreat were approved via unanimous roll call vote of the Board.

CHAIRPERSON’S REMARKS

I want to thank Trustee Houston and Trustee Ehlert, two past chairmen that are still on our Board for their class and dignity over the years. Trustee Ehlert “was” retired and now back working fulltime for Deere. Just FYI – everybody is now working with United Way in the Quad Cities area. I want to thank them both for what they have done in the past with their outstanding accomplishments.

Board Retreat was held in July. The Board asked Trustee Antonides to compile some roles and responsibilities of the student trustee. The following topics were discussed at the Board Retreat:

- committee of the whole proposal
- trustee in residence program (2 times/year – 4 hours each)
- thank yous to major donors
- second student trustee
- Central Illinois Mayors group
- members provided political event dates
- compile list of WIU friendly people politically connected
- prospective board members – send a letter and discuss it with the Governor and present one or two names
- aware of any political legislation that is of any benefit or detriment to WIU before it is passed and enacted, proactively work with our legislators and present our case.

Since the June meeting, we have seen so many positive things happen. I am very proud of the people here at Western, as follows:

- President Goldfarb went to China by invitation.
- Provost Rallo is in the final five (and that is not the NCAA) for presidency at Emporia State University.
- Joe Rives was invited to speak at convention in Atlanta, Georgia and attended Moline Rotary.
- I am a tree bug so I have met with Tom Greene several times. Tom is a fine tree expert and well known throughout Illinois. He has inventoried the PGA Golf Tournament. He worked at Medinah golf course advising them on their trees. He worked at the former place that I belonged to in Ivanhoe Country Club which is a truly outstanding club. Then I find out that he has been involved with over 35-40 programs throughout the State of Illinois.
- Mid-Con Conference – Al is President and Tim Van Alstine is Chairman of the A.D.(s); Tom Cody is Chairman of the Faculty Reps.
- The geographic information systems (“GIS”) Center held a joint meeting with the county, city and WIU.
- *US News and World Report* ranking and *Princeton Review* ranking are so complimentary.

I am pleased with pro-activity such as the Presidential scholarships. Charles Darnell has headed up a 5 university energy consortium. Interactive learning fee of \$30 has brought in \$300,000.00. Fee with applications brings in approximately \$250,000.00. New student orientation fee is \$30 with plans to increase. I attended convocation and was very impressed by all the attendance. Phyllis Self announced to Chair Epperly the library will be opening a coffee lounge that will be customer friendly.

In June the Board had several professors from the Quad Cities question a couple of things we were doing in our reporting process which turned out to be Illinois Board of Higher Education requirements. Chairman Epperly encourages people to ask questions and challenge the Board. The reports now have been changed by Joe Rives and are more user friendly with graphic displays, trends and relevant ratios.

Environmental issues need to be addressed in terms of recycling and sustainability. I have challenged SGA President Bridget Early from the student stand point to get involved. I am a stickler on beautification and trees.

Congratulations to Brad Bainter and Amy Spelman on their marriage! I congratulate Trustee Houston on insisting we spend \$20,000.00 per year on university residence improvements. The residence represents the campus and this needs to continue with the level of entertainment that the President holds.

I have appointed Trustee Cook to replace me on the Merit Board. Trustee Houston remains on the Municipal Employee Board. Trustee Nelson is representing BOT on the Foundation Board.

I will be attending Founders’ Day on September 25, 2006 in Macomb. Trustee Nelson and Trustee Ehlert will be attending Quad Cities Founders’ Day. Trustee Cook is going to attend the Scholarship Banquet on October 8, 2006 in my absence. Trustee Griffin is attending the Scholarship Banquet on November 12, 2006 in my absence.

FINANCE COMMITTEE REPORT

Trustee Ehlert noted the Finance committee considered several items, as follows:

- Approved Purchases of \$500,000.00 or More
- Approved design fees for the Multicultural Center and for renovation of Hanson Field football stadium
- Approved the second reading for revision to *Regulations* related to employee holidays.
- Approved information provided for the FY2007 All Funds Budget and for Departmental Budget Allocation.
- Approved recommendations for FY2008 for the operating budget (9.4% increase) and the capital budget (\$117.6 million).
- Heard informational items related to purchases of \$100,000.00 to \$500,000.00 that received the President's approval.
- Heard about budget and financial data for the period ended June 30, 2006.
- Received a report on investment activities and a listing of approved depositories, a report on income producing grants and contracts and the total for FY2006 was \$10.3 million
- Received a report on contributions FY2006 of \$5.9 million in gift commitments.

ACADEMIC & STUDENT SERVICES COMMITTEE REPORT

The committee approved an increase in the housing deposit from \$50 to \$100 for reserving a residence hall room or apartment at WIU. This would be effective 2007-2008 fiscal year. We also heard reports from Joe Rives including the net price study so we can pursue. We had general comments from Vice President Johnson and Provost Rallo.

PRESIDENT'S REMARKS

We do have a new member that has joined our staff in the President's Office. I think many of you know that Barbara Mason retired after a very distinguished career in the President's Office. We are very happy to have new staff member with us here, Paula Statler. We look forward to having Paula with us. She worked in Human Resources prior to joining the President's Office and I think they are still not talking to us in Human Resources for hiring her away.

We had lots of very good news in terms of start of the semester - since we spent this morning talking about budget and getting a little depressed about budget. We have had lots of good news. First, *US News and World Report* did rank us again in the top tier of Midwest Universities Master's granting institutions. We moved up about six places from 61st to 55th. A number of the areas in which *US News and World Report* benchmarked were extremely positive. The one that I was most pleased with was that we had an increase in peer assessment, the way in which our peers assess and evaluate the institution. I always use that as an important benchmark as Joe will tell you. I think it is important for us to know how others perceive us. I was very pleased to see that increase. The *Princeton Review* again shows us as one of the best Midwestern Colleges and Universities for 2007. We received that notification about a week or so ago and we are very pleased with that. Also we received our data from the National Survey of Student Engagement ("NSSE"). This is a survey that is done out of Indiana University that looks at how students feel in terms of how engaged they are in terms of their academic work and their campus activities. It has actually become a very important benchmark. *US News and World Report* has actually highlighted it as a way of taking a look at output data, what is really happening on campus rather than just the input data of ACT scores and class standing. Our NSSE scores increased pretty dramatically for our freshman this

year. The information will be available very soon on our website. We feel it is an indication of the strong impact the First Year Experience is having on our freshmen. They clearly see higher academic expectations, more expectation of interaction with faculty, and more expectation of outside of the classroom activities. These are the things with the FYE engagement. I was very pleased to see those kinds of increases. Our enrollment reports also continue to be very positive. It was very nice to see a headline this morning in the Peoria Journal Star that said “Western has 11th Year of Increased Enrollment”. That is not totally accurate. This is the 11th year of increased enrollment at Macomb. We had an increase this fall. We had an increase in our freshman class. I am also very pleased that after doing the work we did last year in the Quad Cities, we had significance increase in terms of Quad Cities’ enrollment. We moved up over 9% in terms of Quad Cities’ enrollment. It indicates the health of the institution and the interest we are seeing in terms of students wanting to enroll at Western. It really reflects very positively on the work being done in the Office of Admissions, as well as all of the work that is being done across campus. I believe we have developed a wonderful team strategy to recruit many of our students.

We have had a number of activities at the start of the school year. We had our Community University Partnership Program (“CUPP”) Block Party and that was very well attended. It was wonderful to see community members here on campus. We held it on the front lawn of Sherman Hall. It was very positive.

I have been getting very positive feedback on move-in this year. I really want to thank all of those individuals in Student Services who were involved. I want to thank my Vice Presidents for once again volunteering to help with move-in. Actually, they do enjoy it and I know that for a fact. They actually enjoy interacting with parents and students. It is a wonderful activity and reflects on how caring a community this university is. It was a very positive event.

It was mentioned that I am chairing the Mid-Con Presidents’ Council this year. Mid-Con, for those of you who are interested in athletics, did make some significant additions as we start the school year as well. They have added three new schools, Indiana Purdue at Fort Wayne (“IPFW”), North Dakota State University (“NDSU”) and South Dakota State University (“SDSU”). I had the privilege to accompany the Commissioner on the fly around to do the press conferences at those institutions and then got to speak at those institutions. It was also a really nice way of us building relationships, particularly with the presidents on those campuses. North Dakota State University actually has a John Deere Research Facility on its campus. I visited John Deere recently and the John Deere executives that they were meeting with talked about our WIU campus and how excited they were. NDSU President actually asked me to communicate about possible interaction. That is the kind of interaction frequently athletics leads to as well. Those were extremely positive press conferences on all three campuses. In South Dakota, the governor showed up and we had a chance to meet with him.

Elaine and I hosted our new faculty picnic. We continue to hire a significant number of new faculty. The Provost is smiling. He spends a good deal of time in meetings as we are doing these searches and meeting with candidates. We have had a significant turnover in faculty/staff/administrators, but I do believe we have worked very diligently in replacing individuals and in making certain that we are providing the resources needed to our students. I think we have done an outstanding job in terms of those hires as well.

Yesterday, we had the Governor visit our Quad Cities campus. The Quad Cities Times has a picture of me presenting the governor with a WIU Quad Cities sweatshirt which he has promised he will use when he jogs when it gets cooler outside. Trustee Nelson was so jealous he went out and bought one for himself this morning. The Governor did promise \$14M if there is a capital bill for the first building in the Quad Cities and also indicated support for the total campus build out. I was extremely pleased that the

Director of Capital Development Board, Jan Grimes, also indicated that there are a number of important capital projects in the State of Illinois that are on the list, including our Performing Arts Center in Macomb. Director Grimes saw that as an important project. Again, I think that is a clear indication that both those projects have really worked their way up and are being seen as key projects for the State of Illinois.

Last but not least, I really want to thank the Board and the campus for all of the support Elaine and I have received in terms of my dealing with my current health issue. People keep asking me how I feel. I feel great actually, which is the good news. I do believe the doctors did catch this early. That's what they have told me at Bloomington and Mayo. My assumption is this robot will do great surgical work on October 31 and my expectation is to be back at work on January 3, 2007, when we return. I want to thank the Provost for his willingness to step in while I am gone and his willingness to put up with me when I start e-mailing him and calling him, but he does that all the time. I want to thank Joe for his support and all the other Vice Presidents for their support. They have rallied together. It is a clear example of how much teamwork goes on at this university. Again, I just want to thank everybody for all of the expressions of support Elaine and I received.

LEGISLATIVE UPDATE

Dave Steelman spoke to the Board regarding legislative issues. As you know, the General Assembly has not been in session since your last Board meeting, so apart from the Governor's action on certain specific bills of interest, there has not been any specific legislative activity. Some of those bills are indeed of interest. Notable is Public Act 094-1058, an Open Meeting Acts bill which goes into effect January 1, 2007, and definitely will impact board meetings. The Bill sets parameters for public officials when they choose to participate in the open meeting by videoconference, telephone or other electronic means. It requires that a quorum be physically present in order for other members to participate electronically. Copies of legislation have been handed out to Trustees.

Trustee Houston made some references earlier to the change in the Energy Savings Contract Act. The new act changes the allowance on energy savings projects from 10 years to 20 years. That does not sound like a big change, but it will allow for larger projects at the university level and more creativity. I think it is an important change.

Another bill we talked about at the last meeting added an additional student member to the Board of Higher Education. That bill has been signed into law. The new student member has to be a non-traditional undergrad student at least 24 years old and someone who represents the views of non-traditional students.

Additional bills also signed that we have discussed before deal with no smoking in residence halls, which we do not currently allow, and attendance policies for student volunteer emergency workers. You might recall the Map Plus legislation that passed during the past session. That was signed into law but the Illinois Student Assistance Commission still has not done the sale of the loan portfolio. At this point none of the universities have received any Map Plus funding.

Veto session is November 14, 2006. After discussions with appropriate directors from the different caucuses, there are still no inter-caucus discussions regarding capital funding or a bond bill. I believe everybody is pretty well consumed by the elections and then they will get around to it.

Chairman Epperly mentioned we are looking at a series of measures designed to enhance our government relations efforts and potentially provide for some board member involvement. We have developed a survey for WIU alums dealing with political contacts and potential assistance with WIU issues. That

survey has been handed out to Trustees. The survey has pretty straight forward questions. We are evaluating the most effective means to employ that survey. We have to look at cost issues and our approach to utilizing alums to deliver a message. There are fairly significant costs to a straight mailing, so we are looking at using as many e-mails as we possibly can, trying to avoid duplication, etc. We are evaluating how we are approaching federal relations, including what other institutions are doing and the potential for hiring someone either on contract or as a university employee. It is quite a mix among the different institutions currently. Some use existing university employees, some use Washington contract people, quite a mix, so the Board will have to make a decision at some point in the future how they want to approach that. Trustee Cook asked how many sister universities employ for this position. Dave Steelman noted U of I uses university employees, Northeastern uses some university employees and some contract, Northern uses university employees, Eastern uses university employees and Illinois State uses both and Southern has been using a contract person out of D.C. My understanding is they are going to move away from that to a university employee. Trustee Cook asked if WIU was the only state institution that does not employ someone in this area. Dave Steelman warned to be careful about the definition of "university employee". Not all of these institutions specifically have an individual who does federal relations. In some instances, it is the President. It might be the grants and contracts person, the VPs, etc., so there's a mix among the institutions. Not all have a specific individual to do federal relations. Trustee Cook then asked if he knew which ones do employ full time. U of I employs full time. That is really the only sister institution that employs full time federal. President Goldfarb commented SIU is using a contract person. Chairman Epperly added for clarification, Northern has someone that they were using for a specific transportation issue. My understanding is that when that contract ends, they will be moving away from a contract person.

As the Chairman mentioned, we are going to be having a schedule of meetings with both local and non-local state and federal lawmakers to discuss Western's opportunities and challenges, help position ourselves for special needs, and we hope to have board participation in some of those meetings. We will get that schedule out as soon as we can for your individual areas. The first meeting is with the Quad Cities people.

I recently met with officials from the Illinois Finance Authority and with Western's Bond Council to have some discussion regarding approaches to long-term financing options for Western's physical facilities, as well, as utility infrastructure. Obviously, this is a very hot topic. I think the meetings were informative and I think there will be further discussions and some policy decisions required regarding the future financing.

I am still working with Chris Merrett and DCEO on the allocation of the million dollars for ethanol related activities. Chris put together a very good scope-of-work document which was very well received by DCEO. Alternative fuels have been getting a lot of attention lately. I think that Western is positioning itself very well for additional potential in that area.

I am working with Dean Levi on several items, including separate legislative proposals dealing with certification programs for drug abuse counseling and for Master's level psychologists licensing, which sometimes I think I can use.

Conversations took place by the Board about WIU and federal relations as well as the Governor and the \$14M.

PLANNING & BUDGET REPORT

Assistant to the President for Planning and Budget Joe Rives briefed the Board. As many of the reports demonstrated this morning, we have really integrated planning, budgeting assessment and accountability

reporting. When Chairperson Epperly referenced the Atlanta trip, it was really quite a professional honor for me. It was my national association of 2000 members who had asked me to come because they had studied Western and wondered how we got to the point where we are with our planning and budget. The #1 question was, "How did the trustees get engaged and how was the institution able to have trustees take such an active role?" The second question asked at the five day meeting was, "How did we successfully accomplish All Funds budget and planning reporting?" And the answer is, of course, through the commitments of the President and Vice Presidents to advance our one university. Thank you to all of you for Western's representation at this meeting.

Institutionally we are working on a strategic plan for technology and we are using the same inclusive model that we have used with other planning processes. We have a large group of about 30 individuals representing the different constituencies of campus. We are working on interactive graphs that we would like to take back to our governance groups and ask them to endorse and when we have endorsement from all of our campus governance groups (Macomb and the Quad Cities), then we would like to bring it to you. The target is March 2008 for approval, so we have a documented institutional technology strategic plan. This summer we did have a technology breach and you received last month in the monthly update a 22 point plan to help prevent future occurrences of breaches. While we can't say we will never have one again, we try to be as proactively as possible. When I say "we", the 22 point memo is really the result of the 6 primary technology directors on campus working together and coming to the President's staff and we think these are the best steps to take in getting their concurrence and moving ahead. Now I provided that to you as a sample and if the Board would like I would continue to provide you a monthly update because we hold ourselves accountable to that.

President Goldfarb thanked Joe Rives for coordinating the technology directors on campus in terms of coordinating this effort. This has been a massive undertaking on top of his other responsibilities. This was seen as a planning and budgeting issue and we needed that kind of overall planning and budgeting coordination. Trustee Ehlert stated she was impressed with the speed with which changes were made. President Goldfarb commented that it is part of the spending of the \$1.2 M that we held back last year. Joe Rives commented it has been an easy job because there is a fantastic technology team across the institution and the synergies that everyone brings to the table really makes for an easy job.

In the area of master planning, I want to point out to you as well, on the Macomb campus we just came off three really exciting days with Goody Clancy; my apologies for some of you not getting to attend. They are currently, as we speak, designing an 11x17 which has the three design scenarios and then the main points of the presentations or the questions we were asking the campus. We will get that to you and if you have talked to them and want to talk to them again, we can get that scheduled through teleconference for you. For those of you who have seen the different models, the Valley of the Trees approach, which emphasizes environmental sustainability and is the most practical plan, emphasizing this morning's conversations about deferred maintenance and few or new buildings and some of the other plans provide. We are still in development. Prior to the holidays, Bill Brewer, Co-chair, and myself will go out to Boston and work with Goody Clancy and get down to a draft for the campus to see. We will share that with you and get reactions and feedback. After the holidays, we would like to take it to our governance groups and see if they are ready to endorse it. Again, the target is March 2008 to bring you the Macomb Master Plan. If we need to go longer, we will so we have campus consensus, but that is our working deadline.

In the Quad Cities, the combination of state, federal and institutional monies are starting to make Riverfront campus a reality. As I said this morning, it is really exciting to start working on the technology infrastructure. We have been worried about where is the internet access from the John Deere facility in relation to an extension cord and plug in. That will give us backup to the Macomb campus the

60th Street facility as well as Riverfront, so that is really exciting. There are a number of items we are beginning our homework so we can come back in November and give you more reports.

FY06 STRATEGIC PLAN REPORT

At the end of FY05, there were 146 measurable action items. We had actions that added up to about half. That total is about up to ¾ in FY06. In FY06, we used ad hoc task forces and implementation teams as a great think tank for great ideas and how to think outside of a box and how to get things going. We have really spent the last 6-12 months taking those ideas and transferring to the units that are responsible for implementing. Page 5 of the report is one of the things that I am most proud of and it is a long term planning schedule for the institution. This really codifies planning processes and procedures and it really makes it independent of who is sitting in what chair. The institution is committed to Higher Values and Higher Education that we will use it to drive accreditation and use it to drive our master planning and use it to drive our budgeting. The annual report provides a distribution from last year to this year. Where they have been declines, we have taken some really intensive efforts and the Quad Cities and civil services salaries are some examples. There are some again that are beyond the scope of our control, like deferred maintenance, but that is not an excuse and we just need to think through on how to be more aggressive with what we have.

ADVISORY GROUP REPORTS

Consent Agenda: Civil Service Employees Council, Council of Administrative Personnel, Faculty Senate, and Student Government Association:

The four governance groups have reviewed the Board agenda and would like to address two items:

FY 2008 Operating Budget: By having salary and program priorities our first priority, not only will WIU faculty and staff enjoy a competitive salary to those at our peer institutions, our students will benefit from the ability to bring in more qualified faculty in a competitive market.

Capital Budget Recommendations: Each governing group can agree that the priorities set in the capital budget recommendations will not only improve the quality of life at Western Illinois University but also lead the institution towards becoming the leading comprehensive university.

Again, we would like to thank the Board for the opportunity to give input on these matters.

Student Government Association – Bridget Early, President

SGA President Bridget Early thanked Chair Epperly for including SGA on his environmental initiative and for keeping all his phone calls after 9:00 a.m. She also thanked Joe Rives for addressing SGA's questions about Master Planning. I would like to introduce Chris Ciasto as the SGA President for the Quad Cities. We are trying to work together on two student governments.

The Student Government Association of the Macomb Campus is looking forward to some upcoming projects:

Voter Registration/Get Out the Vote: SGA has been working on organizing a voter registration drive with the other political groups on campus. Also, SGA is hoping to organize a get out the vote drive for the November elections. It is our hope that with the location of a polling place on campus, we'll be able to bring more students to the polls.

University Union: SGA has been working with Associate Vice President Al Harris in creating a University Union Advisory Group. Also, with Vice President Garry Johnson's generous allocation for late-night programming, there has been some initial planning to expand Starbucks' operating hours on particular days to attract more students to the Union.

Faculty Senate – Macomb – Steve Rock, Chair

At the end of spring semester, the Senate received the final report from our Foreign Language/Global Issues Subcommittee. They recommended that some sort of requirement in this area be instituted, although whether this would be a General Education or a graduation requirement was not specified. The report is on the Faculty Senate web page and an open campus meeting is tentatively scheduled for Tuesday, September 26, at 3:30 p.m. in the Capitol Room of the Union to discuss and disseminate the information. The campus will be encouraged to provide input to the Senators prior to further Senate action.

The Senate's Council on International Education is continuing to work on its policies and procedures document which needs to be completed prior to approving new courses and curriculum in the international area. The Council has been asked to complete this task by the middle of the fall semester. Following its acceptance by the Senate, new initiatives such as an International Studies major will then be able to be considered.

The General Education Review Committee (GERC) is beginning a second year of a wide ranging review of our General Education curriculum. Their progress report is also on the Senate web site.

Council of Administrative Personnel – Schuyler Meixner

The Council of Administrative Personnel commends those involved in setting the priorities contained in the Capital Budget Recommendations. We thank the Board for its continued support of COAP and the opportunity to provide input.

The Council continues to work on providing an opportunity for University employees who do not fall into other categories for representation on a governance board to participate as members of COAP.

COAP members serve on a multitude of committees across campus. The council was recently asked to have a member serve on the Employee Recognition Ceremony committee.

Finally, we look forward to visits from Assistant to the President Joe Rives to discuss the Strategic Plan and the Macomb Master Plan progress, along with a visit from Assistant Vice President John Maguire and Director of University Marketing Kristin Dunstan to discuss the University website redesign.

Civil Service Employees Council – Rick Williams, President

CSEC President Rick Williams stated he normally has nothing to say, but he would like to applaud the Board for the resolution they passed this morning for the prevailing rate craft employees' holidays. That is a major, major deal to me and my Council. We appreciate it greatly. I also would like to reiterate the invitation on December 8, 2006 for our Holiday Luncheon. Any trustee who is going to be in town and would like to come to the luncheon, I would be more than happy to have you there as our guest. I have to go back to the President and the 4.5% wage increase; you have no idea what it has meant to the CSEC and its employees at WIU.

The Civil Service Employees Council would like to acknowledge one of our members being called to active duty and wish Lt. Colonel Bruce Ackers and his family the best in the months to come.

Jane Sprinkle, Building Service Worker in Browne Hall was the Civil Service Employee for the month of June.

Abby Walker, University Relations was the Civil Service Employee for the month of July.

Suzanne Litchfield, Office of the Registrar was the Civil Service Employee for the month of August.

Kathy Nichols, Library Archives is the Civil Service Employee for the month of September.

The Civil Service Employees Council traveled to the Quad Cities, toured the new riverfront site, and held our meeting at the Quad Cities Campus. We would like to thank Dr. Clerc and her staff for their hospitality and a special thank you to Joe Rives for his presentation on the Master Plan.

The Civil Service Employees Council Holiday Luncheon will be held on December 8th in the University Grand Ballroom, and we would like to invite members of the Board of Trustees as our guests.

ACTION ITEMS: CONSENT AGENDA

Chairman proposed Resolutions No. 6.9/1, 6.9/2, 6.9/3, 6.9/4, 6.9/5, 6.9/6, 6.9/7, 6.9/8. Trustee Nelson moved to approve said resolutions and Trustee Ehlert seconded the motion.

Roll Call:

Trustee Nelson	Yes
Trustee Antonides	Yes
Trustee Cook	Yes
Trustee Ehlert	Yes
Trustee Epperly	Yes
Trustee Griffin	Yes
Trustee Guzzardo	Yes
Trustee Houston	Yes

Motion carried. The following resolutions were approved by the Board.

Resolution No. 06.9/1: Release of June 2, 2006, Executive Session Meeting Minutes

WHEREAS pursuant to Section 2.06(c) of the Open Meetings Act, the Board of Trustees of Western Illinois University has reviewed the minutes of the executive session to determine whether the need for confidentiality still exists with respect to all or part of the minutes:

THEREFORE be it resolved that the Board of Trustees of Western Illinois University approves for public disclosure at this time the following executive session minutes:

June 2, 2006

Resolution No. 06.9/2: Purchases of \$500,000 or More

WHEREAS the University requires the professional services of an architectural firm to design the multicultural center; and,

WHEREAS Western Illinois University has approved the renovation of the student section of the Hanson Field football stadium at an estimated cost of \$5.0 million including \$500,000 for design services; and,

WHEREAS bids will be obtained for the selection of contractors for the renovation of the stadium, which scope is as follows:

The improvements will include the replacement of existing wood bleachers which will increase seating from 3,800 to 5,000, the construction of new concession and restroom facilities and other associated construction and utility work.

The project will be awarded by the subdivisions of work including plumbing; heating, piping, and temperature control systems; ventilating and distribution system for conditioned air; electric wiring; and general contract work.

WHEREAS the design of the stadium project could not be completed in time to solicit bids prior to the deadline for the September 8, 2006 meeting of the Board of Trustees, the lead time for delivery of the replacement bleachers is lengthy and the project must be completed before the football season starts; and,

WHEREAS the above mentioned projects have been administered in accordance with the Illinois Procurement Code, the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act, and all other pertinent statutes and rules:

THEREFORE be it resolved that the Board of Trustees approves the contracting for the multicultural center architectural services from the selected firm as presented and delegates authority to President Goldfarb to approve the contracts for the renovation of Hanson Field stadium once the bids are received and found to be in compliance with all applicable rules and regulations.

**Resolution 06.9/2
Purchases of \$500,000 or More**

Architectural Design Fees

ITEM DESCRIPTION:

The architectural and engineering fees to design the multicultural center. The new multicultural center will house the Gwendolyn Brooks Center, Casa Latina, and the Women's Center and provide general purpose space for the University's international student population. The space will provide office, lounge, computer lab, and assembly space.

COST:

\$600,000 estimated

RECOMMENDED VENDOR: Nagle Hartray Danker Kagan McKay Penney; Chicago, IL

FUND SOURCE: Local

SUMMARY OF BIDS: Exempt from competitive bidding per Section 30-15 (c) of the Illinois Procurement Code. The University complied with the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act in selecting a firm.

Resolution No. 06.9/3: Revision to Regulations II.C.7.c. Employee Benefits – Second Reading

WHEREAS the Western Illinois University Board of Trustees has previously reviewed a first reading of suggested amendments to the *Bylaws and Regulations*, Section II.C.7.c. regarding the eligibility for, and provisions of employee holidays; and,

WHEREAS the Board of Trustees considered the amendment during its meeting June 2, 2006; and,

WHEREAS the revisions to the Board's governing documents were publicly posted to the campus Web page on June 6, 2006, for review and comment by the campus community, with a deadline date of August 9, 2006, for receiving written comments prior to final Board action; and,

WHEREAS the revised documents were electronically accessed by users during the month posting period with positive comment:

THEREFORE be it resolved that the Board of Trustees approves the second and final reading of the revisions as presented in the document within this packet.

Resolution No. 06.9/4: Fiscal Year 2007 All-Funds Budget

WHEREAS Western Illinois University must prepare an annual all-funds budget for Appropriated, University Income Funds, and All Other Funds for the Illinois Board of Higher Education, Illinois State Legislature and the Governor; and,

WHEREAS the Fiscal Year 2007 all-funds budget requires Western Illinois University Board of Trustees approval prior to submission; and,

WHEREAS the *Fiscal Year 2007 All-Funds Budget* presented today advances the goals of the University's Strategic Plan, *Higher Values in Higher Education*, on both Western Illinois University campuses, and statewide strategic planning goals for higher education, as identified in *The Illinois Commitment*; and,

WHEREAS the *Fiscal Year 2007 All-Funds Budget* presented today maintains Western Illinois University's public commitments to conservative fiscal management and public accountability to students, their families, and state taxpayers:

THEREFORE be it resolved that the Board of Trustees approves the Fiscal Year 2007 All-Funds Budget as presented in the *Fiscal Year 2007 All-Funds Budget* document (provided as a separate supplement), and be it further resolved that the President be authorized to make technical adjustments in these budgets if necessary.

Resolution No. 06.9/5: Fiscal Year 2007 Departmental Budget Allocations

WHEREAS Western Illinois University must prepare an annual Appropriated Funds departmental budget allocations for the Illinois Board of Higher Education, Illinois State Legislature, and the Governor; and,

WHEREAS the Fiscal Year 2007 departmental budget allocations require Western Illinois University Board of Trustees approval prior to submission; and,

WHEREAS the *Fiscal Year 2007 Departmental Budget Allocations* presented today advance the goals of the University's Strategic Plan, *Higher Values in Higher Education*, on both Western Illinois University campuses, and statewide strategic planning goals for higher education, as identified in *The Illinois Commitment*; and,

WHEREAS the *Fiscal Year 2007 Departmental Budget Allocations* presented today maintain Western Illinois University's public commitments to conservative fiscal management and public accountability to students, their families, and state taxpayers:

THEREFORE be it resolved that the Board of Trustees approves the Fiscal Year 2007 departmental budget allocations as presented in the *Fiscal Year 2007 Departmental Budget Allocations* document (provided as a separate supplement), and be it further resolved that the President be authorized to make technical adjustments in the departmental budget allocations if necessary.

Resolution No. 06.9/6: Fiscal Year 2008 Appropriated Operating Recommendations

WHEREAS Western Illinois University must prepare annual appropriated operating recommendations for the Illinois Board of Higher Education, Illinois State Legislature and the Governor; and,

WHEREAS Fiscal Year 2008 appropriated operating budget recommendations require Western Illinois University Board of Trustees approval prior to submission; and,

WHEREAS the *Fiscal Year 2008 Appropriated Operating Budget Recommendations* presented today advance the goals of the University's Strategic Plan, *Higher Values in Higher Education*, on both Western Illinois University campuses, and statewide strategic planning goals for higher education, as identified in *The Illinois Commitment*:

THEREFORE be it resolved that the Board of Trustees approves the Fiscal Year 2008 appropriated operating budget recommendations as presented in the *Fiscal Year 2008 Appropriated Operating Budget Recommendations* document (provided as a separate supplement), and be it further resolved that the President be authorized to make technical adjustments in the operating budget recommendations if necessary.

Resolution No. 06.9/7: Fiscal Year 2008 Appropriated Capital Recommendations

WHEREAS Western Illinois University must prepare annual appropriated capital recommendations for the Illinois Board of Higher Education, Illinois State Legislature and the Governor; and,

WHEREAS Fiscal Year 2008 appropriated capital budget recommendations require Western Illinois University Board of Trustees approval prior to submission; and,

WHEREAS the *Fiscal Year 2008 Appropriated Capital Budget Recommendations* presented today advance the goals of the University's Strategic Plan, *Higher Values in Higher Education*, the

Western Illinois University-Quad Cities Riverfront Campus Master Plan, the newly developing Western Illinois University-Macomb campus master plan, and statewide strategic planning goals for higher education, as identified in *The Illinois Commitment*:

THEREFORE be it resolved that the Board of Trustees approves the Fiscal Year 2008 appropriated capital budget recommendations as presented in the *Fiscal Year 2008 Appropriated Capital Budget Recommendations* document (provided as a separate supplement), and be it further resolved that the President be authorized to make technical adjustments in the operating budget recommendations if necessary.

Resolution No. 06.9/8: Housing Deposit Increase

WHEREAS Western Illinois University has reviewed increasing its existing Housing Deposit in the department of University Housing and Dining Services at Western Illinois University; and,

WHEREAS Western Illinois University has found that several major universities in the State of Illinois have increased their Housing Deposit during the past few years; and,

WHEREAS the funds raised through this one-time deposit are being used to cover the rising costs of housing application processing, technology, and additional resources for improving the application process for housing at Western Illinois University:

THEREFORE be it resolved that the Board of Trustees approves an increase in the Housing Deposit from \$50 to \$100 for reserving a residence hall room or apartment at Western Illinois University beginning with the 2007-2008 Academic Year.

ACTION ITEMS

Resolution No. 06.9/9 Amended Bylaws – Committee Structure

Chair Epperly briefly discussed the reasoning for the requested revision. He felt the meeting format could be improved and simplified, as well as the board report easier to find information. We will start off with an executive session at 8:30 a.m. The general public would not have to sit there and twiddle their thumbs while we are in executive session. At 9:30 a.m., we would begin our regular meeting and would run through the same similar agenda format as shown with everything being discussed and voted on at the time of discussion.

We will be doing away with the committee meetings beforehand. From a media standpoint, and anybody as a guest standpoint, it almost looks like we are having no discussion on the items that we vote on because we talked about it 3 hours earlier. It was particularly evident to me at Quad Cities Board meeting. We had our discussions in the morning and then we had a lot of the press who did not come until noon. We sit there and vote with no discussion. We would meet as a committee of the whole from 9:30 a.m. until agenda is finished.

The booklet you will receive will start with page 1 and will just follow the timeline of the whole meeting through the last page with no different sections. Trustee Cook noted there is an advantage regarding the committees. Trustee Guzzardo asked about the *Bylaws* and *Regulations* and what was being voted on. Trustee Houston commented the agenda is the only thing being changed.

Trustee Epperly also noted the re-diagramming of the seating chart. We also feel that we should have an audit committee because of all the compliance issues in today's world. Actually Kerry had sent you a Role & Responsibilities of Committee Members in the mail prior to this meeting and Trustee Ehlert had some very good input into some suggested wording in it.

Trustee Griffin and Trustee Antonides will be on Academic and Student Services Committee. Trustee Houston and Trustee Guzzardo would be on our Audit Committee. Trustee Ehlert and Trustee Cook will be on the Finance Committee. Trustee Ehlert and Trustee Nelson will be on Presidential Evaluation and Assessment Committee.

To reinforce, we would vote on those given items at the time of that discussion under that given area. We would come back after those different committee reports for anything and vote on any issues that were not included on those reports.

Trustee Nelson moved to approve Resolution No. 06.9/9: Amended *Bylaws* – Committee Structure with second by Trustee Houston.

Roll Call

Trustee Antonides	Yes
Trustee Cook	Yes
Trustee Ehlert	Yes
Trustee Epperly	Yes
Trustee Griffin	Yes
Trustee Guzzardo	No
Trustee Houston	Yes
Trustee Nelson	Yes

Motion carried. The following resolutions were approved by the Board.

Resolution No. 06.9/9: Amended *Bylaws* – Committee Structure

WHEREAS the Board of Trustees has previously adopted Bylaws and Regulations for Western Illinois University; and,

WHEREAS revisions to those governing documents are necessary in order to improve operating efficiencies and the Board of Trustees has decided to change its committee structure to operate more effectively; and,

WHEREAS the Bylaws may be amended at any regular meeting of the Board by a majority vote of the Board:

THEREFORE be it resolved that the Board of Trustees approves for the revisions to the Bylaws as follows:

Section V.5: Standing Committee Reports will include – Academic and Student Services Committee, Finance Committee, Audit Committee, and Presidential Evaluation and Assessment Committee;

Section IX.A: The following are standing committees of the Board – Academic and Student Services Committee, Finance Committee, Audit Committee and Presidential Evaluation and Assessment Committee;

Section IX.D: Committee meetings will be scheduled as necessary;

Section IX.E: It is intended that committees will consider issues scheduled for public meetings and as deemed appropriate.

Resolution No. 06.9/10 University Professionals of Illinois Local 4100 (Civil Service Unit B)

Trustee Houston moved to approve Resolution No. 06.9/10: University Professionals of Illinois Local 4100 (Civil Service Unit B) with second by Trustee Guzzardo.

Roll Call

Trustee Antonides	Yes
Trustee Cook	Yes
Trustee Ehlert	Yes
Trustee Epperly	Yes
Trustee Griffin	Yes
Trustee Guzzardo	Yes
Trustee Houston	Yes
Trustee Nelson	Yes

Motion carried. The following resolutions were approved by the Board.

Resolution No. 06.9/10 University Professionals of Illinois Local 4100 (Civil Service Unit B)

WHEREAS the Board of Trustees must approve collective bargaining agreements prior to implementation; and,

WHEREAS an agreement was reached on August 18, 2006, and was ratified on August 28, 2006, by the University Professionals of Illinois Local 4100 (Civil Service Unit B):

THEREFORE be it resolved that the Board of Trustees approves the agreement as presented.

**Resolution No. 06.9/10
University Professionals of Illinois Local 4100 (Civil Service Unit B)**

Labor Agreement

A tentative agreement was reached August 18, 2006, and was ratified on August 28, 2006, by the University Professionals of Illinois Local 4100 (Civil Service Unit B) representing approximately 43 employees in various technical positions.

This agreement is for a period of three years commencing July 1, 2006, with language governing increases for the life of the contract.

Contractual Language

The contract contains all provisions required by law. In addition, it contains specific articles reflecting the unique circumstance of Western Illinois University. The parties agreed to continue the benefits,

insurance, and other related matters currently in effect for employees under the Board of Trustees *Regulations*.

Wage Settlement

The parties agreed to implement salary adjustments based on the criteria utilized in the FY06 market equity study for non-represented civil service employees. The parties also agreed to a 4.5 percent across-the-board increase in base wages. Both the equity adjustments and across-the-board increase have an effective date of July 1, 2006.

For the life of the contract, including the remainder of FY07, the parties agreed that salary adjustments will be determined and implemented based on the same criteria utilized for non-represented civil service employees.

Cost Analysis – Initial

Previous unit base	\$1,393,860
Equity adjustments	<u>87,336</u>
	\$1,481,196
4.5% Base adjustment	<u>66,654</u>
Adjusted base	\$1,547,850

Cost Analysis – Remainder

Salary adjustments based on the same criteria utilized for non-represented civil service employees for the life of the contract.

NEW BUSINESS

Chair Epperly stated during the Legislative Report it was noted there is a new law effective January 1, 2007, in regards to a quorum which in our case is 5 people present at any board meeting. We have had a couple of meetings over the last several years when it involved the bond issues and interest rates where we wanted to try to maximize the positive effects of lowering rates whatever they be and where we did some teleconferencing. As of January 1, 2007, it is going to be much more difficult.

Joe Rives had sent us an outline of the Trustee in Residence program, is there any discussion on the outline. Chair Epperly would like discussion on this outline. Trustee Griffin wanted Joe Rives to know he liked what he put together, particularly with the alternatives. The Trustee in Residence notes 8 hours (2 times per year with a minimum of 4 hours). We will discuss this further at the November Board meeting. This is a program for involvement as a Board member.

Trustee Nelson brought before us the switching of Lincoln’s Birthday and Washington’s Birthday about the discussion of which days would be allowed as a day off. I think this was voted on by President Spencer about five years ago. The reason I am bringing this up is first, one of our constituency groups brought it to us and I think it is our obligation to reply to it, and, second, the students have voted on it in the Quad Cities and Macomb campus and the faculty in both locations have voted on it. As a Board, I think it is our obligation to discuss it in some detail and to vote on it again, since it has been five years. November would be the first reading and March would be the second reading, if there is change made. This would allow for the next calendar change if voted and approved.

Steve Rock commented that all four constituency groups are recommending this change. Secondly, we like to refer now to Washington's Birthday as President's Day, because in theory that would accommodate both Washington and Lincoln.

Trustee Epperly asked everyone to think about the proposed change between now and November.

At the Board Retreat, we asked Trustee Antonides to come up with some responsibilities in writing. One thing in our discussions at our Retreat was our student member rolls over automatically every year. The responsibilities are needed so when the student trustee's term is up, if not re-elected, for whoever the next person is, there is something in writing for the responsibilities.

Trustee Antonides explained the responsibilities were not all his ideas but also former Trustee Thomas'. Trustee Antonides is still trying to reach former Trustee Ryan McMillan. Trustee Cook asked Trustee Antonides if #12 was mandatory. Trustee Antonides replied "I think so".

Trustee Nelson commented it was nice to see the Marching Leathernecks at the Rock Island Labor Day Parade. Following the parade, they put on a concert in the grassy area between the stadium and high school that lasted for about ½ hour to 45 minutes and it was attended by several hundred people. It was nice to see that there is this tie in relationship between a marching band whose focal point is the Macomb campus.

NEXT MEETING

Chair Epperly noted for trustees that the next meeting is November 10, 2006 here in Macomb. President Goldfarb mentioned his health issues and all I can say is we will see you in January. I hate to use this motto, because it was always my competitors, but, "we're in good hands with "Joe"" - is that correct?

Trustee Houston commented that Staff Secretary Barbara Mason is no longer with us and she always took care of the nametags. I think the ones that they put in front of us are the ones we are supposed to leave here today. President Goldfarb stated Paula you have to make us put them on.

There being no further business to come before the Board, a motion was made and duly processed to adjourn the meeting of the Board at 1:41 P.M.

William L. Epperly, Chair
Robert J. Cook, Secretary
Kerry L. Yadgar, Administrative Assistant to the Board