

**CAMPUS REENGINEERING COMMITTEE MINUTES**  
**February 17, 2006**

MEMBERS PRESENT:

Larry Furukawa-Schlereth, Chair	Eduardo Ochoa
Melinda Barnard	Ruth Burke
Letitia Coate	Dan Condron
Erik Dickson	Christopher Dinno
Melanie Dreisbach	Joel Grogan
Ian Hannah	Sue Hayes
Lori Heffernon	Tyson Hill
Bill Ingles	Carol Ingerman
Brian Jersky	Nate Johnson
Susan Kashack	Mike Kiraly
Paul Lange	Rick Ludmerer
Laura Lupei	Perry Marker
Rich Marker	Neil Markley
Elaine McDonald	Edna Nakamoto
Catherine Nelson	Peter Neville
Eduardo Ochoa	Janice Peterson
Katie Pierce	John Rauschkolb
Anna Reynolds	Bruce Carpe for Sam Scalise
Richard Senghas	Elizabeth Stanny
Tim Tiemens	Jason Wenrick
Erica Wilcher	Dee Dee Brannan

MEMBERS ABSENT:

Steven Campbell	Katharyn Crabbe
Gloria Ogg	Floyd Ross
Nadir Vissanjy	

GUESTS PRESENT:

David Abbott, STAR

**AGENDA**

- I. APPROVAL OF THE MINUTES**
- II. VICE-PRESIDENT'S REPORT**
- III. REPORT ON INTERNAL CONTROL: CSU SYSTEM**

- IV. REVIEW OF GOVERNOR'S BUDGET**
- V. STATUS OF THE CAMPUS RESERVE**
- VI. STRATEGIC PLANNING**
- VII. UNIVERSITY CENTER SCHEMATIC DESIGN**
- VIII. FACULTY/STAFF HOUSING**
- IX. STUDENT HOUSING EXPANSION**
- X. DIVISION FINANCIAL AFFAIRS**
- XI. TELEPHONE AND POSTAGE BILLS**
- XII. ITEMS FOR THE GOOD OF THE ORDER**
- XIII. TOUR OF DARWIN HALL**

## **I. APPROVAL OF THE MINUTES**

Larry Furukawa-Schlereth called the meeting to order at 12:24 pm. Schlereth noted that he would like to end the meeting at 3:15 in order to allow the committee members to go on a tour of Darwin Hall. Schlereth asked for a motion to approve the minutes of the December 16, 2005 meeting. Sue Hayes made the motion, Nate Johnson seconded. Peter Neville requested an addition to the 12/16/05 minutes in Section 2 on the subject of wireless technology he would like to have it noted that the entire student union is wireless, not just the Pub. Addition was approved with no more additions and no objections with abstentions from those who were not in attendance at the December 15, 2005 meeting.

## **II. VICE-PRESIDENT'S REPORT**

### Enrollment

(Please see the February 17, 2006 Agenda Packet for this document)

Enrollment is the crucial issue for the current year and future years. It appears that we will not make our target enrollment for 05/06. Additionally, it is now thought that we will be under target by more than the 2% "safe zone", which means that next year, our growth allocation will be deducted by the amount over the 2% that we missed this year. No one is quite sure yet exactly how short our enrollment is, but our target enrollment for next year will fall by the shortfall amount. Contract courses are still being tabulated which would have an increased effect on our enrollment numbers; however, University Business Services is currently dis-enrolling students for non-payment of fees, which will decrease the enrollment numbers. About half of the CSU campuses aren't making their targets, so the campuses that are will want our missed target growth allocation.

The Governor's Budget Enrollment Assumptions reflects a differential in funding for graduate students which has re-benched the targets and grad students make the differential. The freshman class may have to increase to from 1650 to 1700 which would make the largest freshman class yet. Our freshman class is currently at 1050 so this would be a dramatic increase with ripple effects for curriculum, course schedule and ancillary activities. For example, next week, housing needs to determine how many current

residents can come back for next year. If they count on increased numbers of freshman and we do not meet enrollment target once again, we will have a substantial number of empty beds.

#### Interim Director: Common Management Systems

Schlereth announced that he and Letitia Coate had been jointly attempting to provide the leadership needed for CMS, but they have realized that it is too labor intensive. In order to provide the needed leadership, Jason Wenrick will be filling in as the Interim Director of Common Management Systems while still doing his old job at the same time. There is a plan to do a permanent position search in the summer.

#### Employee Recruitments

The campus is still having trouble filling the two project manager positions the GMC and Faculty/Staff Housing projects. These are both complicated projects so a project manager is necessary but the boom in the construction industry and our salary structure are creating challenges in recruiting the high quality candidates that are needed.

#### Green Music Center Update

Schlereth announced that he will be presenting GMC finance information to the PBAC on Thursday, February 23<sup>rd</sup> in the Terrace Room at 8:00 am and those who would like more information are welcome to attend. Schlereth then asked Dinno and Coate to provide updates on their two areas of the GMC project.

Dinno gave an update on where the construction aspect of the project stands. Dinno recognized Coate and Ruth McDonnell's contributions in getting the construction agreement together. We are now under contract for Phase I of construction, scheduled to begin, weather permitting, in March. The contract goes through September 15, 2006 at which time, the foundation package will be complete. The rest of the project will have a two year duration which will begin in September 2006 with the R&S construction contract complete in September 2008. Elizabeth Stanny asked if the foundation package only covered the concert hall portion, Dinno replied that we can't go out to bid on the state-side funded portion of the project until the entire construction agreement is complete.

Coate updated the committee on the GMC pledge agreements with major donors that provide collateral for the bonds issued through the Foundation. The pledge agreements contained a stipulation that the campus be in a signed construction contract by 12/31/2005. The campus negotiated an amendment extending the deadline for a foundation contract to 1/30/06 and a full construction contract by 9/15/06. Stanny asked what the consequences are if we do not have a full contract by 9/15/06. Coate replied that the agreement dictates that the University has one week to contact the donors and renegotiate.

#### Darwin Hall Update

Schlereth deferred this item to Dinno to discuss during the Darwin Hall tour at the end of the meeting. It was noted that the project is on time and on budget with Group II future to begin move-in in April.

#### Campus Flooding

Schlereth asked Johnson to update the committee on the occurrences on December 31, 2005 at 4 am when the campus flooded. Johnson distributed photos of the campus flooding. The main entrance of the University was flooded as well as F Lot, Redwood Drive and other areas of campus. Schulz had major flooding and the bottom floor of Ives was also damaged. Johnson recognized the contributions of Police Services, Facilities, IT, Risk Management and executive managers who all came to campus during a holiday break. Johnson also thanked Susan Kashack and Dan Condon in University Affairs for quickly drafting a public statement. This emergency highlights the need for continued emergency preparedness and Police Services will do a couple more emergency drills this semester as well as increase the medical supplies and water storage on campus. Rich Marker added that the estimated costs of damage to the campus is \$1 million which will be reimbursed by insurance except for the \$100,000 deductible which Richard Ludmerer may be able to have 75% of that cost covered by FEMA.

#### Professional Schools Building Update

Academic Affairs has agreed to call the new potential building the Professional Schools Building which will contain the School of Business and Economics, the School of Education and Nursing Department. This project will go to the Campus Planning Committee in April.

#### Service Awards – 40 Years

The Service Awards planners are still looking for suggestions for a gift for 40 years of service. Edna Nakamoto presented the results of her research of what other campuses do. The committee offered some suggestions such as dedicating a bench at SSU with a dedication lunch for the honoree and their family. Schlereth asked that a group be formed to develop a recommendation to the committee headed by Nakamoto and including Marker or Dinno as well as Dan Condon to work out the details of naming objects on campus.

#### Key Audit

Item deferred.

#### Surplus Wood

Schlereth announced that Facilities Services has surplus wood that will be given away for free. The wood will be split and will be available on a first come, first served basis. Please contact Facilities Services to be put on the list.

#### Student Satisfaction Task Force

The Student Satisfaction Task Force committee is currently focusing on improving Facilities' service and response time in the residential community, how to make move-in weekend smoother and improving the quality of food at Toast. Currently, Toast is trying

out a new kind of sandwich and Neil Markley asked that he be contacted with any feedback. Joel Grogan asked that the wraps that were formerly offered at Toast be brought back and Markley recalled that the price was too low, but he would revisit the possibility of selling wraps.

#### Wireless Capacity: Commons, Zinfandel, Cooperage

Money has been set aside to make these venues wireless and this capability will be available soon.

#### Management Intern Program

The Division is getting ready to recruit the next class of management trainees. This class will no longer be funded centrally; rather, the Senior Directors who are interested in having a trainee will need to fund it out of their own budgets. This year, there will be a maximum of four trainees. Ludmerer will chair the hiring committee which will also include Wenrick, Nakamoto and Mike Visser, a professor in Economics. Schlereth also asked Mike Kiraly to participate again and asked if any other faculty members are interested, to please let him know. In order to apply for the position, applicants must be full time, non-faculty, non-management employees at SSU and Schlereth asks that the committee members encourage people to apply. Likely areas of placement are risk management, human resources, technology and finance.

#### Division Reengineering

This item will be covered while discussing the remainder of the agenda topics.

### **III. REPORT ON INTERNAL CONTROL: CSU SYSTEM**

(Please see the February 17, 2006 Agenda Packet for this document)

The CSU annual external audit done by KPMG has reported a material financial weakness in within the CSU. This is a serious issue which states that 14 of the 23 campuses lack the skill, depth, and level of financial expertise needed and that the auditors could not rely on the integrity of their financial statements. This will create a big impact on our system-wide bond ratings and interest rate cost will rise. The report specifically identified nine campuses that are on the good list and we are on that list. This is a credit to the entire Financial Services team, as well as the budget officers in other areas of campus. The campus Presidents will be given a directive by the Trustees to recruit two more people for each campus with GAAP training. There will also be a review of salary structure for Financial Services staff to ensure we are paying them appropriately in order to maintain a skilled workforce in that department. Additionally, a training program will be put in place, both on and off campus, to keep the Financial Services employees up to date. According to the auditors, even the nine campuses that are on the good list only closed their books by the skin of their teeth and the auditors' opinion is that every campus is understaffed in this area. Coate added that she sees this mandate as an opportunity to begin the training process that will build the layers of skill that are necessary to be great. For example, Humboldt used to have an excellent Financial Services department, but they lost a couple of people and were unable to close their

books. This mandate will allow us to develop a transition plan. Richard Senghas pointed out that the system should use this point to illustrate to the legislators the increasing problems associated with the systemic under funding of the CSU system.

#### **IV. REVIEW OF GOVERNOR'S BUDGET**

(Please see the February 17, 2006 Agenda Packet for this document)

Schlereth briefly reviewed the revised 2006/07 Governor's budget. This is largely a budget of compensation and enrollment. The large change is that the fee increase for students has been bought out by the Governor. This is one-time money, so if it doesn't get replaced next year, the student fees will need to increase even more.

Additionally, for the first time, the CSU system will manage student fee money locally rather than collecting it and turning it over to the state treasury. This is \$20 million that we now have an opportunity to invest and if we can get a higher return on our investment than the amount the state treasury would have earned, we can keep the difference. Coate stipulated that currently Met West is only earning .2% more than the State Managed Investment Fund. This may improve, but it is a small margin of gain. Additionally, Coate believes that this may be an opportunity to reexamine processes and potentially eliminate some of the complexity in the accounting processes.

#### **V. STATUS OF THE CAMPUS RESERVE**

(Please see the February 17, 2006 Agenda Packet for this document)

Schlereth discussed the details of the of the campus reserve of which the potential revenue short fall in the areas of enrollment, utilities and benefits are not clear but more information should be available in a couple of weeks.

#### **VI: STRATEGIC PLANNING**

(Please see the February 17, 2006 Agenda Packet for this document)

Schlereth presented the draft of the Administration and Finance Division plan. The division has identified three strategic themes: Prepare Infrastructure for Enrollment Growth, Prepare our Employees to Meet Future Challenges and Address Division Financial Challenges. The mission statement has not been approved and the core values have been refined. These are both out for discussion among employees. These values need to be rolled out to the division and all employees need to have buy-in and demonstrate these values. The goal is to have the CRC adopt the strategic plan by the end of the semester.

The intent of the strategic plan is to align with the campus strategic plan and to provide a basis for resource allocation. However, there are not enough resources available to achieve all of the initiatives in the plan, so a process of division reengineering or reimagineering such as took place in the early nineties will be necessary. This is a challenging process but we will not be able to accomplish all of these initiatives

otherwise. Thus, acceptance of the strategic plan also requires an acceptance of the need to reengineer.

Schlereth then opened the floor for questions and comments. Though the majority of feedback was positive, discussion ensued regarding the use of the term customer and inclusion of the concept of sustainability. Additionally, some members expressed concern regarding the connection of the division's strategic plan to the campus strategic plan. Schlereth noted that the campus has not yet finished its process and the division has vital action items that cannot wait. However, the division is making a concerted effort to ensure that the strategic plan is in line with the direction that the campus as a whole is moving.

Schlereth will present the strategic plan to the senior director group to discuss these concepts and have the plan sent out to the units. The strategic plan will be updated and will come back to CRC in April for a first reading.

## **VII. UNIVERSITY CENTER SCHEMATIC DESIGN**

The University Center Task Force is committed to proceeding with this building project. The University Center would replace the Bookstore, which needs to happen in the next five years. It will also provide a new space for residential dining; Zinfandel cannot accommodate the projected enrollment growth of the freshman population. The building will be 100,000 sq ft and will cost about \$30 to \$40 million to build. The funding will be provided by ASI and AS and the Student Union for their portion of the building. Most of the building costs will be paid for by SSE for housing, dining and retail space. In order to accommodate growth, the building would need to open in Fall 2009 which would mean that the schematic design would need to start this summer or fall. The cost for the schematic design would be \$650,000. This will be an action item in April to determine whether we move forward with this building or not. The University Center is a student-focused building that is perceived to be an essential component of growing the freshman class.

## **VIII: FACULTY/STAFF HOUSING**

Schlereth asked Sue Hayes to update the committee on the Faculty/Staff Housing project. Hayes announced that there has been a lot of progress in the last months. Carol Ingerman has done nineteen presentations to various campus groups and there has been positive interest and good suggestions. The committee is currently working on issues with Rohnert Park regarding sewer and water. The next step is to get moving on the environmental impact report and receive public input. The environmental impact report is going to cost \$150,000. Neil Markley added that our attorneys are working with the city and things are going well and hopefully there will be a resolution in the next six weeks.

Schlereth followed up by emphasizing that this is a project that is vital to the campus but will compete for funding with the University Center project. The division currently does not have enough money to do both, so something needs to change. The cost for the infrastructure for the first phase of building is \$13 million.

**IX: STUDENT HOUSING EXPANSION**

Enrollment projections for the freshman class show a housing shortage in the 2007/2008 year. Markley and Tim Tiemens have looked at the proforma and Housing would lose half a million a year in building new housing so a cheaper way to make student housing that students will rent needs to be determine or the project must be subsidized until the market changes. Markley noted that this year we won't be able to offer housing for all of our returning residents. Seven or eight years ago this was an issue and we tripled up the dorm rooms; we are facing the same sort of situation this upcoming year. Discussion ensued regarding the impact of the housing shortage on recruitment and retention of students.

**X: DIVISION FINANCIAL AFFAIRS**

Item deferred.

**XI: TELEPHONE AND POSTAGE BILLS**

Item deferred.

**XII: ITEMS FOR THE GOOD OF THE ORDER**

Item deferred.

**XIII: TOUR OF DARWIN HALL**

Christopher Dinno led the committee on a tour of Darwin Hall.

Meeting was adjourned at 3:15 pm to allow time for Darwin Hall tour.

Minutes prepared by Laura Lupei.