

**NORTHERN MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
Minutes of the Formal Session
of
Friday, September 21, 2018**

A formal session of the Board of Trustees of Northern Michigan University was held on Friday, September 21, 2018 in Cohodas Hall of Northern Michigan University, Marquette, Michigan. The meeting was convened at 9:05 a.m. in the Board Room, 602 Cohodas Hall, by Chair Robert E. Mahaney.

Trustees present included:

Mr. Robert E. Mahaney, Chair
Ms. Lisa I. Fittante
Ms. Alexis M. Hart
Mr. James K. Haveman
Mr. Scott L. Holman

Mr. Steven M. Mitchell, Vice Chair
Mr. Richard M. Popp
Ms. Tami M. Seavoy
Dr. Fritz J Erickson, ex officio

Senior Staff and Counsel present included:

Mr. R. Gavin Leach, Vice President for Finance and Administration and Treasurer of the Board of Trustees
Dr. Kerri Schuiling, Provost and Vice President for Academic Affairs
Dr. Steven A. VandenAvond, Vice President for Extended Learning and Community Engagement
Ms. Deanna Hemmila, Executive Director – Board/Government Relations
Ms. Cathy A. Niemi, Secretary of the Board of Trustees
Mr. Kurt McCamman, Legal Counsel

Senior Staff absent included:

Mr. Brad Canale, Chief Executive Officer – NMU Foundation

ROLL CALL

Secretary Niemi took roll call of the Trustees and noted that all Trustees were present.

MOTION TO AMEND AGENDA

The following action was taken:

It was moved by Trustee Seavoy, seconded by Trustee Hart, and approved unanimously (8-0) to amend the agenda by removing Item D.4., Public School Academies board appointments, from the Formal Recommendations.

MOMENT OF SILENCE

Provost and Vice President Schuiling read the following memorial:

- Dr. Robert Quinn, Department Head and Associate Professor, Department of Economics, who died on August 27, 2018.

INDIVIDUAL REQUESTS TO ADDRESS THE BOARD

The following individuals addressed the Board of Trustees:

- 1) Dr. Brent Graves, President – NMU American Association of University Professors (AAUP) addressed the Board on AAUP-related issues. A copy of his remarks is appended to these minutes. (Addendum #1)
- 2) Dr. Carol Johnson, Interim Dean – Walker L. Cisler College of Business, and Dr. David Wood, Professor – Department of English, and Co-Chairs of the SRA Academic Task Force, addressed the Board on the Strategic Resource Allocation (SRA) process. A copy of their remarks is appended to these minutes. (Addendum #2)
- 3) Mr. Jeff Korpi – Director of Housing and Residence Life, and Co-Chair of the SRA Support Task Force, addressed the Board on the SRA process. A copy of his remarks is appended to these minutes. (Addendum #3)

Chair Mahaney thanked the speakers for their thoughtful comments and the time and effort they each put into their presentations.

COMMITTEE REPORTS

Academic Affairs

Trustee Seavoy, Chair of the Academic Affairs Committee, reported on a meeting held Thursday, September 20, 2018. A copy of the report is appended to these minutes. (Addendum #4)

Finance

Trustee Haveman, Chair of the Finance Committee, reported on meetings held Thursday, September 6 and Thursday, September 20, 2018. A copy of the reports is appended to these minutes. (Addendums #5 and #6).

Mr. Haveman said that the clean, unqualified opinion that was issued by the auditors is a tribute to the staff and people who work at the university.

Chair Mahaney also thanked the staff for their efforts that resulted in the clean audit opinion.

Ad hoc Policy Review

Trustee Hart, Chair of the Ad hoc Policy Review Committee, reported on meetings held via conference call on July 25, August 14, August 29, and September 4, 2018. A copy of the reports is appended to these minutes. (Addendums #7, 8, 9, and 10)

Based on a recommendation from the Ad hoc Policy Review Committee, the Board took the following action:

It was moved by Trustee Haveman and seconded by Trustee Seavoy, that the Board approve the revised Indemnification Policy. (Addendum #11)

Discussion followed:

Chair Mahaney said that the Board has discussed this at length and that there has been a lot of great input put into this policy, along with all of the fine work put in by the ad hoc committee. He said he has been very impressed by the participation and thoughtful conversation that has occurred by all constituencies. He said that another item that has come out of the work of the ad hoc committee is the quality of the policy making work that is done at this university. He said we are in the vanguard, especially given everything that is happening in the world of higher education today.

Being no further discussion, Chair Mahaney called the question and the following action was taken:

The motion passed with eight (8) for and zero (0) against.

Executive

Trustee Mahaney, Chair of the Executive Committee, reported on a meeting held via conference call on Friday, August 17, 2018 and a meeting held in person on Thursday, September 20, 2018. A copy of the reports is appended to these minutes. (Addendum #s 12 and 13)

Chair Mahaney said that he reported to the Executive Committee a potential conflict of interest on his part regarding Norway Springs Water, who he discovered recently has sold water to the university and he has an ownership interest in that company. Chair Mahaney called on Mr. Kurt McCamman, legal counsel, to explain the potential conflict.

Mr. McCamman stated that recently Chair Mahaney contacted the Board Secretary, Mr. McCamman, and the President, as he is required to do, after he learned that there was a potential conflict of interest because of his dual role as a member of the Board of Trustees at Northern Michigan University and the fact that a company in which he owns a minority interest, Norway Springs, was selling water on an ad hoc basis via purchase orders. An investigation was completed regarding this issue and the following was learned: 1) from July 5, 2017 through September 4, 2018 the total amount of water purchased was \$3,099.23; 2) the purchase of water has occurred over several years, well before Chair Mahaney was appointed to the Board of Trustees of Northern Michigan University; and 3) Chair Mahaney played no role at all and, in fact, had no knowledge at all until he disclosed it.

When Chair Mahaney disclosed the potential conflict of interest, Mr. McCamman determined there was no need to call a special meeting of the Board of Trustees as the purchases had been on-going. Chair Mahaney insisted that this be disclosed at this meeting, which he has now done, and that there be a determination by the Board of Trustees as to whether or not a conflict of interest had occurred. Chair Mahaney also disclosed to Mr. McCamman that he was on the Board of Directors for Norway Springs Water. Mr. McCamman said that in his opinion the Board of Directors position at Norway Springs would be a conflict. He said it is Chair Mahaney's position that if Northern Michigan University is allowed to continue purchasing water from Norway Springs, he will resign his position on their Board of Directors so that he can continue without any appearance of impropriety as a member of the Board of Trustees at Northern Michigan University. Mr. McCamman said that the Board of Trustees will be asked to do two things today: 1) Vote and discuss and decide whether or not Chair Mahaney may recuse himself from voting on this issue, and 2) determine whether or not there is a significant conflict of interest in the fact that Northern Michigan University purchases small amounts of water from

Norway Springs. When that is decided, the Board may also decide that it is in the best interest of the university to continue purchasing water from Norway Springs as long as Chair Mahaney is not on their Board of Directors and plays no role in any negotiations or discussion relating to these purchases, which we are certain he has not done to this point.

President Erickson said he appreciates Chair Mahaney coming forward with this and that it never crossed the administration's mind that there was a conflict of interest. He said that one of the interesting things about living in a smaller community is that if everyone who had a business relationship with the university was excluded, we would not have anybody from the area who could serve on the Board of Trustees. He said that the university has been purchasing water from Norway Springs for a long time and it is done on an ad hoc basis. This past summer when we had an issue with water in a few of our buildings, we needed to purchase potable water. There are very few suppliers in the area and Norway Springs Water is where we purchased the water for those buildings. President Erickson said that in his opinion there is no conflict of interest and that he never spoke with Chair Mahaney prior to purchasing any of the water.

Being no further discussion, the following action was taken:

It was moved by Trustee Seavoy, seconded by Trustee Haveman, and supported by a vote of 7 – 0, 1 abstention, to allow Chair Mahaney to abstain from the vote regarding Norway Springs Water.

At this point, Chair Mahaney turned the meeting over to Vice Chair Mitchell and left the room.

Vice Chair Mitchell opened the floor for discussion regarding whether or not there was a conflict of interest regarding this issue.

Trustee Seavoy said that she doesn't believe that Chair Mahaney was aware of the purchase of Norway Springs Water until he saw it in one of the buildings recently. Given that he wasn't aware of the purchases, Trustee Seavoy said she doesn't believe there has been an actual conflict of interest with respect to this issue.

Trustee Mitchell called for a motion to determine whether or not there is a significant conflict of interest. The following action was taken:

It was moved by Trustee Seavoy and seconded by Trustee Popp that this Board does not view the water purchases from Norway Springs as a conflict of interest, and even if there is a conflict of interest, it is in the best interest of the University to continue to purchase water from Norway Springs.

Discussion followed:

Trustee Holman said that first of all this is a de minimis conflict of interest, if it even is considered a conflict of interest. Second of all, if he recalls properly, our bylaws state that as long as there is a disclosure to the Board, that it has been appropriately disclosed, which in this case Chair Mahaney has done so.

Trustee Hart said she does not believe there is a conflict of interest in this case based on the fact that this relationship existed well before Chair Mahaney was appointed to the Board of Trustees, and she doesn't believe that Chair Mahaney had any knowledge of this. She said she appreciates President Erickson's comments regarding the water issue, which is obviously something that benefits the University, and appreciates and is not surprised that Chair Mahaney came forward as soon as he was made aware of this issue.

Trustee Popp said he agrees and does not see an issue up to this point or going forward because the University is watching the proper procedures with any type of purchases; therefore, he said he is comfortable to vote on this issue.

Trustee Seavoy said that she would not want to hamper the University's ability to purchase water in the best way it finds.

Being no further discussion, Vice Chair called the question and the following action was taken:

The motion passed with seven (7) for and zero (0) against.

Trustee Mitchell said with the passing of the motion the Board has determined there is no conflict of interest and the University could continue purchasing water from Norway Springs.

Trustee Hart asked Mr. McCamman to clarify why Chair Mahaney would have to resign from the Norway Springs Board of Directors if the University continued to purchase water from Norway Springs. Mr. McCamman said that if Chair Mahaney continued to serve in a role at Norway Springs where he could be in direct contact between his position at Northern Michigan University and Norway Springs, it would be perceived as a conflict of interest. He has discussed this with Chair Mahaney and Chair Mahaney stated he is willing to resign his position on the Board of Directors at Norway Springs in order to continue in his role at the University. That will remove even the appearance of impropriety and Chair Mahaney believes it is best to do that. Mr. McCamman said that he agrees and that under the Bylaws that action would be appropriate.

Chair Mahaney returned to the meeting.

Vice Chair Mitchell informed Chair Mahaney that it was determined by the Trustees that there was no conflict of interest and that if it is the normal procedure for the University to purchase water from Norway Springs, they may continue to do so. He said that the Trustees appreciate Mr. Mahaney volunteering to resign from the Board of Directors at Norway Springs Water to end any possible appearance of a conflict of interest.

Vice Chair Mitchell turned the meeting back over to Chair Mahaney.

Chair Mahaney continued the report of the Executive Committee:

The last item that was discussed at the committee meeting was Trustee Emeritus status for former Trustee Dr. H. Sook Wilkinson. It is the recommendation of the Executive Committee that she be granted the status of Trustee Emeritus.

Based on a recommendation from the Executive Committee, the Board took the following action:

It was moved by Trustee Mitchell and seconded by Trustee Seavoy to grant Trustee Emeritus Status to Dr. H. Sook Wilkinson.

Discussion followed:

Trustee Popp said that he is supportive of Dr. Wilkinson for what she has done for the University, and particularly when it comes to the international students and her personal involvement in the community. He said he believes she is a role model for many of us and believes this action is appropriate.

Trustee Mitchell said he agrees with Trustee Popp. Dr. Wilkinson served as chair, vice chair, and chaired the Presidential Search Committee that selected President Erickson. He said she was a very hard worker throughout her time on the Board, the international students with whom she worked really appreciated her, and she was a huge benefit to the University. He said that he believes the Committee has nominated a great person and that the Committee has some others that need to be considered as we move towards December.

Chair Mahaney said he agrees with Trustees Popp and Mitchell. He said also echoes what Trustee Mitchell said about Dr. Wilkinson's connection within the community, as well as that the Committee has others to consider at the December meeting.

Being no further discussion, Chair Mahaney called the question and the following action was taken:

The motion passed with eight (8) for and zero (0) against.

ACTION ON FORMAL RECOMMENDATIONS

The following action was taken:

It was moved by Trustee Mitchell, seconded by Trustee Holman, and supported unanimously by the full Board, to approve the Formal Recommendations.
(Addendum #14)

ASNMU REPORT

Mr. Cody Mayer, President – ASNMU reported on the following:

- ASNMU has had three meetings so far this year
- Goals for the year are being identified, many of which align with President Erickson's, which include:
 - Student voter rights and youth voice
 - Student veteran issues
 - Campus mental health
 - Connecting NMU to the Marquette community, with a focus on the students' perspective of Marquette instead of just the administration's standpoint
- ASNMU has worked with the IT Department to develop the NMU mobile app and will continue to work with them for further updates

- Career Closet has received a lot of community support and an abundance of donations which has resulted in receiving extra storage and space
- Voter Registration event was held on Wednesday, September 19. There were over 200 students who registered to vote within the six hours the Secretary of State mobile office was on campus. When this event was held in 2016, only three students registered to vote.
 - ASNMU assisted administratively with approximately 5% of international students at this event
- Food Insecurity Committee, which is the group that created the Food Pantry, is now a client with Feeding America. This means that the group can purchase bulk items at a lower price from Feeding America, which will help keep the stock of products at a higher level.
- ASNMU has received a lot more interest on campus this year from both students and students wanting to join ASNMU and University committees, with appointments occurring on a weekly basis.
- ASNMU has received more contact from students via phone, email, and in person than he has seen in the past
- ASNMU would like to see students being more involved in the SRA process in the future, such as being able to access the SRA reports to gain a better understanding of what is happening

Chair Mahaney said he commends ASNMU for their goals, especially campus mental health and building relations with the community. He said that on behalf of the local Trustees, please let him know if there is anything they can do to assist them. He also said that regarding the SRA, it's a real challenge because as Mr. Mayer noted, students are busy; NMU does not want to exclude student input and there's always a balancing act. With the SRA, and any process, there is always room for continuous improvements along the way. Chair Mahaney thanked Mr. Mayer for his comments.

PRESIDENT'S REPORT

President Erickson reported on university accomplishments since the February 2018 meeting. His report is appended to these minutes. (Addendum #15)

ANNOUNCEMENT OF INFORMAL CLOSED SESSIONS TO BE HELD IN CONJUNCTION WITH THE THURSDAY – FRIDAY, DECEMBER 13 – 14, 2018 SESSIONS OF THE BOARD

President Erickson made this announcement for the public record.

GOOD OF THE ORDER

Chair Mahaney opened the floor to the Trustees for any Good of the Order comments they may have.

Trustee Mitchell congratulated President Erickson for the tremendous job he is doing, and the entire staff, Vice President Leach, Provost and Vice President Schuiling, Vice President VandenAvond, and Mr. Canale. He said the University is in such strong shape especially when he looks back to when he came here in December 2012 before coming on the Board. He said there have been improvements up and down the line in terms of not only the programs offered but the residence halls. He thanked Dr. Graves for his comments and noted that we do want to

act in a collaborative manner and is sure we can all bargain in good faith on a contract. Trustee Mitchell said he understands there is a procedure to follow regarding the naming of buildings. He said he would like to see the name “Harden Learning Resources Center” changed to “Harden Hall.” He noted there is a tendency to call it the “LRC” or “Learning Resources Center” and that Dr. Edgar Harden built this University. There were 900 students when Dr. Harden came here in 1956; there were 7,600 when he left and that is where the enrollment stands today. Trustee Mitchell said he will work with the Committee to move this name change forward.

Trustee Popp also thanked Dr. Graves for his comments, as well as Dr. Johnson, Dr. Wood, and Mr. Mayer. He said there is an alignment there and this is a team. There will be differences of perspective yet we are in this together, and he encourages everyone to recognize we all have the same types of constraints, our own perspectives, and the hallmark of a great organization is one that can work through the disagreements in a productive way to make us even better. He said that we are on the right path and he is very proud of President Erickson’s leadership and all that he does and continues to do. He also appreciates this Board – it is 100% committed to this University and it’s an honor to be a part of it.

Trustee Hart said that she echoes some of the things her colleagues have already said. She continues to be impressed by the progress and the passion throughout the university – faculty, students, even on the Board. She is very proud to be a member of this Board and work amongst everyone at this table and the university.

Trustee Haveman said he had the opportunity to work with President Erickson when he was the Provost at Ferris State and Mr. Haveman was a member of the Ferris State Board, and that it is a joy to be able to work with him as the president of this great university. He said he appreciates Dr. Graves’ comments about relationships on campus and appreciates the atmosphere up here. He said he also realizes a faculty that is engaged – and we heard from students at lunch on Thursday – everyone mentioned the connection they had with faculty and their willingness to meet with them, talk with them, and help them succeed. He said he realizes that takes a lot of work on the part of faculty but that it creates a culture on campus which is very unique amongst the 15 public universities in this State. Trustee Haveman said that he wants to emphasize the fiscal responsibility of this University. He said that none of the construction, creativity – The Woods housing complex, the University Center project, and all of the items that have been acted on for 2019 – would happen without resources. This takes tough work. It means saying “no” a lot and setting priorities. He said he has been impressed by how this University sets its priorities and follows the plan; universities get in trouble when they don’t follow the plan and he said this Board of Trustees parallels well in how we act amongst ourselves to follow the strategy and believes this is really a tribute to this university.

Trustee Seavoy acknowledged the work that ASNMU has been doing. She said she is impressed with the student government and what they have put into this university. She said when she first came on the Board it seemed to be a big effort to get anyone out to even vote for people to serve on ASNMU. She said to see the work the Mr. Mayer and ASNMU has done and how far this has come, she is very impressed and looks forward to what else they end up doing.

Trustee Fittante said that she appreciates everyone who has addressed the Board today and that they all listen to what everyone has to say. She said what she likes about being on this Board is that it seems like everyone is about the good of the university – that’s a great thing to see and

that she came on the Board, less than two years ago, at a great time because there is so much energy and its infectious.

Trustee Holman said that he often looks at someone who waits on him in one of the stores or restaurants around town and suspects that they are Northern students. He engages them in a conversation and so often they mention someone who has worked with them in the faculty. For many reasons he is very proud of our faculty. They do a wonderful job and it is reflected in some of the conversations he has had with students, not only here, but in Bay City and Saginaw, and that he appreciates the faculty we have at NMU.

Chair Mahaney said since he and Trustee Seavoy came on the Board four years ago, so much has changed, and all for the positive. He said that we have elevated the University as a whole to a higher level and that our challenge now is to achieve the next level, which will be a big part of this Board's conversations going forward. Chair Mahaney noted the rapid pace at which higher education is changing and the opportunities such change affords Northern. He said that we've accomplished a lot and is encouraged by what this leadership team can do across this university. He said that Northern can be a preeminent institution, one that comes off the tip of your tongue when discussing the great institutions in the State of Michigan or the upper Midwest. In closing, Chair Mahaney invited everyone to attend the December Board meeting because two of the top leaders on the Board have terms ending, both of whom have served as Chair of the Board, and it will be their last meeting – Trustee Popp and Trustee Holman.

ADJOURNMENT

Chair Mahaney adjourned the meeting at 10:09 a.m.

Respectfully submitted,

Cathy A. Niemi
Secretary of the Board of Trustees