

**NORTHERN MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
Minutes of the Special Formal Session
of
Friday, October 20, 2023**

A special formal session of the Board of Trustees of Northern Michigan University was held on Friday, October 20, 2023, via Zoom video conference. The meeting was convened at 11:32 a.m. by Chair Stephen E. Young.

Trustees present included:

Mr. Stephen E. Young, Chair	Mr. Steven W. Lindberg
Ms. Alexis M. Hart, Vice Chair	Mr. Gregory J. Seppanen
Ms. Melissa A. Holmquist	Mr. Greg M. Toutant
Ms. Brigitte R. LaPointe-Dunham	Dr. Brock F. Tessman, ex officio

Trustees absent included:

Ms. Lisa I. Fittante

Senior Staff and Counsel present included:

Mr. R. Gavin Leach, Vice President for Finance and Administration and Treasurer of the Board of Trustees
Ms. Cathy A. Andrew, Secretary of the Board of Trustees
Mr. Jamie Beauchamp, Controller
Mr. Matt Franti, Sr. Director – Budget and Finance
Ms. Deanna K. Hemmila, Executive Director – Board/Government Relations
Ms. Kathy A. Richards, Associate Vice President – Engineering/Planning/Facilities
Ms. Rebecca J. Schneiderhan, Assistant Controller
Mr. James S. Thams, Director – Facilities/Campus Planning
Mr. Carrick Craig, Legal Counsel

Guests present included:

Mr. Steve Peacock, Principal – Rehmann Robson

The meeting was live-streamed on YouTube at <https://www.youtube.com/@nmuavstreaming3304>

ROLL CALL

Secretary Andrew took roll call of the Trustees and noted that a quorum was met with seven Trustees present.

INDIVIDUAL REQUESTS TO ADDRESS THE BOARD

Chair Young noted that Mr. James Gallant had requested and received an additional two minutes (for a total of five minutes) to address the Board.

Mr. Gallant addressed the Board on “NMU’s new Wellness Facility and the current definition of ‘comprehensive mental health services’ in Michigan.”

Chair Young thanked Mr. Gallant for his comments.

**EXTERNAL AUDIT – AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED
JUNE 30, 2023** (Addendum #1)

Trustee Hart introduced Mr. Steve Peacock from the external audit firm of Rehmann Robson and Vice President Leach. Vice President Leach noted that the university just completed the financial audit for the year and asked Mr. Peacock to walk through the audit. Mr. Peacock provided some highlights of the audit, stating the audit is complete and they have issued an “unmodified audit report” which is a clean audit report, the highest level of assurance that audit firms can be placed on financial statements.

Trustee Hart thanked Mr. Peacock for his presentation and putting things in lay terms and the explanation of monies going back in to be reinvested and making sure Trustees are looking at the statements in reality. Mr. Peacock pointed out that the auditors had a robust conversation with the Finance Committee going over the statements in detail, which provided a thorough dissection of the financial statements.

Trustee Hart said this is her seventh year on the Board and the university has received nothing but the highest marks during her time. She thanked Vice President Leach, Mr. Beauchamp, and Ms. Schneiderhan noting the amount of time spent on the audit prep and process. She explained that the Finance Committee has separate discussions with the auditors noting the audit results do not come by accident – it’s driven by strong leadership from the top and is driven by the strong controls that are put in place.

The following action was taken:

It was moved by Trustee Hart and seconded by Trustee Seppanen that the NMU Board of Trustees accept the audited financial statements for fiscal year ending June 30, 2023, as presented

Discussion followed:

Chair Young said he agrees with Trustee Hart’s comments as he has been through several audits during his tenure on the Board noting the university does very well because of the team and their hard work – the tone at the top with Vice President Leach, his team, and President Tessman.

Being no further discussion, Chair Young called the question.

On a roll-call vote, the Board voted as follows:

Aye

Nay

Stephen E. Young
Alexis M. Hart
Gregory J. Seppanen
Melissa A. Holmquist
Brigitte R. LaPointe-Dunham
Steven W. Lindberg
Greg M. Toutant

Motion carried.

FISCAL YEAR 2024 BUDGET UPDATES (Addendum #2)

Trustee Hart and Vice President Leach led a discussion and provided information on the following fiscal year 2024 budgets (copies are on file with the Secretary of the Board of Trustees):

- General Fund
- Auxiliary Operations
- Housing and Residence Life
- Designated Fund

The following action was taken:

It was moved by Trustee Hart and seconded by Trustee Seppanen that the following Fiscal Year 2024 budgets be approved as presented: General Fund Base Budget, Auxiliary Operations Budget, Housing and Residence Life Budget, and Designated Fund Base Budget.

Being no discussion, Chair Young called the question.

On a roll-call vote, the Board voted as follows:

Aye

Nay

Stephen E. Young
Alexis M. Hart
Gregory J. Seppanen
Melissa A. Holmquist
Brigitte R. LaPointe-Dunham
Steven W. Lindberg
Greg M. Toutant

Motion carried.

FACILITIES UPDATE

Trustee Hart and Vice President Leach led a discussion and provided a facilities update that included the following:

- Major Facilities Updates (Addendum #3)

Trustee Hart noted the Board had the opportunity last year to tour the Science Complex and see some of the great programs going on, as well as the need that existed for the Science Complex and Teaching Lab project – she’s happy to see this investment. She asked if this project was a long-term solution that will meet the needs of the science programs in the future. Vice President Leach said Ms. Richards and Mr. Thams have been primarily meeting with the faculty from the sciences to go over their needs and the design of the project has been based on their input. Mr. Thams noted that the master plan from a few years ago went through and evaluated what the long-term needs were for the sciences based on current programming. The two sciences that are being provided lab space – biology and chemistry – were the primary areas that noted

deficiencies. This project brings six labs coming on line – four dedicated to biology and two dedicated to chemistry – which will meet those needs.

- Facilities Five-Year Master Plan (Addendum #4)
 - This document contains information related to the university's facilities, infrastructure, etc. and is required to be submitted to the State on an annual basis.
- 2025 Capital Project Request – The Northern Enterprise Center for the College of Business (Addendum #5)
 - This project is included in the Facilities Five-Year Master Plan.

Trustee Hart said the Northern Enterprise Center will be a great hub for the university, noting the business major is our fastest growing program by about 8%.

- Fiscal Year 2024 Long-Term Maintenance Projects (Addendum #6)
 - These are the larger maintenance items for this fiscal year.
- Projects Greater than \$250,000 (Addendum #7)

The following action was taken:

It was moved by Trustee Hart and seconded by Trustee Seppanen that the following facilities items be approved as presented: NMU Five-Year Facilities Master Plan, 2024-2025 Capital Outlay Project Request, Fiscal Year 2024 Long-Term Maintenance Projects, and Projects Greater than \$250,000.

Being no discussion, Chair Young called the question.

On a roll-call vote, the Board voted as follows:

Aye

Nay

Stephen E. Young
Alexis M. Hart
Gregory J. Seppanen
Melissa A. Holmquist
Brigitte R. LaPointe-Dunham
Steven W. Lindberg
Greg M. Toutant

Motion carried.

PRESIDENT'S COMMENTS:

President Tessman thanked Trustee Hart and Vice President Leach for the presentations provided today. He noted some of the comments about the value NMU places in stable financial positioning and prudent financial management, saying it is tempting to move away from that strategy occasionally because there are so many short-term needs on our campus. NMU meets

those needs but also builds a strong foundation for the university when you look at the balance sheets to understand what NMU is positioned to do, pointing out it's uncanny for a university of Northern's size to have that stable of a foundation and said much of the credit goes to Vice President Leach and his team. He also thanked Mr. Thams and Ms. Richards for engaging NMU's academic leaders, faculty, deans, and others in how NMU designs some of these projects; noting the lab space does reflect much input from the biology and chemistry department programs. His hope is that NMU continues to grow and needs more space but currently the space is designed for the long term. NMU will continue to build out its projects that way; the Northern Enterprise Center will be included in that as it already reflects a lot of faculty and academic input. Getting this input is an important part of getting it right as these projects are built out. He said there are many exciting things happening and he's happy to begin the planning process for the next fiscal year.

ADJOURNMENT

Chair Young adjourned the meeting at 12:28 p.m.

Respectfully submitted,

Cathy A. Andrew
Secretary of the Board of Trustees