The Bloomsburg University Council of Trustees met in the Ballroom of Kehr Union on March 3, 2004 at 8:30 a.m.

Those in attendance:  Mr. Robert Gibble, Dr. Joseph Mowad, Mr. Steven Barth, Dr. Robert Dampman, Ms. Ramona Alley, Mr. David Petrosky, Mr. LaRoy Davis, Mr. Richard Beierschmitt, and Ms. Marie Conley-Lammando.

University Personnel in attendance:  Dr. Patrick Schloss, Dr. Preston Herring, Dr. Richard Rugen, Dr. Michael Vavrek, and Ms. Lisa Hemrick.

Mr. Robert Gibble, Co-Chair of the Council of Trustees, called the Committee of the Whole Meeting to order, greeting those in attendance and asking that anyone wishing to speak to any of the issues that are raised, to wait for the public comment time at the beginning of the Quarterly Meeting which would immediately follow.

Mr. Gibble then recognized Dr. Preston Herring, Vice President for Student Life, to discuss the Honeysuckle Student Housing Project.

Honeysuckle Student Housing Project

Dr. Herring discussed the persistent, critical need for additional student housing.  Additional student housing is vital to the university’s mission and to remain highly competitive in the recruitment of new students and to attract transfer students to our campus by being able to offer quality student housing.  The University continues to support the Community Government Association’s efforts, as an affiliated, non-profit entity, to negotiate a Payment in Lieu of Taxes with the local taxing authorities.  However, if a PILOT agreement cannot be reached, the University must be equipped with a contingency plan as the Community Government Association is prepared to transfer the Honeysuckle Property to the University.  If this transfer does occur, the University would essentially start over with pre-design and site development work to construct student housing on that property.  The earliest that a University-developed project could be completed on this site is the Fall of 2006 which may be an optimistic schedule.  Dr. Herring also stated that safe, high-quality, and professionally-managed student housing which reflects the values and educational standards of the University is the goal, regardless of the outcome of the negotiations involving the PILOT.

Dr. Herring reminded the trustees of the fact that last Fall we had 300 rooms tripled in our residence halls, 900 students over the normal capacity.  Students are deciding to remain on campus because it is convenient and affordable.  Because of the impact student housing has on our ability to recruit new students, the Council of Trustees in the past directed the administration to work toward the goal of housing 50% of our students in university-owned or affiliated housing.  Currently 46% of our students live in university housing and the Honeysuckle apartments project will enable us to reach the 50% goal set by the trustees.

Dr. Herring then introduced Ms. Amy Hess, President of the Community Government Association, who updated the trustees on the current status of negotiations with the local taxing authorities.  A letter was sent to the Town of Bloomsburg, the Bloomsburg School District, and the Columbia County Commissioners requesting meetings to discuss the project and the need to reach a PILOT agreement by the middle of March.  The letter also stated that if a PILOT could not be reached, CGA planned to transfer the Honeysuckle Property to the university because of the dire need for student housing.  Informal meetings were held with Bloomsburg Town Council and the Bloomsburg School Board which allowed CGA to hear questions and concerns from members and allowed CGA to explain their reasons for the project.  As of this date, however, CGA has not had the opportunity to formally meet with the 3 taxing authorities.  While every effort will still be made to reach a mutually-agreeable PILOT, Ms. Hess expressed concern that CGA may have to forfeit its efforts to build student housing on this property if an agreement with the local taxing authorities cannot be reached.  She then asked the trustees to consider preparing in the event CGA transfers the Honeysuckle property to the University, as CGA’s goal has always been to benefit the students.

Ms. Hess then introduced Dr. David Hill, Comptroller of the Community Government Association, who discussed why
a PILOT agreement is so important. First and foremost, without the PILOT agreement, the project is not a viable one for CGA. He stated that the intention is to develop and maintain, over the long-term, a first-class student community. Staffing, programming and upkeep of this type of facility is expensive, and as part of the tax-free bond financing, CGA is required to maintain a 1.2 debt ratio throughout the 30 years of the bond. A PILOT agreement is necessary for CGA to maintain this debt ratio. All of this, coupled with the fact that CGA wants to keep the rent for students as low as possible, makes a PILOT agreement with local taxing authorities imperative.

Dr. Mowad asked Dr. Hill what the actual taxes for the property would be. Dr. Hill stated that the actual tax would be $233,000, which is $133,000 more than the proposed $100,000 PILOT. Dr. Hill stated that this additional $133,000 could not be passed along in the cost of rents to students as it would result in the Honeysuckle rents being much higher than what is already offered.

Dr. Hill also pointed out that PILOT agreements have been reached between some of the other State System Universities and their taxing authorities, i.e. California, Clarion, and Lock Haven.

Dr. Richard Rugen, Vice President of Administration and Finance, was then introduced to discuss the two resolutions which will be considered at the Quarterly Meeting. If CGA does transfer the property to the University, the first resolution would authorize acceptance of this transfer and to explore the feasibility of building on that site. The second resolution would authorize the University to release a Request for Proposals for the project. Dr. Rugen stressed the fact that if CGA is unsuccessful in their efforts to negotiate a PILOT and the university accepts the transfer of the property, the university must follow a very strict timeline to complete construction of student housing on this property by Fall of 2006. Dr. Rugen detailed this timeline as well as reiterated to the trustees that the University’s preferred track is still the affiliated, non-profit approach.

A question was raised that if the University does receive the property, whether or not they could obtain and use all the project work completed by CGA to this point. Dr. Rugen stated that this is not allowed as CGA’s project is a privatized one, and the state would require the university to start over with this pre-construction work.

Trustee Barth and Trustee Davis then suggested that another student housing project on the upper campus (state-owned land), in addition to Honeysuckle, be initiated today as well to ease the pressure of the student housing situation. Discussion then followed regarding access to the upper campus and the necessity of resolving this issue before pursuing student housing on the upper campus.

**Proposed Fee Increases**

Dr. Herring referenced Exhibit H (page 33) of the quarterly meeting agenda which detailed the proposed room and board increase for 2004-2005, a 4.75% combined average increase (5.5% Room and 4.0% Board). This would result in a $122 increase per student per semester. Dr. Herring explained the Administrative Fees as indirect/overhead costs to be reimbursed from the Residence Life auxiliary to the University’s E & G budget. This includes staff time involved in administering to the residence hall program as well as any operational expenses the university incurs in this process. The Board of Governors discovered that the universities were not charging enough to recover these costs and dictated a formula to State System universities as a way to recover and assess these indirect overhead charges. Two years ago it was decided to phase in these indirect charges to the residence halls. The Administrative Fees shown in Exhibit H are actually the second year figures of the phase-in to recover these indirect overhead charges. Dr. Rugen stated that Bloomsburg is following the West Chester model, a very transferable model, of which they have performed time studies and cost analyses.

Trustee Barth requested that the Administrative Fees be broken out by line item to better show in which areas these charges are occurring. Trustee Conley-Lammando asked if there were any other pending mandates from the State System similar to this operational expenses chargeback. Dr. Herring stated he was not aware of any looming authorizations from the Board of Governors.

It was also requested by Trustee Davis that once the other 13 state system universities have set their fees, that the trustees be provided with a ranking as to where Bloomsburg would fall with the proposed fee increase as shown in Exhibit H.
Trustee Conley Lammando asked if any consideration was given assuming tuition will be increased by the State System. Concern was expressed that an increase in tuition coupled with the proposed room and board increase would be very expensive for students. Because of an expected increase in tuition from the State System, Trustee Gibble suggested that the two-year phase-in be changed to a three-year phase-in to lessen the financial burden next year for students.

Dr. Schloss re-emphasized that if the proposed room and board rate increase is not approved, or approved at a lower rate, it would simply shift these costs to the general operating budget (E & G) and reduce resources available to finance, building, academic affairs, and other divisions that are directly charged.

Trustee Gibble, sensing that the trustees are concerned with the increased financial burden to students, suggested that a special meeting to further discuss student fees may be in order to allow sufficient time for preparation of appropriate reports and possibly an alternative recommendation which would involve a lower increase in the room and board fee.

A conference call/meeting, advertised in accordance with the Sunshine Law, was suggested at a later date. It was agreed to defer the decision on student fees to a special meeting to be held sometime in April.

Dr. Herring stated that prior to this special meeting, the trustees will be provided with a copy of the line item budget showing percentage of increase/decrease for fiscal years 2003-2004 and 2004-2005, a comparison of SSHE Residence Hall Room Rates, and an alternative room and board rate increase recommendation at a lower rate to be phased in over three years vs. the current two year plan.

**Campus Facilities Planning**

Trustee Gibble introduced Dr. Richard Rugen who discussed campus facilities planning.

Dr. Rugen stated that a strategic planning initiative has been initiated on campus as part of a system-wide initiative. Part of this initiative is to update our master plan. The university is currently looking at two classroom concepts: 1) Renovation of Haas Center and 2) Potential of constructing a new classroom building that will provide the university with more alternatives to different teaching styles. A university task force is looking at each of these concepts and is preparing to share their recommendation to the Acting President in the near future.

The other major issue being addressed in regard to campus planning is parking. The campus master plan has called for alternatives such as a high-rise parking lot. A task force is in place to look into this alternative and other options as well. The plan is to present the trustees with recommendations this Fall as to which direction the university suggests we take regarding additional classroom space and parking.

The meeting was adjourned at 10:05 a.m.

Approved by: ________________________  Submitted by: ________________________

Steve Barth  Lisa Hemrick

Secretary  Administrative Assistant