

**SPECIAL MEETING OF THE BOARD OF TRUSTEES
OF THE EVERGREEN STATE COLLEGE**

**Wednesday, January 14, 1987
Daniel J. Evans Library
Olympia, Washington**

Trustees Attending: Kay Boyd
Herbert Gelman
George E. Mante
Richard S. Page
William T. Robinson
David K. Y. Tang
Allan M. Weinstein

**Representatives
to the Board
Present:** Don Finkel, Faculty
Lincoln Post, Student

Staff Present: Jeannie Chandler, Director of Housing
Keith Eisner, Information Specialist
Rita Grace, Administrative Assistant to President
Jim Johnson, Director of Computer Services
Gail Martin, Vice President for Student Affairs
Margarita Mendoza de Sugiyama, Affirmative Action
Officer
Susan Washburn, Vice President for Development and
Administrative Services
Ken Winkley, Associate Vice President for Adminis-
trative Services
See permanent roster for others attending

Others Attending: Richard T. Kennedy, Seattle Northwest Securities Corp
Coral DeWilliams, The ORB Organization
Rich Montecucco, Senior Assistant Attorney General
See permanent roster for others attending

The meeting was called to order at 9:40 AM by Vice Chairman Tang, who chaired the meeting until Chairman Page arrived. Lincoln Post, the new student representative, was introduced.

AUTHORIZATION TO PROCEED WITH NEW DESIGN-BUILD STUDENT HOUSING - Action

On behalf of the Board, Vice Chairman Tang expressed appreciation for the comprehensive and well-done package of materials.

Gail Martin summarized the history of the project: October, 1985 - new housing committee formed to study housing needs; December 1985 - reported to Board that housing was needed and announced plans to apply for Department of Education grant; February, 1986 - Board approved design consultant; September, 1986 - notified that College did not receive Department of Education grant; October, 1986 - housing committee reconstituted to consider

other alternatives; and November, 1986 - Board appointed ORB Organization as design consultant. The College has confirmed that OFM is not interested in funding this project; the Attorney General's office has assured the College that the project will be exempt from the lease-hold excise tax. The College received a declaration of non-significance for a RFP.

Ken Winkley reviewed the two approaches which have been explored--net lease back (a fall-back, more expensive option) and the bonding approach. He also reviewed in detail two sets of pro forma statements. He introduced Mr. Dick Kennedy who discussed the process for sale of bonds. Seattle Northwest Securities has worked with the College since its opening. He felt the pro forma statements and information are accurate and would allow the College to obtain the investment rate desired.

Trustee Boyd asked about incentives for buyers and a bond cap under the new tax laws. Mr. Kennedy responded that bonds should be fully tax exempt in the hands of the holders. Mr. Winkley responded to additional questions from Trustee Boyd. She expressed her concern about what is happening at the federal level regarding student grants. Questions from Trustee Tang related to the present financial market (7 1/4% - 7 1/2% interest rate); determining rate between lease approach and design-build option (8%); and timing (February 9 date to decide on financing and whether College can sell bonds). Trustee Robinson asked for an explanation of why Seattle Northwest Securities was chosen, suggesting comments on this selection (rather than the use of another competitive method) should be on record. Mr. Winkley responded that the Board appointed Seattle Northwest Securities as bond consultant at the time of the last housing issue; they have advised the College on two other tuition issues. He views this firm as the Board-appointed consultant. Trustee Tang suggested that they are also within the competitive realm. Trustee Robinson felt it would be useful to bring these kinds of contractual relationships to the Board.

The project will be audited on an annual basis (by an outside CPA), and will have three reviews during the year, in addition to monthly monitoring.

Trustee Boyd commended staff for their work and recommended offering the bonds locally if there is an opportunity to do so. President Olander added his appreciation of the staff's efforts.

Coral DeWilliams, representing ORB, reviewed the RFP distributed to the Board and responded to questions. She mentioned time lines were not normal but could be done. She anticipates between 2 - 7 bidders.

Trustee Robinson wondered about the financial impact of the short turnaround for this project and whether there is an increased cost because of the dual financing approach bidders are to consider. Ms. DeWilliams acknowledged that costs on a short-term project are increased; however, she indicated the general feeling of the contractors is that they want less time to bid. The bid period has been extended by one week. With respect to the cost of the project, Mr. Winkley told Trustees that each element of the project has been analyzed and reviewed by a private firm. Staff believes that the bonds can be sold with an A rating or the next lower rating. Trustee Robinson suggested that the staff was under a tremendous burden to come up with a

"crash" program--the institution ought not be put in short time frames on future capital projects.

Trustees Gelman, Robinson and Tang will try to attend the February 9 presentation at the ORB offices. Should there be any concern on their part, they will bring it to the attention of the Board.

Trustees discussed Resolution No. 1-87 and agreed to delete from the third paragraph the words "in the other's absence" (line 3).

Motion Mr. Mante moved approval of attached Resolution No. 1-87,
87-01 entitled "Resolution of the Board of Trustees of The Evergreen State College concerning construction of new design-build housing." Seconded by Mr. Page and passed.

EMERGENCY RULE RELATING TO THE PRESIDENT'S ADVISORY BOARD/GRIEVANCE HEARINGS - Action

President Olander reminded Trustees that the Evergreen Council was abolished in order to try to make governance more effective and efficient. In the process, the College was left without a hearing board with respect to grievances. He explained the proposed emergency WAC which would be effective for a 90-day period and told Trustees that the President's Advisory Board is comfortable with their role. He is concerned that there is no protection at the College for frivolity in the hearing process. During this 90-day period, a DTF will be appointed to review the grievance structure at Evergreen. He distributed a letter from two students from the MPA program. President Olander will respond to this letter on behalf of the Board and will share the letter with the DTF.

Motion Mr. Robinson moved adoption, as an emergency rule, of the
87-02 attached Washington Administrative Code (WAC 174-107-261 mailed to Trustees) providing for the President's Advisory Board to assume some of the responsibilities formerly given the Evergreen Council for grievance and hearing boards. This rule will be effective for 90 days after the date of filing. Seconded by Ms. Boyd and passed.

OTHER BUSINESS AND INFORMATION

Computing at Evergreen

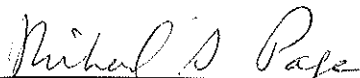
Sue Washburn presented the challenges of computing at Evergreen and mentioned the College is wrestling with the philosophy of access vs. increased student demands. Jim Johnson mentioned the College had received a National Science Foundation grant for the development of a computer science teaching laboratory; Trustees toured this facility. Due to limited time, this presentation is to be continued at the next meeting.

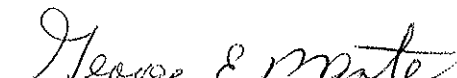
DATE OF NEXT MEETING, EXECUTIVE SESSION, AND ADJOURNMENT

The next regular meeting of the Board is set for Wednesday, February 11.

The Trustees convened an executive session at 11:50 AM, recessed for lunch,

and then adjourned the meeting at 1:30 PM. Trustees discussed legislative priorities and the Governor's budget at lunch but did not convene a work session to discuss Higher Education Coordinating Board critical questions.


Richard S. Page, Chairman


George E. Mante, Secretary

Attachments (2)

THE EVERGREEN STATE COLLEGE

RESOLUTION NO. 1-87

RESOLUTION OF THE BOARD OF TRUSTEES OF
THE EVERGREEN STATE COLLEGE
CONCERNING CONSTRUCTION OF NEW DESIGN-BUILD HOUSING

WHEREAS, RCW 28B.10.528 authorizes governing boards to delegate to the president or his or her designee by resolution any of the duties vested in the governing board by law;

WHEREAS, the College is in the process of building new design-build housing for 200 additional students;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby delegates to the President and to the Associates Vice President for Administrative Services (either of which may act) the authority to sign a contract for the construction of new student housing and to accept bids for the sale of bonds to finance construction of new design-build housing or any other actions related to the construction of new student housing as proposed at the January 14, 1987 Special Board of Trustees meeting.

Approved by the Board of Trustees
this 14th day of January, 1987

18/11/72

WAC 174-107-261 President's Advisory Board

(1) The President's Advisory Board has been constituted by the President and replaces the Evergreen Council. The Board provides general recommendations to the President. The Board also functions to determine the appropriateness of petitions and to facilitate hearings under the governance document.

(2) The membership of the President's Advisory Board shall consist of three faculty, three staff (one of which is to be in an exempt positions), three students and three at-large members (a student, a staff person, and a faculty member). The chairperson, who shall not be the President, will be chosen by the members of the Advisory Board once the at-large members have been selected.

(3) The President's Advisory Board shall determine whether an issue is appropriate for a hearing under the grievance procedure (WAC 174-107).

(4) Once the President's Advisory Board determines the appropriateness of a hearing, the chairman shall transmit the acceptance of the determination of appropriateness to the President, who shall constitute the hearing board, which will consist of four members: one faculty, one exempt staff, one classified staff, and one student.

Approved by the Board of Trustees
January 14, 1987