

**NORTHERN MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
Minutes of the Formal Session
of
Friday, December 9, 2016**

A formal session of the Board of Trustees of Northern Michigan University was held on Friday, December 9, 2016 in the Don H. Bottum University Center of Northern Michigan University, Marquette, Michigan. The meeting was convened at 4:05 p.m. in the Marquette/Nicolet/Cadillac Rooms by Chair H. Sook Wilkinson.

Trustees present included:

Dr. H. Sook Wilkinson, Chair
Mr. Scott L. Holman
Dr. L. Garnet Lewis
Mr. Robert E. Mahaney

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

Senior Staff and Counsel present included:

Mr. Brad Canale, Chief Executive Officer, NMU Foundation
Mr. R. Gavin Leach, Vice President for Finance and Administration and Treasurer of the Board
Dr. Kerri Schuiling, Provost and Vice President for Academic Affairs
Dr. Steven A. VandenAvond, Vice President for Extended Learning and Community Engagement
Ms. Cathy A. Niemi, Secretary of the Board of Trustees
Mr. Kurt McCamman, Legal Counsel

AMENDMENT TO AGENDA

The following action was taken:

It was moved by Trustee Mitchell, seconded by Trustee Lewis, and supported unanimously by the full Board, to amend the meeting agenda to add the 2017 meeting dates.

2017 MEETING DATES

The following action was taken:

It was moved by Trustee Mitchell, seconded by Trustee Popp, and supported unanimously by the full Board, to change the June meeting dates from June 29 and 30 to June 15 and 16.

INDIVIDUAL REQUESTS TO ADDRESS THE BOARD:

Ms. Niemi reported that there were three requests to address the Board. The following individuals addressed the Board on the topic noted:

- Professor Michael Andary, President of the Northern Michigan University Faculty Association (NMUFA), highlighted the faculty and programs within the NMUFA.
- Mr. Ivan Swart, student, spoke about student sustainability issues and student/admission relations.
- Mr. Andrew Adamski, student, spoke about Wells Fargo's part in the human and environmental rights violations currently taking place and asked the Board to invest in renewable energy on campus.

Chair Wilkinson thanked the speakers for their comments. She said the Board always appreciates hearing their voices and encourages others to speak up.

INTRODUCTION OF GRADUATING SENIOR SPEAKING AT MIDYEAR COMMENCEMENT

Provost and Vice President Schuiling announced that Mr. Andre Stringer, a Marketing major, from Detroit, MI will represent the graduating class of fall 2016 at Commencement ceremonies tomorrow. On behalf of the Board, Chair Wilkinson congratulated Mr. Stringer and presented him with a plaque. A photo was taken.

ANNOUNCEMENT OF STUDENT CHOICE AWARD RECIPIENT AND COMMENCEMENT SPEAKER

President Erickson announced Dr. Martin Reinhardt, Associate Professor, Center for Native American Studies, was selected by the students as the first Student Choice Award Recipient and December 2016 Commencement Speaker.

ASNMU REPORT

Mr. Tristan Ruiz, President of the Associated Students of Northern Michigan University (ASNMU), presented on ASNMU activities that have occurred during the fall semester. His report is appended to these minutes. (Addendum #1)

Mr. Ruiz answered questions from the Trustees.

PRESIDENT'S REPORT

President Erickson reported on University accomplishments since the September 2016 meeting. His report is appended to these minutes. (Addendum #2)

President Erickson answered questions from the Trustees.

RECESS – Chair Wilkinson recessed the meeting at 10:10 a.m. for a short break.

RECONVENE – Chair Wilkinson reconvened the meeting at 10:23 a.m.

COMMITTEE REPORTS

Academic Affairs

Mr. Mitchell, Chair of the Academic Affairs Committee, reported on a meeting held Thursday, December 8, 2016. A copy of the report is appended to these minutes. (Addendum #3)

Finance

Mr. Holman, Chair of the Finance Committee, reported on a meeting held on Thursday, December 8, 2016. A copy of the reports is appended to these minutes. (Addendum #4)

Ad hoc Nominating

Dr. L. Garnet Lewis deferred the report of the meeting to Chair Wilkinson. Chair Wilkinson reported on the Ad hoc Nominating Committee meeting held on Thursday, December 8, 2016. A copy of the report is appended to these minutes (Addendum #5). Following the recommendation from the Committee, and there being no nominations from the floor, the election of officers was held:

It was moved by Trustee Mitchell, second by Trustee Seavoy, and supported by the full Board, to elect Trustee Holman as Chair and Trustee Mahaney as Vice Chair of the NMU Board of Trustees for calendar year 2017.

Executive

Dr. Wilkinson, Chair of the Executive Committee, reported on a meeting held on Thursday, December 8, 2016. A copy of the report is appended to these minutes. (Addendum #6)

ACTION ON FORMAL RECOMMENDATIONS

Trustee Mitchell asked that before a vote was taken on the Formal Recommendation, he would like to request that item E.1, Investment Policy Statement for the Endowment Fund, be removed from the Formal Recommendations.

The following action was taken:

It was moved by Trustee Mitchell, seconded by Trustee Seavoy, and unanimously supported to remove Item E.1. Investment Policy Statement for the Endowment Fund, from the Formal Recommendations.

It was moved by Trustee Mahaney, seconded by Trustee Seavoy, and supported unanimously by the full Board, to approve the Formal Recommendations and amended.
(Addendum #7)

CONFLICT OF INTEREST

Mr. Mahaney reported that while reviewing the Conflict of Interest Statement each Trustee signs annually, it occurred to him that several of his business interests might conduct business with Northern Michigan University, specifically two hotels in Marquette and one in Houghton that he owns interest in. In addition, each of the hotels is managed by Veridea Group an entity which he owns. He learned from his hotel managers that these hotels have negotiated contracts with Northern Michigan University whereby the University receives a discounted rate at each hotel. The contracts were negotiated and signed without his knowledge or involvement. He stated that while he does not believe these create a conflict of interest under the Board of Trustees or the State of Michigan's policies, for the sake of full disclosure and transparency, he asked the Board's legal counsel, Mr. Kurt McCamman, to investigate this matter and report his findings to the full Board. Mr. Mahaney noted that he recused himself from any involvement in Mr. McCamman's research and provided him direct access to his staff, and did not allow any discussion regarding the matter between himself and his staff, until Mr. McCamman could conclude his research and report back to the Board. Mr. Mahaney recused himself from the meeting at 10:33 a.m. and asked Mr. McCamman to report his findings in this matter. Mr. Mahaney asked that the Trustees vote on whether this matter is a deemed conflict of interest after hearing from Mr. McCamman.

Mr. McCamman reported the following: Trustee Mahaney was extremely cooperative in this matter; he raised the issue and asked that it be investigated; completely removed himself from the investigation; and allowed Mr. McCamman direct access to the Veridea Group employees. Mr. McCamman said that he spoke with NMU's Purchasing Manager to determine the circumstances under which the agreements were negotiated and found that the contract that NMU entered into with Veridea was initiated by Northern Michigan University; Trustee Mahaney took no part in the negotiations, nor does he believe Trustee Mahaney knew about the negotiations at the time. Mr. McCamman said he learned that this contract is one of many that Northern Michigan University has with hotel chains in the area. The purpose of the contract is to obtain reduced or preferred rates for the Northern Michigan University Community and guests when they come to Marquette. It is non-exclusive as NMU has several other agreements with hotels in the area. Mr. McCamman said he confirmed with the Purchasing Manager that Trustee Mahaney was never involved in these negotiations. Mr. McCamman reported that his firm conducted research to determine whether or not the conflict of interest statutes in Michigan were implicated and determined, based upon the circumstances of this contract, that there is no conflict of interest under the statute. There is under the NMU Board of Trustees Bylaws a provision that says even if there is a conflict of interest, if it is in the interest of the University to continue a contract like this, then the Board may, upon full disclosure, vote to do so provided there is not conflict of interest. Therefore, with that understanding, Mr. McCamman said he does not believe there is a conflict of interest and believes that this contract benefits the University and its community and asked that the Board discuss and entertain a motion to essentially waive a conflict that he does not believe exists. To the extent that it does exist, the Board has the authority to vote on this matter under its Bylaws.

Mr. Mitchell asked if the discounts provided by Trustee Mahaney's hotels were consistent with the contracts with other hotels and motels in the area. Mr. McCamman said they were.

President Erickson said that he commends Mr. Mahaney for bringing this to the attention of the Board and administration and is certain there is no conflict of interest and it fits within the spirit of what we do as an institution and as a community.

Trustee Wilkinson said she agrees with President Erickson's statement and appreciations Trustee Mahaney's integrity and maintaining the integrity of the Board by bringing this matter forward.

Trustee Popp said that he understands the situation well and agrees it is not a conflict of interest. He appreciates Trustee Mahaney bringing it up and being concerned about it. Mr. Popp said he respects Mr. McCamman and his firm and trusts their due diligence. He said he appreciates Mr. Mahaney's position to abstain from any votes that may arise and that Mr. Mahaney wants to be sure there is no perceived conflict even down the road.

The following action was taken:

It was moved by Trustee Popp, seconded by Trustee Mitchell, and supported by the full Board, that the Board approve the continuation of the contract, which contract benefits the University community.

Trustee Mahaney rejoined the meeting at 10:39 a.m.

APPOINTMENTS TO BOARD STANDIGN COMMITTEES FOR CALENDAR YEAR 2017

Chair-elect Holman nominated the following as Committee Chairs for calendar year 2017:

Ms. Tami Seavoy – Finance Committee

Mr. Steve Mitchell – Academic Affairs Committee

The following action was taken:

It was moved by Trustee Mahaney, seconded by Trustee Popp, and supported by the full Board, that Trustee Seavoy be appointed Chair of the Finance Committee and Trustee Mitchell be appointed Chair of the Academic Affairs committee for calendar year 2017.

The remaining committee appointments will occur at the next formal session meeting.

Chair-elect Holman announced the ex officio appointments of Mr. Richard M. Popp and Mr. Robert E. Mahaney to the NMU Foundation Board of Trustees for calendar year 2017.

ANNOUNCEMENT OF INFORMAL CLOSED SESSIONS TO BE HELD IN CONNECTION WITH THE THURSDAY – FRIDAY, FEBRUARY 16 – 17, 2017 SESSIONS OF THE BOARD

President Erickson made this announcement for the public record.

TRUSTEE EMERITUS RECOGNITION

Chair Wilkinson called former trustee Stephen F. Adamini forward to be honored as Trustee Emeritus. She presented Mr. Adamini with a plaque in honor of his service to NMU. A photo was taken. Mr. Adamini expressed his thanks to the Board of Trustees for this honor.

RECOGNITION OF OUTGOING CHAIR

Chair-elect Holman recognized outgoing Chair Wilkinson for her service to NMU. She was presented with engraved marble bookends. A photo was taken.

The Trustees thanked Chair Wilkinson for her leadership over the past year.

RECOGNITION OF OUTGOING TRUSTEES

Chair-elect Holman called Trustee L. Garnet Lewis forward to be honored for her service to NMU. He presented Dr. Lewis with a plaque in honor of her service to NMU. A photo was taken.

Chair-elect Holman called Trustee H. Sook Wilkinson forward to be honored for her service to NMU. He presented Dr. Wilkinson with a plaque in honor of her service to NMU. A photo was taken.

President Erickson presented Dr. Lewis and Dr. Wilkinson with a University Medallion in honor of their service to NMU.

ADJOURNMENT

Chair Wilkinson adjourned the meeting at 11:13 a.m.

Respectfully submitted,

Cathy A. Niemi
Secretary of the Board of Trustees