MINUTES
Board of Trustees
Illinois State University
October 24, 2014

Chairperson Donahue: Good morning everybody. Before I call the meeting of the Board of Trustees of Illinois State to order, I would like to turn things over to President Dietz for a special announcement and introduction.

Dietz: Thank you very much and good morning. Thank you for attending today. At 5:00 this evening we will gather at the University’s Weibring Golf Club to dedicate the Jim and Carole Mounier Golf Training Center. The Center was completed in the fall of 2012 and a significant gift from the Mouniers contributed to the cost of its construction. The facility is nearly 500 yards in length and includes a team driving range and several target greens. Jim and Carole are ISU alumni, Jim a 1974 graduate and Carole and 1975 graduate. They are both long-time Redbird supporters who believe sports builds character and life success.

In 2007 they established the Mounier Scholarships. During this evenings dedication ceremony we will announce something unprecedented at Illinois State University and I wanted to give you a preview of that this morning. I am thrilled to tell you today that Jim and Carole Mounier have made an eight-figure gift commitment to Illinois State athletics – the largest individual gift commitment in the history of Illinois State University. Clearly this gift is a brilliant reflection on the Mounier’s love for Illinois State and their unyielding commitment to their ideal that participation in sports builds character and leads to success. I have known Jim and Carole for some time and you don’t have to be around them for very long to understand their depth of feeling for ISU and their desire to make their University home the best it can be possibly be.

I had the good fortune to, along with a number of athletic department folks, to have dinner with Jim and Carole recently. I remember that dinner vividly and one of the things I came back with is that we have a lot of alumni who love this University and we are very fortunate for that. There is no one who loves this university more than Jim and Carole Mounier and we are thrilled to have you here today. Jim and Carole have traveled to campus from their home in Rockford. I would like to recognize them now and Jim if you would be so kind I would like to invite you and Carole to the podium to say a few words – the Mouniers.

Jim Mourner: Well, thank you. It is not very many times in your life that you get something like this. ISU is extremely special to us and it kind of happened in a weird way. In 2007 I got an invitation to an alumni event in Rockford and we had not been back to ISU at that point. No connection whatsoever. We didn’t have anything going that night so I said Carole let’s go – we might meet somebody. And we went and we met Diane Ashby for those of you who might remember her. And about a week later she called and asked if we would meet with her. So we did and that is when it all started and all she had to do was ask. So if you have friends – ask. This is really kind of overwhelming. You know you get your 15 minutes of fame, maybe never, so this is very, very special. I wish I was more composed. I will say this. Not only President Dietz and his wife, but Larry Lyons and his wife, and Aaron Leetch and his wife, and Matt Lyons and his wife and Leanna and Jamie Sennett and Stephanie Duquenne and Pat Vickerman and everybody has made our experience at ISU so special. I know I am leaving people out – Coach Ray Kralis, Darby Sligh, Laura Provost, and Mike Rayman – I know I am going to leave a lot of people out because everyone we have met has just been extremely special and become very important to us. So thank you very much.

Dietz: These individuals are two of the most humble and most generous people I have ever met in my life and it is really our pleasure to have you here today, so thank you Jim and Carole and I look forward to seeing you this evening and throughout the entire weekend celebrating you relationship with Illinois State University. Now Trustee Donahue I turn the meeting over to you.

Chairperson Donahue: Thank you President Dietz and on behalf of the entire Board of Trustees, Jim and Carole thank you so much. What you have done here today has just been outstanding and for generations to come this University and the Athletics department is going to benefit. So I will now call the quarterly meeting of the Board of Trustees of Illinois State University to order and ask Trustee Davis to call the roll.

The following members were present.

Trustee Bergman

Trustee Churney

Trustee Davis

Trustee Donahue

Trustee Kinser

Trustee Schumacher

##### A quorum was declared. Also present for the public session were:

President Larry Dietz

Vice President & Provost Janet Krejci

Vice President for Finance & Planning Greg Alt
Vice President for Student Affairs Brent Paterson

Vice President for University Advancement Pat Vickerman

Board Legal Counsel Jane Denes

Chief of Staff Jay Groves

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#### APPROVAL OF AGENDA

Chairperson McCuskey: Is there a motion to approve the meeting Agenda? Trustee Schumacher so moved and was seconded by Trustee Davis. Motion made, seconded and vote recorded as all members present voting aye.

**APPROVAL OF MINUTES**

Chairperson Donahue: Also before you are the Minutes of July 25, 2014, meeting. May I please have a motion and second to approve those minutes. Trustee Churney so moved and was seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members present voting aye.

**CHAIRPERSON’S REMARKS**

I want to thank the Campus Communications Committee for organizing this morning’s Discussion Hour. The University’s Human Library initiative is not only a great teaching and learning tool for our students—it certainly speaks to the University’s core value of diversity, and I congratulate and thank everyone associated with the project.

Although it was already three weeks ago, I want to thank everyone involved with Homecoming 2014 at Illinois State. It was a chilly day—but a true Redbird spirit kept us all warm—and I know I speak for the entire Board when I say thank you and congratulations to everyone for a wonderful day—and a big Redbird win over South Dakota State didn’t hurt things.

One of the events that was very important to myself and I believe the entire Board occurred during half-time, when we were able to honor all of our former Board chairs. Bill Sulaski, Carl Kasten, Stan Ommen and Mike McCuskey are four gentlemen who have provided excellent leadership to this Board since it became independent in 1996—so it was a pleasure to be able to recognize those four distinguished leaders.

I also want to thank our staff and faculty leadership for organizing this fall’s Trustee-In-Residence programs. For those of you who aren’t aware, this is a program where Trustees come to campus to visit and learn more in-depth about one of our academic colleges or divisions—and I know all of our Board members enjoy and appreciate those visits. I have some other remarks but before I get to those I would ask if any of the Trustees have any remarks to make and I will state with Trustee Kinser.

Kinser: I did my Trustee-In-Residence with Milner Library. I do have to say that it is unbelievable compared to the way I used to sit in the stacks and do research. I want to thank Dean Ward for a wonderful tour and meeting the staff. The other thing that was so impressive was the archives – it is so organized and if you have any chance to go there, please do. And the other thing is everyone needs to go visit Hovey – it’s beautiful. I thought I was in the wrong place because I hadn’t been there for a while since it has been completed. I’ve been to a lot of things but I will stop here.

Trustee Churney: I did my Trustee-In-Residence with Athletics yesterday and the timing was great. I should have played the lottery yesterday because the energy level – 17-0 with soccer, volleyball and football, and the gift announcement. But the most important thing was meeting two fantastic student athletes – Chris Highland (senior football player) and Katy Winge (senior women’s basketball player) for 45 minutes just talking to them as a parent, as a trustee and just as an alum. The things I took away from that meeting just made me proud. I was so impressed with them. How organized and mature and the biggest thing was I asked them to give me some dirt on ISU and give me the positives on ISU and I got to hear some of the dirt, which was no different than my kids talking about things, but the positive was they wouldn’t trade it. The experiences, classroom, sports, coaches, people they have met – so I was very proud about that. I talked about the alumni that they should reach to – the doors will open – there are a lot of ISU alumni out there that can open doors for them and stay in touch.

And then I met with the coaches. And a lot of times we see things on TV and hear bad things about this and that…..our coaches truly do care about our students and the University. I asked them in the grand scheme of things what helps draw student athletes to ISU, and every one of them said the community and the campus. That was very powerful because they talked about the community over and over again and how beautiful our campus is and the people. So, as I said, I walked away very proud, the energy level was fantastic for a lot of reasons, but deep down it is a great community and it is great to hear about it and our students that we are getting ready to be adults and graduate really love it too.

Davis: Let me start by saying that I am really excited about this new school year and I know that we instituted a number of changes but the changes that we instituted have made a very positive impact. In fact I would like to begin by complementing our new President for his engagement as well as the enthusiasm that he has shown during his short term in office. You have really set a positive tone and as I have been to various activities and events here on campus, the morale has just been through the roof. And a lot of it is contributable to your setting that tone so thank you so very much.

I also had the wonderful occasion to visit the Academic Affairs area. I was very impressed with the solid teamwork and the commitment of everyone. It was as if I was in a room full of twins. Because if an individual was speaking and they perhaps forgot some bit of data, someone would chime in and give that information. What that said to me is that they work together as a team. It is no accident that we have the numbers that we have in terms of our recruitment for freshmen to this University, because there is truly teamwork in the Academic Affairs area. I would like to thank Provost Krejci and your team – the information was incredible. You were most patient with probably my ridiculous questions and I learned a lot and thoroughly enjoyed the day, so thank you so very much.

Bergman: I attended all of our home football games and of course like the rest of us we are happy that the football team is 6-0. Also I didn’t know prior to this morning that three teams were 17-0 and that is really fantastic. I participated in Homecoming and had a great time as I always do. I have not yet done my Trustee-In-Residence yet, however I will be doing so with Mennonite College of Nursing in the near future.

Schumacher: I would just like to echo a little bit about what another trustee said about Homecoming. I think it is great – a time of year where the school spirit seems to be at an all-time high and it is just a great experience. I know students have been kind of stressed out lately as we are approaching mid-terms and everything. I know personally I feel like I live in the library these days. If you haven’t had a chance to walk around the Quad this time of year, I highly suggest you do – it is just beautiful with the leaves changing colors.

Donahue: For my comments I would like to echo Trustee Davis. I meet regularly meet with President Dietz and absolutely this is a great start to a school year and there is a world of change on this campus and that is a result in the leadership of President Dietz. I have been to a number of events, a couple I would like to highlight. I had the honor to say a few words at the State of the University Address. I had lunch with Mayor Koos and it was an amazing lunch and it is a fantastic relationship the Town of Normal and this University shares. I also had dinner with our Foundation Chair Ann Baughan and I look forward to this Board working regularly with the Foundation Board to make Illinois State greater.

As others have mentioned about Homecoming – a big thank you to everybody who was involved in Homecoming – Doris Groves, Jamie, Lyndsey and the entire Alumni Relations team. You did a marvelous job. And, finally, I want to thank everybody – the outstanding administration, the faculty and staff, the student body – the spirit that is here, the compassion for this University, the love for this University is something I have never seen anywhere else in any type of business or any organization. I am grateful and thankful that I get to be a part of it. So with that I will now turn this over to President Dietz for his remarks.

**PRESIDENT’S REMARKS:**

Thank you Trustee Donahue. I want to begin by thanking our Board for their commitment to Illinois State. It has been a busy fall semester and these past 30 days have been particularly busy. In addition to Homecoming, other Athletics events, Trustee-In-Residence programs and the dedication of the University Galleries at Uptown Station, the Board held a half-day budget work session on campus September 27th. I appreciate the extra time you have been spending on campus, and I know the University community appreciates your service, so thank you.

As we pass the mid-point of the fall 2014 semester, we continue to see positive evidence of a great academic year at Illinois State. Coming on the heels of our largest freshman class since 1989, advancing into the top 75 best national public universities in the *US News* rankings and actually being 74, and our top 25 national showing in *Money Magazine’s* value-added universities, came the news of a terrific $10 million grant for our College of Education.

ISU’s Chicago Teacher Education Pipeline has been awarded a $10 million grant by the U.S. Department of Education to expand teacher education programs in urban, high-need communities in Chicago and other urban districts in Central Illinois. The new Teacher Quality Partnership grant will developan integrated, comprehensive system of urban teacher recruitment, preparation and mentoring. This will strengthen the Pipeline model that will recruit and prepare 500 high-quality teachers for the highest-need districts in Illinois where teacher attrition is high and student achievement remains low. Our congratulations go out to Dr. Robert Lee, Executive Director of the Pipeline project, College of Education Dean Perry Schoon—and all of those involved in the program.

Congratulations to the Mennonite College of Nursing on receiving a $700,000 grant from the U.S. Department of Health and Human Services to support the education of nurse practitioners. It is estimated that by 2020, there could be a shortage of more than 20,000 physicians in the United States—and the work at Mennonite will help meet the demands for more primary care providers.

Congratulations also to Dr. Wolfgang Stein of our Biological Sciences Department. The National Science Foundation has awarded Professor Stein a $510,000 grant to study neurons in the brain— shedding light on how the brain functions with the help of new optical imagery. This is just one of many examples of outstanding research in the sciences at ISU and we are proud of Dr. Stein’s work.

We are also proud that ISU has once again been included in the Military Friendly Schools listing published by Victory Media. The 2015 Military Friendly Schools list honors the top 15 percent of colleges, universities and trade schools in the country that are supporting the educational pursuits of veterans. To give you an idea of how elite that is, there are roughly 10,000 colleges and universities and proprietary institutions in the country – so being in the top 15 percent is really an achievement. Criteria for inclusion in the Military Friendly Schools list includes a strong commitment to recruiting, retaining and providing financial, academic and social services to student veterans.

I was pleased to travel to Chicago last week to help induct our newest members of the Katie Insurance School Hall of Fame. Three insurance industry leaders and an insurance company recognized for its use of mapping technology were inducted during a special event in Chicago on October 16. Congratulations to our Katie School honorees, and I might also mention that the emcee of that event was Dave Magers, a Redbird alum and a successful business person himself.

Back on campus, the search committee for our next Vice President for Academic Affairs and Provost has held its initial meeting. The 16-member committee is led by Dr. Anthony Crubaugh, chair of our History Department. The committee aims to complete its work in early March of next year.

Next month, we will convene another committee to search for our next Vice President for University Advancement. That committee will also be on track to conduct and complete a search by the end of this fiscal year.

Since the July quarterly Board meeting, you are aware that Vice President for University Advancement Erin Minne left ISU to take a similar position at DePaul University in Chicago. On September 13, I appointed Senior Associate Vice President Pat Vickerman as our interim Advancement Vice President. Pat has more than 20 years of experience in higher education fundraising, including serving as a planned giving specialist at the University of Iowa, campaign director for Iowa State University and its well over $800 million campaign and vice president at Bradley University. Pat, could you please stand for recognition?

During my September State of the University message, I took time to recognize and thank all of our four interim Vice Presidents. Serving in the interim leadership role is challenging and a huge responsibility—and all of our vice presidents have been doing a tremendous job and I want to thank each of you very much.

One introduction today—we are pleased to welcome to campus our new Director of International Studies, Luis Canales. Luis came to us from Murray State University, where he served as director of the Institute for International Affairs. Luis, can you please stand for recognition? Luis has hit the ground running. As a matter of act, he and a few other folks and I leave on Monday for China to sign an agreement with Wuhan University and I am really looking forward to working with him to expand our international program.

Earlier, I mentioned the opening of our new University Galleries at Uptown Station in Normal. That is one of several construction projects that have been completed or are in process at ISU.

Newly remodeled spaces on campus this year include the first floor of Edwards Hall for the Mennonite College of Nursing. The first floor of Hovey Hall has also been renovated to serve as the new home to the Financial Aid Office, creating a convenient, student and family combination with the Admissions Office one floor above.

Planning and design work will continue for the Fine Arts Complex, the first phase of the Bone Student Center Revitalization project, and an addition to Watterson Commons. Work has also begun on the renovation of Capen Auditorium – a long awaited, state-funded upgrade to the University’s largest classroom.

In addition, *LeapForward*, our largest technological construction project, continues its implementation. Work on student records, student accounts, financial aid and housing and dining phases of the new system is now underway with these phases planned for implementation in spring of 2015. By next year, all student information system transactions will occur in the new systems. I took some time this last week to meet with that team. They are working diligently – many working two jobs – the old job before we bought the system and are trying to integrate that and I truly appreciate all of their good and hard work.

As I reported during our September work session, Illinois State remains financially stable more than a quarter of the way into FY2015. We have received 10 percent or $7.7 million from our FY2015 appropriation—and in September, we received our final FY2014 appropriation payment from the state—the earliest we received our full appropriation in several years. Meanwhile, we of course, will be closely watching post-election General Assembly action, to see what impact that may potentially have on current year or next fiscal year budgets.

In addition to our steady and predictable stream of tuition payments—we are off to what will be another record-setting year for private fundraising. Through the first quarter of FY2015, total fundraising productivity tops $21 million, already surpassing the record $19.5 million of productivity for FY2014. Congratulations to Pat Vickerman and the entire Advancement team on such early success.

You have already heard some tremendous news for Athletics this morning. On and off the field, Redbird student athletes, staff and coaches continue to compile impressive numbers. The Illinois State football, volleyball and soccer teams have earned a combined 17-0 record in conference competition to begin the 2014-15 athletics season.

With a 4-0 victory over Indiana State last Sunday, the Redbird soccer team clinched its second-consecutive Missouri Valley Conference regular season championship – its 10th overall – while improving to 5-0 in league play. Illinois State will host the MVC Soccer Championship at Adelaide Street Field for the first time in program history on November 7th and 9th. The Redbirds have won three-straight MVC Championship titles, and they will now enjoy home-field advantage while trying to become only the second team in MVC history to win the tournament four years in a row.

With back-to-back road victories decided by last-second field goals, the No. 9 Illinois State football team is off to a 6-0 start for the first time since 1967. I understand if they win this Saturday and I am going to say when they win this Saturday, it will be the best start we have had since 1932. ISU is also 3-0, tied for first place, in Missouri Valley Football Conference play. After two-consecutive away games, the Redbirds return to Hancock Stadium tomorrow to face Missouri State. ISU has won nine-straight home games, and the Redbirds are still undefeated at the newly-renovated Hancock Stadium.

If you haven’t gone to a volleyball match, you need to go. The Illinois State volleyball team moved into sole possession of first place in the Missouri Valley Conference with a 9-0 league record after beating Northern Iowa and Drake, respectively, last weekend. ISU is 9-0 in the MVC for the first time since 1997, and the Redbirds have won 11-straight overall matches for the first time since 1996.

So far this season, Illinois State has earned 21 Missouri Valley Conference player-of-the-week honors and two MVC Scholar-Athletes of the Week selections.

That takes care of my initial comments this morning. I would now like to call the spokesperson of the Campus Communications Committee, Lois Soeldner, to the podium for a report.

Donahue: I am sorry President Dietz – I just want to recognize and thank State Representative Dan Brady who is here with us today. Illinois State doesn’t have a bigger advocate in Springfield than Representative Brady. So thank you for being here and we see you often.

**CAMPUS COMMUNICATIONS COMMITTEE**

Soeldner: Good morning. The Campus Communications Committee would like to thank Amelia Noel-Elkins and Corey Burgess from University College for their presentation on the Human Library during this morning’s coffee hour. In addition to the positive impact its addition has had on the first year experience, events like these which are designed to promote dialogue, reduce prejudice, and encourage understanding help to further promote the values of integrity and diversity that are outlined in Educating Illinois and define what makes Illinois State University such a special place.

On the topic of events, October has proven quite busy here on campus. We all had the opportunity to rally the Redbirds in this year’s Homecoming festivities. Special thanks go out to Alumni Relations and all of the colleges, schools, departments, and individuals who had a hand in hosting events that created an exciting and welcoming atmosphere both for our current students, and also for alumni returning to campus. That being said, watching our Redbird football team continue their undefeated season sure didn’t hurt either. In fact, not only is Redbird football still undefeated after a close win this past weekend at Western Illinois, but our Redbird volleyball team is also undefeated in the Valley.

The University was also excited to see the ribbon cut on our new University Gallery space in Uptown Normal October 9th. The new 8,370 square foot location not only gives our University Galleries an amazing new space with the opportunity for better visibility, but also represents yet another partnership between the University and the Town of Normal in our ongoing town and gown relationship.

Furthering that spirit of the Bloomington-Normal community investing in the students of Illinois State University, this year’s ISU's Startup Showcase competition, sponsored by the George R & Martha Means Center for Entrepreneurial Studies, will be hosted at the Bloomington/Normal Marriott in Uptown Normal on November 7. The Startup Showcase is an annual student startup competition that rewards students for intentionally developing a big value idea, testing sales assumptions with customers, and developing and executing a business plan model.

This year, showcase finalists will be awarded over $90,000 of in-kind professional services and mentoring from the local community, including radio advertising, website design, lawyer’s fees, and even rent for real estate in downtown Bloomington. Among the previous successes from the Startup Showcase is Packback Books, co-founded by Kasey Gandham and Mike Shannon, Illinois State alumni who received a $250,000 investment after their appearance on Shark Tank last year.

Looking forward to future successes, this semester the Office of Admissions has continued their open house program events, averaging over 2,700 visitors to campus at each event who are interested in joining the Redbird family; the most recent of which included a special visit from Illinois State alumnus and talented American Christian Stoinev. Those visitors to campus also were able to benefit from the close proximity of Financial Aid, following its move from Fell Hall to the newly remodeled first floor of Hovey Hall, right below the Admissions Office. The close tie between these two offices helps to demonstrate to prospective students and their families Illinois State’s focus on making college affordable.

This semester has also seen the re-launch of the Reggie Ride bike share program. This combined effort between the Office of Sustainability, Campus Recreation, and the Student Government Association offers free bicycles for use by the campus community. To date, the program has seen over 750 rentals, helping to further reduce the University’s carbon footprint.

This morning, members of the Board will be presented with resolutions for the FY2015 operating budget as well as being asked to approve the appropriated operating budget and capital appropriations budget requests for FY2016. We urge the Board to accept these resolutions, and the budget proposal to be presented to the Illinois Board of Higher Education.

Thank you Lois.

Now I would ask Louie Mossos from McGuire-Woods consultants to the podium to provide a legislative update.

**LEGISLATIVE REPORT**Mossos: Good morning. I have a short presentation today, but I promise to eat up more of your time when the legislature is in session during our next meeting. As we all know the fall veto session is quickly approaching. The legislature is set to meet during the weeks of November 19 and December 2. The Governor has only vetoed about 12 bills and none of them affect higher education. Unfortunately there isn’t much discussion as to what can potentially come up during the veto session because most of the focus now has been on the Governor’s race. The election is just 11 days away on November 4, so you are going to get those mailers for a few more days and then that is it.

What is likely to affect ISU going into the new legislative year regardless of who becomes Governor is the budget. As everyone here is aware, we have a temporary income tax increase that is scheduled to expire at the end of the year. The rollback is scheduled to cost the state an estimated $4 billion/annually. If Governor Quinn is elected we can likely expect an extension of the tax increase in some form, which will likely happen during the lame duck session the first few weeks of January. On a positive budgetary note there is some word that the state might try to do a capital bill to address some infrastructure needs. There aren’t many details on this proposal but ISU is doing a good job of keeping track of all potential projects that we have so that if there is indeed a bill, we are ready to go.

To add to the current fiscal pressure pension contributions is expected to rise in FY2016 from FY2015 primarily because the state’s largest pension funds are reducing their expected return on investments to reflect the current economic conditions. The status of the pension reform legislation that was passed a while ago is that it is still tied up in courts and the legislature won’t touch this issue until the Supreme Court has spoken. So in a nutshell what we do know is that it is going to be a while before we see any kind of movement on a pension issue.

Regarding higher ed in general, as we all know, legislators have thousands of bills across their desk at any given time, so we are working together with the other universities right now to come up with a message and keep that in front of legislators. We are developing a document that describes the accomplishments of the public four-year institutions of higher education in Illinois. We are trying to highlight the fact that an educated workforce results in increased wages, more growth and tax revenue for the state. We hope to have this document complete for use during next year’s legislative session. ISU already does a great job reaching out to legislators.

At the last president/chancellor meeting President Dietz gave a short overview of how we do things and it was very well received, and I think it is going to be used as a model by other universities for this document we are creating.

Dietz: Thank you Louie.

**REPORTS**

I have four reports and nine resolutions for you this morning. With your approval, Trustee Donahue, I will move to these reports.

**Report 2014.10/4000.02: Promotions, Tenure and Sabbatical Leave Report**Promotion, tenure and sabbatical decisions that take effect in FY2015 are completed in the fall and spring of FY2014. The report is among the materials you received in your packets. The reports outline the application and review process for those decisions. Also provided in the report are summary data on this year’s applications, rank distribution over the past decade for tenured faculty and lists of the FY2015 changes in status.

Bergman: We have tenure track people who are listed on here and we have fulltime non-tenure track faculty also. Do you know approximately how many tenure track and non-track fulltime faculty we have?

Krejci: I think you have before you the percentage of faculty. For fulltime employees and fulltime faculty we have 886 professors, associate professors, assistant professors and other faculty. We have 322 part-time. Does that answer your question?

Bergman: No, not really. We have fulltime tenure track and the other category is fulltime non-tenure track. Maybe the information isn’t available.

Krejci: We have 721 fulltime tenure track faculty and 165 fulltime other.

Bergman: Okay, thank you.

**Report 2014.10/4000.03: Oral English Proficiency Report**In 1986, the Illinois General Assembly moved to require that University governing boards ensure the oral English proficiency of all personnel providing classroom instruction. Illinois State immediately put a mechanism in place to comply with the legislative action.

Information about our policies and procedures is distributed to all students each semester in the Class Registration Directory. During the 2013-2014 academic year, no complaints were filed about the English speaking ability of instructors at Illinois State.

**Report 2014.10/4000.04: Higher Learning Commission Assurance Argument**On June, 2005, the Higher Learning Commission accredited Illinois State University for a 10-year period. ISU is now preparing its request for reaccreditation to 2025—with a site team visit scheduled for April 20-21, 2015.

In advance of the visit, the University is also required to submit a document called an “Assurance Argument,” which presents evidence the University fully meets accreditation standards. The latest draft of the Assurance Argument is included with your materials. You, along with other campus constituencies may provide feedback on the draft as we revise and finalize the document. In February 2015, the Board will be asked to endorse the final draft of the Assurance Argument document.

University accreditation is a demanding and time-consuming process, which requires excellent leadership and full campus participation. For that leadership, I want to thank Provost Janet Krejci, Associate Provost Jim Jawahar and Bruce Stoffel, our Coordinator of Academic Programs and Policies.

I also want to thank the members of our accreditation task force, the faculty, staff and student members of our seven work teams, and everyone in the campus community who has participated in this critical and revealing process.

Bergman: As the only one that was around here ten years ago when this happened, the Board of Trustees met with the accreditation team, which is generally made up of faculty from other universities. It was a very insightful and helpful meeting. The Chairman of the Board at that time set it up and I will be talking to Rocky and to the President that the Board definitely needs to do the same thing this next year.

**Report 2014.10/4000.05: Open Access**The Illinois Open Access to Research Articles Act was passed by the Illinois General Assembly on August 9, 2013. The purpose of the Act is to maximize the social and economic benefits of research to the public by making published research articles produced by faculty at public universities as widely available as possible.

The Act requires each public university in Illinois to appoint a task force to review current publishing practices by its faculty members and draft a policy regarding open access to research articles based on criteria appropriate to the institution. By January 1, 2015, each task force is required to adopt a report of its findings and recommendations and to submit its report to the governing body of its institution, the Illinois Board of Higher Education, both chambers of the Illinois General Assembly and the Governor. A draft of that report is included in your Board materials.

Work of the task force has involved numerous consultations with faculty, two open forums and consultation with the Academic Senate. The Open Access Task Force also invites feedback from the Board of Trustees regarding the draft task force report. Comments from the Board will be incorporated into the report prior to its submission to the Illinois General Assembly, IBHE and the Governor.

Once again, I am grateful for the leadership of the Division of Academic Affairs and Associate Vice President for Research and Undergraduate Studies John Baur and Associate Provost Jim Jawahar. I also want to thank our 18-member Open Access task force and the more than one-third of our faculty who participated in an online survey, and the many more who provided input at open forums.

**ACTION ITEMS**

There are nine resolutions for the Board’s consideration this morning. With your approval, Trustee Donahue, I will move to them now.

**Resolution 2014.10/26: FY2015 Operating Budget**The Illinois Board of Higher Education, as part of its accountability efforts, requires that the Board of Trustees review and approve a line-item operating budget each fall. The specific line-items are provided by the IBHE and match those in our appropriation bill.

Also included in this item is a summary of FY2014 projected and actual revenues. Summary tables provide budget and expenditure information by sources of funds.

I would like to point out a few of the more pertinent features in this report.

Table 1shows that actual revenues from all funds sources in FY2014 were $412.6 million, within 0.2 percent of estimates. Looking ahead to FY2015, it is expected that revenue from all fund sources will total a 3.2 percent overall increase.

Table 2 in your report shows that 42.2 percent of our resources are spent on the core functions of instruction, organized research and public service—about $179.6 million. Another $27.4 million is expected to be spent on those activities that provide direct support to those core functions.

Table 3 provides another look at how our revenue is spent. This table shows that 53.4 percent of our resources are spent on personal services and benefits. It underscores how labor-intensive a university is—and this is just an average. Contractual services, the second largest category, include our utility expenditures. Another $3.1 million will go to the Illinois Department of Central Management Services for Group Health Insurance. I ask your approval of this resolution.

Donahue: Do I have a motion and second on the resolution? Trustee Davis so moved and was seconded by Trustee Kinser. I really want to thank Greg Alt. We had a special meeting in late September and I appreciated the time you took to walk me through this and I also appreciate the follow-up information you provided to some of our questions.

Churney: Greg, I really do thank you. Being on the Board now the second year through this – everyone is nervous, everyone is trying to figure out where these numbers come from and your team really stepped us through and as a Board I think we definitely take this seriously as things are changing in Springfield and just overall from a cost standpoint. So we all took our time and met on that Saturday, but your team was well prepared and put a lot of effort into that and made me feel a lot more comfortable of understanding the full budget, so thank you.

Davis: I would like to add my thanks as well, not only for the meeting whereby you provided the information that you did, but for the follow-up information. It is an awful lot but believe it or not, I understood it. And the most clarity came with the graphs you sent us and maybe because I am a visual person, I thought they were extremely well done, so thank you very much.

Kinser: I have to echo that because being from Fine Arts I am very visual and even I understand some of it.

Donahue: Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.10/27: FY2016 Appropriated Budget Request: Operating and Capital**Each year at this time the University asks the Board to approve its appropriated funds operating budget request and its capital appropriation request to the Illinois Board of Higher Education.

For FY2016, Illinois State is seeking an additional $7.86 million in State appropriated funds to support core programs and services, an increase of 10.6 percent over the FY2015 appropriation.

Consistent with our goals under *Educating Illinois*, a priority for FY2016 is funding for faculty/staff salaries. We have requested $4.9 million for salary increases, which represents 3 percent of the appropriated funds personal services base.

As you also know, maintaining new and existing facilities is critical to the University, and our needs continue to increase. Our backlog of deferred maintenance on campus is in excess of $400 million and it is in the State’s best interest to protect their investment in state-built facilities.

Therefore, we have requested $2.5 million in FY2016 to address deferred maintenance. A smaller but important expenditure of $450,000 to help address the changing ways teachers are granted licensure is also included.

On the capital side of the equation, we request $278.9 million in state appropriations for FY2016, which includes just over $3 million for Capital Renewal projects.

The capital projects include the Milner Library Rehabilitation, Mennonite College of Nursing Building, College of Education Facilities Rehabilitation, University High School Replacement and Williams Hall renovation. Information about each project is in your packet.

The capital renewal projects are the replacement of exterior doors and windows in Metcalf School and Fairchild and Rachel Cooper Halls as well as replacing emergency generators. Again, a short description of the project is in your packet. I ask your approval for this resolution.

Donahue: Do I have a motion and second on this resolution? Trustee Churney so moved and seconded by Trustee Kinser. Any comments?

Bergman: This is being done because it is a statute. This goes to the Illinois Board of Higher Education. While this is a wonderful idea, it’s not going to happen, other than the $450,000 which might be a grant type of thing and might happen. The appropriations every year go up or down by the same percentage for all the universities regardless of what this says. Years ago it wasn’t that way but it is that way now. The second thing I want to mention is because this goes to the Board of Higher Education, I am going to abstain on this vote.

Donahue: Any other comments? Motion made, seconded and vote recorded as five members voting aye and one abstention.

**Resolution 2014.10/28: Hovey Hall Roof Replacement**The roof of Hovey Hall was last replaced 23 years ago, and it is now in need of replacement. As you know, other significant repair and replacement work has been done on this building, so the roof replacement is so-to-speak—the capper. The cost of the project is $600,000 with the funds coming from our 2011 Certificates of Participation. I ask your approval for this project.

Donahue: Is there a motion and a second on this resolution? Trustee Churney so moved and was seconded by Trustee Schumacher. Any comments?

Bergman: It says the funding is the 2011 Certificates of Participation. I believe that was probably the series that was issued to pay for the recreation center, and I am just wondering if that is the case we can use revenues from certificates issued for one purpose for another purpose?

Alt: To clarify Trustee Bergman, the recreational center was funded with issues in 2008, both auxiliary facilities funds for the student portion of it and the certificates of participation for the academic use of it. These particular funds came from a 2011 issue, which was used for the energy conservation project that was completed for a savings over time of $15 million and we had $5.5 million allocated to improvements in Hovey Hall primarily to do the first floor improvements. Fortunately those costs came in a little bit under the $5.5 million and we are able now to continue the improvements, not only on the roof, but to help upgrade the admissions level on the second floor. So those were designated in the issue as Hovey improvements.

Bergman: Thank you.

Donahue: Can I clarify something Greg? I know you said in 2011 Hovey Hall was part of that certificate of participation. When we issue those do we have to name specific projects or are you able in the future to move it around?

Alt: We have to honor the specific purpose that it was issued for, but we do it with a little bit of flexibility. So in this case it was designated to do the energy savings, which we completed as well as Hovey Hall improvements.

Donahue: Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.10/29: Williams Hall Window Replacement**Williams Hall was constructed in 1940 as the University’s Library—and since Halloween is approaching, I can tell you that the legend of Williams Hall is still haunted by the ghost of Ange Milner, the University’s first librarian, is still alive and well. The building is also haunted by poor and non-working windows, which is the reason for this resolution today.

This resolution seeks your approval to replace the windows to Williams Hall and each of its extensions. The cost is $1.15 million and the source of funding is General Operating Revenue. I ask your approval for this resolution.

Donahue: Is there a motion and second on this resolution? Trustee Davis so moved and was seconded by Trustee Churney. Any discussion?

Kinser: The windows that will be replaced, is there any kind of abatement consideration?

Alt: There is probably some kind of abatement issues in Williams Hall, but for the windows there is not. Most projects we have on campus do have some level of abatement.

Donahue: Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.10/30: Turner Hall Laboratory Revised Scope and Budget**

During your February 2014 meeting, the Board approved the Turner Hall Culinary Laboratory a $750,000 project to provide a new commercial kitchen design and equipment, a new laboratory space for culinary research and support space renovations.

Since then, we have identified certain features that would further enhance the pedagogical and research capabilities of the project, including an observation window, demonstration station commercial model appliances, and additional equipment. The additional cost is $250,000, which would come from the General operating budget of the College of Applied Science and Technology. I ask your approval for this resolution.

Donahue: Do I have a motion and seconded to this resolution? Trustee Schumacher so moved and seconded by Trustee Churney. I would like to make a comment on this. I did my Trustee-In-Residence with CAST and as everybody says the faculty and student leaders and their spirit and passion for what they do is just outstanding. When they brought me into this kitchen I thought I was on the television set of Leave it to Beaver. It reminded me of the 1950s. So I saw first-hand the need to do this. But quickly with CAST, when they were taking me around what came to my mind was this is just a hodge-podge. It’s like they didn’t know where to put anything so they just said Dean Wood you get it because it’s got the farm agriculture, criminal justice, interior design, construction management. But when I said that everyone looked at me and they said when you look at it they are all applied sciences and it did make sense. I want to thank Dean Wood and his staff and I really want to thank Kara Pool who was my host for the day.

Two things that stuck out that day for me was when we were walking through part of the construction management area, one of the instructors had brought me through his area and said he had a class coming in five minutes and I apologize I can’t spend more time with you and the class is coming from University of Illinois. So I was glad to see that U of I students are going to get a quality education here at ISU. Secondly, I know in *Educating Illinois* our goal is to have a 19/1 student to teacher ratio and at the College of Applied Science & Technology that ratio is 28/1, so I guess there is good with that and there are challenges with that. The good is that enrollment is up and students are interested in that curriculum. The challenge is that we may want to get some resources to get that closer to a 19/1 ratio. So again I thank Dean Wood and I thank Kara and I strongly support this resolution.

Donahue: Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.10/31: Authorization to Contract for Electrical Supplies**

This resolution seeks authorization for Illinois State to enter into a four-year agreement with MidAmerican Energy Company of Davenport, Iowa, for the procurement of electricity. On December 31, 2016, the electric supply contract with our current supplier will expire.

Prior to that date, the University must either select an alternative retail electric service supplier and negotiate a contract for electricity or default to Ameren Illinois Basic Generation Service as the provider.

The University aggregate consists of five Illinois public universities which include: Illinois State, Southern Illinois University’s Carbondale and Edwardsville campuses, Eastern Illinois and Western Illinois Universities.

In a continuing effort to leverage volume and achieve the most favorable contract, the university electrical aggregate prepared and solicited new proposals to supply approximately 60 megawatts of electricity per year. In order to be in position to take advantage of favorable pricing beyond December 31, 2016, which may develop during 2015, it is necessary to contract for a new supplier by January 1, 2015.

Board authorization will allow the University to conclude negotiations and sign a four-year contract for electrical service. In addition to the four-year agreement, the University will have six, one-year renewal options with this supplier for the procurement of electricity at future negotiated rates. I seek your approval to negotiate this contract.

Donahue: Is there a motion and second for this resolution? Trustee Davis so moved and seconded by Trustee Churney. Are there any questions?

Bergman: What is going to be our cost per kilowatt hour?

Alt: I believe that is 5.6 cents – that is our current rate. So we haven’t struck for our new one yet. Let me acknowledge a couple of people who can answer questions – Ron Kelley who is our Director of Office of Energy Management was instrumental in putting this together with the aggregate, as well as Jim Bachman who is with SPI Energy Services who is our consultant for not only putting this contract together, but as well as helping to advise us on the strike price. So I will invite them to the podium to answer that question.

Kelley: Trustee Bergman, the answer to that question is pretty simple. This contract is for identifying the supplier of electricity. The actual rates that we determine won’t be determined until after the contract is in place. Currently we are paying 5.6 cents/kilowatt hour – that is for 2015. Our 2016 rate, for example, which we are currently under contract with MidAmerican also has still not been determined. So 2017 and 2018 won’t be determined until we get this contract in place.

Bergman: Alright, something doesn’t make sense. You don’t sign a contract with somebody and they tell you how much it is going to cost later. I suspect that what was happening through the consultant, Mr. Bachman, is that an RFP went out to different suppliers and probably this MidAmerican probably came in the least expensive, but they had to come in and bid something on something. Either what price is it or what is going to determine the price that we pay?

Kelley: We do exactly that. We put out an RFP that had a series of pricing scenarios. We did this back in May and they propose them in August and gave us prices for those different scenarios. That allowed us to analyze those scenarios and determine which of the proposals were most consistent in their prices and cheapest based on the market as of those dates. MidAmerican was very competitive in that regard and as well as with the technical considerations for that RFP. So they were selected. So we believe MidAmerican, once we selected them and put them on contract we can then start discussions or negotiations for future rates for 2017 and 2018. But we don’t know what that rate is today for 2017.

Bergman: Well how do you know they are going to give you the best rate for 2017? How do you know that another supplier might not give you a better rate two years from now?

Kelly: The answer to that is we don’t.

Bergman: So why then should we approve a four-year contract with somebody when we don’t know what they are going to charge us?

Kelley: What we believe is the process of determining what that price will be with MidAmerican is dictated in the contract and so how they come up with the prices will be consistent over that term.

Bergman: Okay, so there is a specific formula in the contract that is going to specify what the price is and the formula can’t be changed, so if we sign this contract we don’t know exactly what the price is going to be but it is not really negotiated – it is whatever is dictated by the formula of the contact?

Kelley: And the market, yes.

Bergman: Does the contract take into consideration something about the market? What are the factors that are going to determine what the price is in 2017 and 2018?

Kelley: There really is not a formula that is written out. It is more of a process so that when we approach MidAmerican and say we think the market is very favorable now for getting an electrical contract, they will come to us with a rate and we then determine whether that rate is favorable or not favorable – do we want to wait for a lower rate at the risk of the market reversing and going higher or do we want to strike that price at that time?

Bergman: But if we are obligated to buy from them, perhaps they are going to know that and they may not be quite as competitive as if we bid out to four or five total companies?

Kelley: That is true.

Bergman: Well I deal in electrical contracts myself. I know Mr. Bachman because he has done some work for my company and generally even our last contract which is a three-year contract I know exactly how much per kilowatt hour I am going to be paying every year. This situation sounds highly unusual.

Donahue: I would like to follow up on that so that I get a better understanding. So we are not hedging a price here. Am I accurate in what I think is being said – we are going to pay market value and then this company was maybe the lowest markup cost after market value or am I not understanding correctly?

Kelley: That is correct. We had seven solicitors. 30% of the RFP was based on pricing and the other 70% was by other technical factors such as the financial strength of the company, the ability to provide other value added services and such. We did a pricing competition if you will amongst those seven firms and MidAmerican did very well.

Donahue: So we may not be paying the lowest price is what I am hearing you say?

Kelley: The price they offered us last August, they obviously can’t hold that price until 2017 because the market is so volatile. The price if they were to do that would be extremely high because of the volatility cost.

Bergman: I don’t agree with that. They can project their cost out. I have a three-year contract and I know what it is going to cost me every year for the next three years, which includes 2017. Perhaps it is the way the RFP was written.

Kelley: I understand what you are saying Trustee Bergman. We have contract for 2015 and we are negotiating once for 2016 and we done this two years ago. We cannot lock in 2017 and 2018 rates according to the state procurement codes until we are in contract with that supplier. In order for us to go out and ask for multiple bids from multiple suppliers, our procurement code does not allow that. We have to be on contract with that supplier prior to locking into a rate.

Churney: I think you have answered my question. You can lock in and have two under contact basically – our current electrical supplier and then you would lock in MidAmerican for 2017-2021 basically?

Kelley: That is correct. We are locked in with our current contract who happens to be MidAmerican as well through 2016. But you are right, it could have been a different supplier. The reason we are going to the contract now with MidAmerican today in 2015 for the first supply in 2017 is so we have a two-year period of using the market and negotiating rates to get the best possible rate for the University for 2017.

Churney: Because of the procurement code?

Kelley: Yes, we need to be on contract with that firm before we can go with negotiation for rate – we can’t lock in a rate with a firm without being on contact with them.

Churney: So six years ago when we went through this process – was it very similar?

Kelley: It was exactly the same except six years ago we were just starting deregulation and so we had this Board meeting in September in 2006 and the contract was started in 2007. In that contract we didn’t know what our rate was going to be at the time we entered into the contract. We were trying to avoid the reverse auction process that was going into place because of deregulation. But in this case, the aggregate of the schools felt that in order to get the best possible price for 2017 and 2018 we need to get this contract in place by January 2015 to give us a two-year window of 1) identifying the best possible price because the market changes, and 2) to get that rate locked in at least a year prior the budget year so that our administration has time to plan our budget for that year with a fixed utility rate.

Churney: And I would assume it is good to know that we have value added services. Have they changed over the last few years and what are some of the bells and whistles of big high level things that we would look for since that is 70% of the RFP?

Kelley: I think the biggest thing that they provide is flexibility in pricing. MidAmerican has been very proactive in allowing because we are five different schools. If one school wanted to do a fixed rate a dollar per kilowatt hour like we do and another school wanted to do a day at time pricing, they allow that. They allow us to do multiple year pricing and blend those prices into a single year to maybe blend a price increase over multiple years. They have a dedicated account rep that is just for us so there is someone I can call on a day-to-day basis to find out what is going on in the market.

Churney: Within in the contract is there a minimum amount of wattage or usage that we have to use?

Kelley: That is another advantage. We provide them with a schedule of all of the meters that are going to be included in the contract and typically a contract like this you have to be within 10% of that or they charge a penalty – if you go over or under. MidAmerican has waived that and if we decide that we want to take a facility off the contract or generate electricity ourselves like Southern is doing, they waive the 10% requirement. So we can be as flexible as we want in terms of which facilities are covered under this contract.

Donahue: What were to happen if us or one of the other universities didn’t approve the university to enter into the consortium – does that mean potential higher rates?

Kelley: Good question. Even though the five schools that are in the aggregate we do a single RFP and single award to the state, but each of the schools does their own contract with MidAmerican separately. So if one school does decide to drop out the other four schools still have a valid contract with MidAmerican at least through that term. Now once the next term comes and we had to renew for an additional price, the loss of that load could impact the price that the other schools get. The five schools that are in the aggregate now are kind of hitting a sweet spot with the market and with suppliers. Because of our 60 meg load, because of the number of kilowatt hours that we have, and because our load profile is very flat, much like a hospital or a factory that runs 24/7, we are a very dependable, very reliable load and therefore very desirable by the suppliers. And that is why we tend to get very good rates.

Donahue: You answered my question. My concern that we did have a firewall potentially in place if one of the other universities decided this wasn’t a good thing for them, we wouldn’t be then left holding the bag. My other question is as I read from our packet over this last contract, either we have already spent or estimated to spend $50 million through the life of that eight-year contract?

Kelley: Yes, that is correct.

Donahue: And that $6 million/year – is that good, bad?

Kelley: Well it has been as high as $8 million in 2011 – we are projected this year to spend $5 million, so over an eight-year supply we estimated that $50 million would hopefully be the most we would pay. But it is based on our actual rates which we don’t yet know and also our consumption, which while relatively flat, our consumption is going down every year, which is a good thing.

Bergman: I request a roll call vote.

Donahue: Trustee Davis would you please call the roll?

Davis:

Trustee Bergman: No
Trustee Churney – yes

Trustee Davis – yes

Trustee Donahue – yes

Trustee Kinser – yes

Trustee Schumacher – yes

Donahue: With a vote of five to one the motion carries.

**Resolution 2014.10/32: Authorization to Name Advisement Center in College of Business**

Trustees, these final three items are all naming resolutions. Board of Trustees governing policies requires your approval following endorsement from the University Naming Committee and myself.

The first is naming the College of Business Advisement Center, Room 129, in the State Farm Hall of Business—the Lois V. Hobart Advisement Center. Mrs. Hobart was an alumna of Illinois State and was a teacher of business classes and office practices, holding students to very high standards. The naming will create a lasting legacy honoring Mrs. Hobart and her commitment to educating and mentoring students. I ask your approval of this resolution.

Donahue: Is there a motion and second? Trustee Kinser so moved and seconded by Trustee Schumacher. Any comments?

Kinser: Is there a list of all the rooms on campus somewhere? It would be nice to know where all these named rooms are.

Dietz: We could certainly get that for you.

Donahue: Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.10/33: Authorization to Name Football Locker Room**

This resolution seeks to name the football locker room in the Kaufman Football building—the Barnett Family Locker Room.

Mr. Barnett has been a supporter of Redbird Football—contributing financially to the Hancock Stadium Renovation Project, Illinois State Summer football Camps, and to the locker room itself. I ask your approval of this resolution.

Donahue: Is there a motion and second? Trustee Kinser so moved and seconded by Trustee Davis. I had the pleasure to meet Danny Barnett at Homecoming and he is a fine young man and it is just his love and passion for this University in the brief ten minutes was incredible, so it’s a wonderful thing and glad he is a big supporter of the University. Motion made, seconded and vote recorded as all members present voting aye.

**Resolution 2014.10/33: Authorization to Name Softball Press Box**

This final resolution asks to name the Softball Press Box—the Rudy Klokkenga Press Box. Mr. Klokkenga has not only been a Redbird Softball supporter, he served as the voice of Redbird Softball as P.A. announcer for more than 20 years. His financial contributions will be instrumental in completing upgrades to the Marian Kneer Softball Stadium. I ask your approval for this resolution.

Donahue: Is there a motion and second? Trustee Davis so moved and seconded by Trustee Churney. Motion made, seconded and vote recorded as all members present voting aye.

Dietz: Thank you very much. It has been a great day for Redbird Athletics with all of this and Trustee Donahue that completes today’s resolutions.

Donahue: Thank you President Dietz. In addition to public comments made at each quarterly meeting by the Campus Communications Committee, the Board of Trustees also invites public comment from members of the University community and greater local communities. The process for making public comment can be found through a direct link from the Illinois State University Board of Trustees Website, which is linked to the Illinois State Homepage at [www.IllinoisState.edu](http://www.IllinoisState.edu). There were no requests for public comment for this quarterly meeting.

I would now entertain a motion to move into Executive Session for the purpose of considering the appointment, employment, compensation, discipline, performance, or dismissal of specific employees pursuant to 5ILCS, Section 120/2 (c)(1); collective negotiating matters between the University and its employees, 5ILCS, Section 120/2 (c)(2); litigation which has been filed and is pending before a court or administrative tribunal, as allowed in 5ILCS, Section 120/2 (c)(11); and the purchase or lease of real property as allowed in 5ILCS, Section 120/2 (c)(5).

Is there a motion/second? Trustee Davis so moved and seconded by Trustee Kinser. Motion made, seconded and vote recorded as all members present voting aye. The motion passes.

We will now move into Executive Session. At the close of Executive Session, the Board will reconvene in public session only for the purpose to adjourn. Thank you all for coming today.