



# Board of Regents Special Meeting

April 2023

April 24, 2023

3:00 p.m.

West Committee Room, McNamara Alumni Center

## BOR - APR 24, 2023 - Special Meeting

### 1. Real Estate Transaction - Review/Action

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### 2. Update on the Process to Select an Interim President

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### 3. Suspension of Election Notification Requirement and Election of Vice Chair - Review/Action

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### 4. Transition Issues and Expectations for the President - Review/Action

Docket Item Summary - 10



# BOARD OF REGENTS DOCKET ITEM SUMMARY

Board of Regents

April 24, 2023

**AGENDA ITEM:** Real Estate Transaction

Review

Review + Action

Action

Discussion

*This is a report required by Board policy.*

**PRESENTERS:** Myron Frans, Senior Vice President

## PURPOSE & KEY POINTS

The purpose of this item is to review and act on the following real estate transaction:

- A. Lease of 176 North Mississippi River Boulevard, Saint Paul (Eastcliff)

## Lease Summary and Key Terms

The University will lease Eastcliff to the State of Minnesota as a temporary Governor’s Residence.

Unless the parties mutually agree to different dates, the lease for the premises is anticipated to be July 1, 2023 or as soon as practicable thereafter, and continue through September 30, 2024, with three one-month options for renewal, and subject to certain termination rights by the State of Minnesota.

Rent will be \$4,400 per month for 15 months, with the State responsible for direct costs of utilities, snow removal, and lawn care. The State will also arrange and pay for their own internet, cable, telephone, custodial, and security systems.

The rent will be used by University Facilities Management to cover estimated minimal maintenance and reduced operating costs associated with the use of the property by the State for the 15-month period. No capital costs are associated with the rent.

## BACKGROUND INFORMATION

The leased premises will consist of the buildings and grounds at 176 North Mississippi River Boulevard (Eastcliff), including the residence, accessory structures, and the 1.62 acres of land.

Eastcliff, donated by the Brooks Family to the University in 1958, has been used as a residence for eight University presidents since 1961. The State of Minnesota is scheduled to begin a major renovation of the Governor’s residence this summer. With the recent announcement of President Gabel leaving the University and subsequently vacating Eastcliff, the University and the State began conversations to

determine the viability of leasing this publicly owned asset to the State for use by Governor Walz and his family during the construction period. This lease will allow the continued use of a public asset for a public purpose during the University's presidential transition period.

Board of Regents Policy: *Reservation and Delegation of Authority* states that "The Board reserves to itself authority to approve any matter delegated to the president in Article II, Section I of this policy if it raises unusual questions of public interest or public policy, has significant impact on the University's mission, or poses a significant financial risk to the University."

#### **SENIOR VICE PRESIDENT'S RECOMMENDATION**

The Senior Vice President recommends approval of the following real estate transaction:

- Lease of 176 North Mississippi River Boulevard, Saint Paul (Eastcliff)

**LEASE FOR EASTCLIFF  
176 NORTH MISSISSIPPI RIVER BOULEVARD  
(TWIN CITIES CAMPUS)**

**1. Recommended Action**

The administration recommends that the appropriate administrative officers receive authorization to execute a lease with the State of Minnesota for the use of the University's property at 176 North Mississippi River Boulevard in St. Paul (Eastcliff).

**2. Description of Leased Premises**

The leased premises will consist of the buildings and grounds at 176 North Mississippi River Boulevard, including the residence, accessory structures, and the 1.62 acres of land.

**3. Basis for Request**

In 1958, the Brooks Family donated Eastcliff to the University of Minnesota. Since 1961, eight University presidents have resided there. Its unique characteristics balance private living quarters and public gathering spaces, similar to the role that the Governor's residence plays for the State of Minnesota.

The State of Minnesota is scheduled to begin a major renovation of the Governor's residence this summer. With the recent announcement of President Gabel leaving the University and vacating Eastcliff, the University and the State began conversations to determine the viability of leasing this publicly-owned asset to the State for use by Governor Walz and his family during the construction period. This lease will allow the continued use of a public asset for a public purpose during the University's presidential transition period.

**4. Details of Transaction**

Unless the parties mutually agree to different dates, the lease for the premises is anticipated to commence July 1, 2023 or as soon as practicable thereafter, and continue through September 30, 2024, with three, one-month options for renewal, subject to certain termination rights by the State of Minnesota. The University will facilitate some minor refresh of the leased premises. The State of Minnesota will be responsible for any required information technology and security systems upgrades/installations.

**5. Lease Costs**

The rent for the leased premises will be \$4,400 per month, or \$66,000 over the 15-month term. The State of Minnesota will also be responsible for the direct cost of utilities (electric/gas/water/sewer), snow removal and lawn care, which will be billed by the University on a monthly basis. The State of Minnesota shall arrange and pay for their own internet/cable/telephone, custodial, and security systems.

**6. Use of Funds Received by the University**

The rent received by the University will be used by Facilities Management to cover estimated minimal maintenance and reduced operating costs associated with the use of the property by the State for the lease period. There are no capital costs associated with the rent.



# BOARD OF REGENTS DOCKET ITEM SUMMARY

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**Board of Regents**

**April 24, 2023**

**AGENDA ITEM:** Update on the Process to Select an Interim President

**Review**

**Review + Action**

**Action**

**Discussion**

*This is a report required by Board policy.*

**PRESENTERS:** Regent Janie S. Mayeron

## **PURPOSE & KEY POINTS**

The purpose of this item to provide an update on the process to select an interim president.

## **BACKGROUND INFORMATION**

The Board reached consensus regarding the process and characteristics for the selection of an interim president at a special meeting on April 20, 2023.



# BOARD OF REGENTS DOCKET ITEM SUMMARY

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**Board of Regents**

**April 24, 2023**

**AGENDA ITEM:** Suspension of Election Notification Requirement and Election of Vice Chair

**Review**

**Review + Action**

**Action**

**Discussion**

*This is a report required by Board policy.*

**PRESENTERS:** Regent Janie S. Mayeron

## **PURPOSE & KEY POINTS**

The purpose of this item is for the Board to review and act on two items related to the vacancy in the office of the Vice Chair of the Board of Regents.

On April 17, 2023, Regent Kendall Powell resigned as Chair of the Board of Regents. As stated in Article III, Section E of the *Bylaws of the Board of Regents (Bylaws)*, Vice Chair Janie Mayeron assumed the office of Chair for the remainder of the unexpired term, which runs through June 30, 2023. The *Bylaws* do not require any additional action by the Board for Regent Mayeron to assume the Chair.

With Regent Mayeron’s elevation to the office of Chair, a vacancy is created in the office of the Vice Chair. As required by Article III, Section E of the *Bylaws*, an election must be held for the unexpired term for the office of the Vice Chair.

## **Suspension of Election Notification Requirement**

Article III, Section E of the *Bylaws* requires that notice is sent to each member of the Board ten days prior to the date of the meeting at which an election to fill a vacancy of an office of the Board will be conducted. Given the need for continuity of leadership, Chair Mayeron is recommending that the Board, pursuant to Article X of the *Bylaws*, suspend that notification requirement and hold the election for the unexpired term for the office of the Vice Chair at this meeting. The motion is as follows:

Be it resolved that the Board of Regents hereby suspends pursuant to Article X of the *Bylaws* the ten calendar days notification requirement of Article III, Section E of the *Bylaws*.

To suspend that section of the *Bylaws*, two-thirds of the entire Board would need to vote to approve the motion. If the motion fails, the election would be held either at the next special meeting of the Board (provided Board votes to suspend 10-day notice requirement), or the next regular meeting of the Board (May 11, 2023).

## **Election of Vice Chair**

If the election notification section of the *Bylaws* is suspended, an election will be held for the unexpired term for the office of the Vice Chair. The individual elected shall serve the remainder of the unexpired term, which runs through June 30, 2023.

For the election, nominations may be made from the floor and voting will follow the normal election voting process as defined by Article III, Section D of the *Bylaws*. The voting process requires that if there is more than one nomination, the vote must be by roll call. If there is not an election by the fourth ballot, the nominee who received the least number of votes is dropped.

## **BACKGROUND INFORMATION**

### ***Bylaws of the Board of Regents, Article III, Section E. Vacancy of an Office of the Board of Regents***

In the event of a vacancy in the office of the Chair, the Vice Chair shall assume the position of Chair and shall serve out the Chair's term of office. In the event of a vacancy of any other office of the Board of Regents, including the position of Vice Chair when the Vice Chair assumes the office of the Chair, an election shall be held for the unexpired term at a subsequent meeting of the Board of Regents. Nominations may be made from the floor. Voting shall be conducted according to Section D.

Notice shall be sent to each member of the Board by electronic communication ten days prior to the date of the meeting at which the election shall be conducted.

### ***Bylaws of the Board of Regents, Article III, Section D. Election of Officers***

The election of the officers of the Board of Regents shall be conducted at the annual meeting in June of the odd-numbered year in accordance with the following procedure:

1. The Nominating Committee, as described in Article V, Section C, shall prepare a slate of at least one candidate for Chair, Vice Chair, Secretary, and Treasurer of the Board of Regents.
2. The report of the Nominating Committee shall be sent by electronic communication to each member of the Board of Regents at least ten calendar days prior to the annual meeting.
3. After the report of the Nominating Committee has been presented at the annual meeting, nominations may be received from the floor.
4. If there is only one nominee for each office, a member may move election of the nominated slate. The vote shall be by unanimous consent.
5. If there are two or more nominees, election of each officer shall be conducted separately by roll call. The first nominee receiving at least seven votes is elected.
6. If there are three or more nominees and no one is elected on the first four ballots, the nominee who received the least number of votes on the fourth ballot will be dropped. This procedure shall be used until two nominees remain or a nominee has been elected. In case of a tie for the least number of votes, balloting shall continue on all candidates until the tie is broken.



***Bylaws of the Board of Regents, Article X. Suspension of Bylaws***

Any provision of these Bylaws other than those contained in Article VIII, Section A, may be suspended in connection with the consideration of a matter before the Board of Regents by an affirmative vote of two-thirds of the Board of Regents.



# BOARD OF REGENTS DOCKET ITEM SUMMARY

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**Board of Regents**

**April 24, 2023**

**AGENDA ITEM:** Transition Issues and Expectations for the President

**Review**                       **Review + Action**                       **Action**                       **Discussion**

*This is a report required by Board policy.*

**PRESENTERS:** Regent Janie S. Mayeron

## **PURPOSE & KEY POINTS**

The purpose of this item is to discuss transition issues related to President Gabel’s departure and set expectations of her for the remainder of her tenure.

In response to a request from Board leadership, President Gabel provided a memo on April 11 that laid out a variety of open issues and projects in her office and across the administration. Board leadership and President Gabel met on April 14 to discuss the memo.

The overarching question before the Board on these – and other transition issues that may be raised during the special meeting – is what direction the Board would like to provide to President Gabel on next steps and expectations. Chair Mayeron has identified a small subset of issues that she believes would benefit from the Board’s guidance at the April 24 special meeting. Those issues and her recommendations are listed below.

1. **MPact 2025** – The last remaining deliverable, the tuition and pricing model, is due this year and scheduled to be presented by Provost Croson to the Board in May.

**Chair recommendation:** President Gabel to be available to consult with Provost Croson on the tuition and pricing model.

2. **The President’s Recommended FY24 Operating Budget** – The operating budget will come to the Finance & Operations Committee for review at the regular June meeting, and for action at a special meeting in late June.

**Chair recommendation:** President Gabel to stay involved in development of the operating budget. The budget will come with the President’s recommendation, but the President will not present the budget.

3. **FY23 performance reviews of direct reports and staff in the Office of the President, and related salary adjustments** – Direct reports to the President and staff in the Office of the President (OOP) are in the process of writing their annual reports. Performance review meetings with each would typically be scheduled for April and May. Following the

recommendation of the Office of Human Resources and standard University practice for the departure of a senior leader, Board leadership provided the following direction to President Gabel on April 12:

*Decisions and actions on employment matters, outside of those currently scheduled and within the current budget, will require additional review during this transition time. In particular, any employment actions involving your direct reports, such as pay adjustments, promotions or demotions, transfers, hires, or terminations, need to be reviewed beforehand by the Chair and Vice Chair of the Board of Regents.*

**Chair recommendation:** President Gabel proceeds with reviews with the following conditions: Prior to delivery of reviews to direct reports and staff in the Office of the President, President Gabel will share all written evaluations, employee self-evaluations, and proposed salary adjustments with Vice President for Human Resources Ken Horstman. Vice President Horstman will review before delivery, and report to Board leadership if anything is unusual or concerning. Vice President Horstman, one of his designees, or the interim president will attend all performance review meetings of direct reports and staff in the Office of the President.

- 4. Chancellor search, University of Minnesota Morris** – Public interviews of four finalists, background checks, and reference checks have been completed. President Gabel is ready to move forward with an offer in preparation for bringing the appointment to the Board for action in May.

**Chair recommendation:** President Gabel to offer position to her recommended candidate and bring that recommendation for Board action at the May regular meeting.

- 5. Tribal Relations** –The American Indian Advisory Board annual meeting with the president is scheduled for May 4, as this meeting and subsequent presentation to the Board complies with Board of Regents Policy: *American Indian Advisory Boards*.

**Chair recommendation:** President Gabel will attend the American Indian Advisory Board annual meeting, with Karen Diver, Senior Advisor to the President for Native American Affairs.

- 6. Other Remaining Open Issues and Projects**

**Chair recommendation:** The balance of the remaining open issues and projects noted in the memo either continue to advance elsewhere in the administration or shift from President Gabel to other natural administrative homes.