

Bartholomew, Melody

From: Bartholomew, Melody
Sent: Friday, September 02, 2005 11:09 AM
To: umf_fac_staff@list.flint.umich.edu
Subject: MSG FROM THE VICE CHANCELLOR FOR ADMINISTRATION: UPDATE ON ACTIVITIES

FROM: Dave Barthelmes
 Vice Chancellor for Administration

Welcome back! As we begin the new academic year, I wanted to update you on some of the recent activities within the VCA group.

OFFICE OF THE VICE CHANCELLOR FOR ADMINISTRATION

- **Financial Results** - Thanks to your continued diligent expense management, we finished the last fiscal year within budget and even managed to add some funds to our reserve balance. Keep in mind most carry forward funds are retained and managed by major budget units on campus.
- **Budget Outlook** - The Regents approved the FY 06 budget at the July meeting, which assumes state funding is reduced by 2% as contained in the Governor's proposal. The State has not yet finalized its budget for FY 06 including our portion of the State appropriation for higher education. The Chancellor will address the other primary provisions included in this year's budget in a separate communication.

State funding for higher education at UM-Flint now stands at about 34% of our General Fund budget and is substantially lower than just a few years ago. The tuition increase will compensate for anticipated reductions in State funding, increases in fixed costs, higher energy and employee benefit costs, the salary merit program, higher salary increases for faculty promotions and limited funds for new initiatives.

- **Student Housing**- The Chancellor will address student housing in a separate communication.
- **New Budget Model** - The new budget model was implemented on July 1, 2005 and provides a financial incentive to increase enrollment and grow revenues and pushes down greater responsibility for financial management to major operational groups. These include the Chancellor, Provost, Associate Provost, CAS, SEHS, SHPS, SOM, the Library, SSEM, VCA and VCIA.

The initial budgets are based on revenues in the budget approved by the Board of Regents and will be adjusted based on actual revenues achieved. Tuition revenues in excess of budget will be returned to academic units (CAS & SEHS- 50% and SHPS & SOM- 60%) with the balance going to a pool to be shared by support units. There will also be adjustments for changes in State appropriations. We have attempted to set the initial budgets conservatively and actual revenues have consistently come in above budget for the last several years. Of course, actual results may vary for the coming year and for individual budget groups. We will provide budget updates as the year progresses and you should expect the first one near the end of the fall semester once we have completed the analysis and the allocation of fall revenues. (<http://www.umflint.edu/resources/offices/administration/budget.php>)

- **Capital Outlay Project** - In spring 2005 the State of Michigan awarded \$7 million to UM-Flint for renovations to French Hall and the Murchie Science Building. We will be required to come up with \$2.3 million of matching funds for a total \$9.3 million project. We had listed the renovation of FH and MSB as our top capital request with the State for several years at a potential cost of \$20 million. Initial documents have been filed with the State and a design firm was selected in July. Work on the detailed design will begin this fall. Top priorities for this project include: classroom renovations, digital infrastructure upgrades, music rehearsal and recital facilities, new laboratories and interdisciplinary opportunities through flexible office space. Assuming we complete the detailed

9/20/2005

design phase on time and obtain the necessary State approvals, we anticipate starting this project next summer.

- **VCA Self Assessment** - The VCA Group began work on self assessment in January 2004. We have identified three phases in this process: customer surveys, employee surveys and benchmarking. We have made significant progress in developing customer and employee surveys and are now in the process of implementing these phases. Action plans will then be developed to address service issues identified from survey results. This fall we will embark on the third phase of benchmarking. This third phase will be challenging given the variety of services provided within the VCA Group

FACILITIES MANAGEMENT

We are all aware of deferred maintenance needs on campus. This information is provided to make you aware that we are addressing some of these needs with available funds.

- **Chiller Replacements** - In 2005 we have replaced two chiller units, one at Northbank and the other in our Central Energy Plant. Both units were well past their anticipated useful lives and cost in excess of \$200K each.
- **WSW Walkway** - In response to your feedback, we have installed a cement walkway from Parking Lots R & S north of the river to WSW. This walkway, which will be kept clear of snow during the winter, will facilitate walking from our northern most campus parking lots to WSW.
- **Patriots Grove** - This grove of historical trees planted on the East side of the William S. White building creates a beautiful park setting surrounding the ECDC playground facility. The site for the grove respects the Campus Master Plan, allowing for proposed growth in the surrounding area. As it matures the Patriots Grove will help to create a traditional campus feel in the area between the Stevens Street Bridge and the William S. White building for students, faculty, staff, and visitors as they traverse the Riverfront Campus.

The twenty-one trees selected for the grove are from a variety of historically significant sites and events in the United States and are arranged chronologically. They consist of a broad variety of species, suitable for growth in our region. The new walkway through the grove includes benches and tree markers to encourage relaxation along with historical education and reflection. The Patriots Grove was paid for with a grant of \$70,000 from the C.S. Mott Foundation

- **Emerald Ash Borer Trees** - I'm sure many of you have heard about the emerald ash borer destruction in Michigan including Genesee County. The good news is that Genesee County has not yet been declared an "eradication" zone requiring ash trees to be destroyed. We have in excess of 1,000 trees on campus including about 125 ash trees, of which 17 young ash trees near WSW are treatable with chemicals to extend their lives. We have been working on an action plan to address this issue and two campus-wide informational sessions will be held in the September-October timeframe for students, faculty and staff. All ideas are welcome .
- **MSB Elevator Replacement** - The central MSB elevator located near the Lot G entrance required major repairs over the summer. It was returned to full service in August.
- **Energy Management** - UM-Flint is making significant progress as a campus in improving energy efficiency and minimizing energy cost increases. UM-Flint is a leading university participant in the State Purchasing Consortium for electricity and natural gas. We have received a 7% rebate from Consumers Energy on our electricity bill since January 2004, which has averaged \$7K-\$8K per month. Our energy team has used these funds to improve our energy efficiency through such projects as re-lamping French Hall with more energy efficient bulbs and ballasts. Kilowatt hour usage has been reduced about 5% or 1 million hours! We have also been protected against rate hikes for the period of the agreement which expires December 31st of this year. Negotiations are now in process on the next contract.

We are also participating in a State contract for the purchase of natural gas. We elected to purchase half of our

natural gas via the State contract and the other half in the open market using a broker for an initial period, so that we could compare results. Cumulative results to date indicate a small price advantage with the State contract so we will likely move more in that direction when the current contract expires next spring. Negotiations have already begun to extend the State natural gas contract for several additional years.

Even with improving energy efficiency and group purchasing initiatives, we anticipate increased costs for natural gas and electricity this year of \$250K. This cost increase would be much greater if we were not taking advantage of opportunities to save money. You can help keep the cost of utilities down by turning off lights when not in use, turning off equipment at the end of the day, adjusting your thermostat to a moderate setting, and taking any other measures that you know make sense to save energy

PUBLIC SAFETY

- **M-Card** - The M card has been approved for the Flint campus and is in the process of implementation. This project is a campus team effort with Ann Arbor assistance. Key departments are ITS and Public Safety. One card will serve as a campus identification card and provide access to the Library and the Recreation Center. Additional functionality will be added in the future. The card will be rolled out this fall to faculty and staff quickly followed by all students in the winter term
- **New Student Uniforms** - You may have noticed new uniforms for students employed by our Public Safety Department. These new uniforms clearly identify students who are the eyes and ears of Public Safety and distinguish them from police officers and other Public Safety employees.
- **Vehicle Cameras** - Public Safety recently installed video cameras on a group of its vehicles. These cameras will help to improve safety on our campus by recording interactions with police officers and other incidents on campus. We are also looking at upgrading existing cameras on campus and installing some new ones. With new technology, it is possible for an officer to view an incident in progress while en route to the location. This will enable the officer to respond most effectively upon arrival
- **311 Phone System** - A new 311 feature has been added to our campus phone system. The new feature will enable any student, faculty or staff member to dial 311 on a campus phone and be immediately connected to Public Safety. We believe this innovation will help to improve Public Safety response to safety concerns on campus. The 911 service remains in place for all emergency calls.
- **Domestic Violence Training** - Public Safety officers have recently completed training on how best to handle domestic violence incidents that may occur on our campus. This training was supported by a grant from the Department of Justice.

HUMAN RESOURCES

- **Classification Project** - After several years of development work, Human Resources implemented a new classification system on July 1, 2005. The new system applies to all non-bargained for staff employees. It uses categories of related careers (Career Families) rather than grade levels and aligns UM titles to those commonly used in the larger job market. We are now in a stabilization period which extends to December 31st to allow for review of open issues and possible adjustment of classifications.

FINANCE AND PURCHASING

- **MAIS Upgrade 8.8** - An upgrade of Financial M Pathways to Version 8.8 took place in August. The newer technology is more user-friendly, improves information reporting and has fewer input screens. The benefits of the new system include: simplified order entry, orders released against contracts by entering a requisition, specific multiple items can be entered, encumbrances occur when a requisition is entered against the contract and improved financial controls and reporting. User training was held on campus in July and August and online training is

available at any time. Please contact Finance or Purchasing for questions and assistance.

- **Expanded Non-General Fund Reporting - Financial Services** is now expanding reporting of financial information on funds other than the General Fund to include the Designated Fund, Restricted and Non-Restricted Funds, and the Plant Fund. While the majority of our spending (around 80%) is done in the General Fund, funds to meet other needs are often available in these other funds. Emphasis is placed on making sure departments are aware of funds available to them outside the General Fund, clearing deficits and assisting with fund transfers as appropriate

ENVIRONMENTAL HEALTH AND SAFETY

- **EHS Expo - An Environment, Health and Safety Expo** is scheduled on Thursday, September 8th from 11:30 am – 1:30 pm in the Pavilion. A dozen local and state organizations have agreed to participate and share their information and knowledge about a variety of EHS related topics. Feel free to stop by their tables and listen to their short presentations. Additional notifications will be sent to the campus via e-mail.
- **CEP Tanks - Our most serious and costly known environmental issues on campus right now** are three underground storage tanks, two of which failed their integrity test. State environmental regulations require us to remove the tanks and remediate the soil and continue to monitor the groundwater. While we have completed a comprehensive investigation of the tanks and have been conducting quarterly groundwater sampling in the area, the exact remediation/restoration cost will only be known when the project is done due to the general uncertainties related to all environmental remediation projects. We estimate the cost to be in the \$500K-\$800K range. One outstanding issue related to this project was the degree of coverage by Ann Arbor Risk Management and OSEH under their inter-campus environmental insurance program. We recently were able to favorably resolve this issue whereby Ann Arbor has agreed to cover these costs up to \$700K.
- **Underground Tank Removal - During an environmental assessment of Lot G and adjacent property identified as a primary site being considered for student housing, four underground storage tanks were discovered and removed.** EHS is currently working to obtain closure on those tanks from the MDEQ.
- **Environmental Insurance Coverage - In January 2004, the University changed its arrangements regarding funding for unfunded environmental liability related issues.** Previously, each campus paid an amount into an environmental insurance fund and claims could then be filed against it. In fact, UM-Flint collected significantly more than we paid in over several years. The new program requires each campus to cover its own environmental costs and to set up reserves to cover known costs. An annual environmental status report is required to be filed with the Executive Vice President & CFO annually in conjunction with our budget. In order to minimize exposure going forward, we worked with Risk Management along with the Dearborn campus to get an environmental insurance policy in place to cover any unknown environmental issues that may arise in the future. We still have identified environmental issues that need to be addressed on our campus, but we now have some protection in place against large, unexpected new environmental costs.

RECREATION CENTER

These are some recent improvements made at the Recreation Center.

- **Recreation Center Renovation Vision - With the assistance of a consultant (Bill Canning, Director of Recreational Sports in Ann Arbor) and the results of conducting needs assessments and focus group sessions, TMP Architecture developed and produced floor plans and cost models for what the Recreation Center could look like if it were renovated.** The plans are available through Theresa Landis for anyone interested in viewing them.
- **Cardio Theatre - If you haven't yet seen it, stop in and observe the new Cardio Theater on the upper level of the Recreation Center.** You can now exercise while watching your choice of several TV channels.
- **Free Weight Room Relocation - In response to requests from Recreation Center patrons, the free weights were**

relocated to the upper level of the Recreation Center to a converted racquetball court. This makes it much more convenient for strength training workouts.

- New Lower Level Fitness Room - Since the free weights moved upstairs, it opened up the old free weight room to be used for other fitness activities. Starting this fall, our Martial Arts programs (Hapkido and Sonsul) along with new Spinning classes will be held in this newly refurbished room.
- New Membership Management Software - With the impending implementation of the M-Card on the Flint campus, Recreational Services has been working with ITS to be able to accommodate the M-Card for Recreation Center access for students, faculty/staff and community members. This has also involved the computerization of our sports equipment checkout/check-in process. More information will be forthcoming as the M-Card goes live.

If you have any questions or comments, please contact this office or any of the VCA Directors as follows:

- | | |
|---|------------------|
| • Dave Barthelmes and Bill Webb | VCA Office |
| • Finance and Budget | Jerry Glasco |
| • Recreational Services | Theresa Landis |
| • Purchasing/Contract Services | Greg Snyder |
| • Human Resources | Dick Lederer |
| • Environmental Health & Safety | Mike Lane |
| • Facilities Management & Aux. Services | Dick Horning |
| • Public Safety | Chalmers Sanders |

Melody Bartholomew
Executive Secretary
Office of the Vice Chancellor for Administration
University of Michigan - Flint
234 University Pavilion
Flint, MI 48502
Telephone: 810.762.3324
Fax: 810.766.6769
E-mail: mabbart@umflint.edu