

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES
SOUTHERN ILLINOIS UNIVERSITY
OCTOBER 18-19, 2016

Pursuant to notice, a special meeting was called by the Chair of the Board of Trustees of Southern Illinois University, and the meeting convened at 12:20 p.m., Tuesday, October 18, 2016, in the Board Room of Birger Hall, Southern Illinois University Edwardsville, Edwardsville, Illinois. The meeting was called to order by Chair Thomas.

The following members of the Board were present:

MG (Ret) Randal Thomas, Chair
Dr. Donna Manering, Vice Chair
Mr. Joel Sambursky, Secretary
Hon. J. Phil Gilbert
Mr. Ryan Johnson
Dr. Shirley Portwood
Ms. Amy Sholar
Ms. Naomi Tolbert

The following member was absent:

Dr. Roger Herrin

The Executive Secretary reported and the Chair determined that a quorum was physically present.

Also present for the duration of the meeting were Mr. Lucas Crater, General Counsel; and Ms. Misty Whittington, Executive Secretary of the Board. Ms. Wendy Cox-Largent, Associate Provost for Finance and Administration, SIU School of Medicine, participated via teleconference for a portion of the meeting.

Ms. Cox-Largent presented the following item:

APPROVAL OF PURCHASE:
MEDICAL OFFICE BUILDING LEASE
SCHOOL OF MEDICINE CAMPUS, SIUC

Summary

This matter seeks approval for a revision to the purchasing contract for leased space of approximately 6,500 square feet of additional space. The additional purchase order cost is based on the annual lease rate plus operating expenses for an increased value of the first year contract of \$348,695. The total maximum value of the first year contract has been revised to \$1,448,495.

Rationale for Adoption

SIU HealthCare continues to expand upon a longstanding partnership with St. John's Hospital and the HSHS hospital system, most recently through the signing of a 10 year partnership related to women and children's services. The construction of a dedicated women and children's medical office building is a key element of this partnership and will provide the patients of both organizations the access to state of the art facilities and position the partnership for long term success in attracting and caring for patients, and also in financial performance.

At the July 14, 2016 Board of Trustees meeting, a purchasing contract was approved for \$1,100,000 for 42,000 square feet of leased space in the new Medical Office building to be located on the St. John's campus. Since that time, revisions to the building design and space needs and as an external fair market value evaluation of the estimated construction and operating expenses for the building was completed resulting in a fifteen percent increase in square footage and an eleven percent increase in cost per square footage.

Current women and children's services of SIU HealthCare are provided in multiple locations across the St. John's campus. Geographic separation of services and the outdated design of the existing facilities are not conducive to efficient patient care. Currently, duplication of staff is required to provide basic functions at each separate location such as a receptionist, nurse manager, and patient representatives. The new facility will allow consolidation of services across the various clinics as most services would be consolidated to this building.

As the Springfield healthcare market becomes increasingly competitive, the existing outdated facilities of SIU HealthCare are placing the organization at a considerable market disadvantage. Local competitors continue to build new facilities to attract staff and patients while SIU HealthCare has mostly remained in facilities originally developed in the 1970s. As a result, patient satisfaction surveys demonstrate that patients' perceptions of SIU HealthCare facilities are in the lower quartile relative to national peers. Notably, as Medicare payments to SIU HealthCare will be increased or

decreased based on patient satisfaction scores, it is essential that the organization begin now to provide patients with market competitive, modern facilities.

Further, such updated facilities will improve the school's ability to recruit and retain high quality staff and have a positive influence on the work environment. These are also critical to achieving high the patient satisfaction scores. As the primary tenant of the new building, exterior signage dedicated to SIU HealthCare will represent a significant improvement in marketing and branding.

The incremental expense of about \$300,000 annually for this facility will be recovered through staff efficiencies, patient retention, and staff retention.

This lease includes a 2.0 % annual escalation of rent costs.

This matter is recommended for adoption by the Dean and Provost of the School of Medicine.

Considerations Against Adoption

University officers are aware of none.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The purchase order for leased space, School of Medicine Campus, SIUC, be and is hereby awarded to St. John's Hospital, Springfield, IL, for a five year term with one option to renew for an additional five years.

(2) The Board of Trustees hereby authorizes the purchase of goods and services associated with this award.

(3) The purchase will be funded by School of Medicine funds derived from patient revenue sources.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

Trustee Manering moved that the Board approve the item. The motion was duly seconded by Trustee Gilbert. The motion carried by the following recorded vote: aye, Dr. Phil Gilbert; Dr. Donna Manering; Dr. Shirley Portwood; Mr. Joel Sambursky; Ms. Amy Sholar; Maj. Gen. Randal Thomas; and Ms. Naomi Tolbert; nay, none.

The Chair stated that there would be a Public Questions and Comments portion available at the day's meeting. The Executive Secretary informed the Board that no one registered to speak.

At approximately 12:25 p.m., Trustee Tolbert moved that the Board go into closed session to consider pending, probable or imminent court proceedings against or on behalf of the Board; and information regarding appointment, employment, compensation, discipline, performance or dismissal of specific employees of the public body. The relevant sections of the Open Meetings Act Statute that allow for the closed session are 5 ILCS 120/2(c) (1), and (11). The motion was duly seconded by Trustee Sholar. The motion carried by the following recorded vote: aye, Hon. J. Phil Gilbert; Dr. Donna Manering; Dr. Shirley Portwood; Mr. Joel Sambursky; Ms. Amy Sholar; Maj. Gen. Randal Thomas; and Ms. Naomi Tolbert; nay, none.

At approximately 4:11 p.m. Trustee Sholar made a motion that the meeting adjourn to meet on October 19, 2016, at 8:00 a.m. in the same location. The motion was duly seconded by Trustee Gilbert. The motion passed unanimously via voice vote.

On October 19, 2016, at 8:30 a.m., the Board resumed the executive session.

The following members of the Board were physically present:

MG (Ret) Randal E. Thomas, Chair
Dr. Donna Manering, Vice Chair
Mr. Joel Sambursky, Secretary
Hon. J. Phil Gilbert
Mr. Ryan Johnson
Dr. Shirley Portwood
Ms. Amy Sholar
Ms. Naomi Tolbert

The following member was absent:

Dr. Roger Herrin

Trustee Gilbert departed the meeting at approximately 12:15 p.m.

Trustee Sholar departed the meeting at approximately 1:00 p.m.

Trustee Johnson departed the meeting at approximately 1:15 p.m.

At approximately 1:36 p.m., a motion was made by Trustee Manering and seconded by Trustee Portwood to adjourn the meeting. The motion passed by a voice vote. No action was requested or taken during the closed session.

Misty D. Whittington, Executive Secretary