

Minutes*

Senate Committee on Finance and Planning
Tuesday, November 7, 1995
3:15 - 5:00
Room 238 Morrill Hall

- Present: Fred Morrison (chair), David Berg, Thora Carlidge, Craig Dexheimer, Kathy James, Karen Karni, David Kittelson, Gerald Klement, Patrice Morrow, Roger Paschke, Richard Pfutzenreuter, Peter Robinson, Doris Rubenstein, Craig Swan, Steven Thelen, James VanAlstine
- Regrets: Charles Speaks
- Absent: Allen Goldman, Ryan Thrun
- Guests: Harrison Fraker (Dean of the College of Architecture and Chair, Twin Cities Campus Master Planning Advisory Committee), Associate Vice President Clinton Hewitt (Campus Master Planning), Ken Greenberg, Frank Lewinberg, Stephanie Tremblay, Bruce Kuwabara, Bob Close (all of BLGDG consulting firm)
- Others: Helen Pladsen, Alaine Siniff, Barb Pucel (Payroll Task Force)

[In these minutes: Change to biweekly payroll; campus master plans; update on union negotiations]

Professor Morrison convened the meeting at 3:15 and announced that there would be three agenda items: the biweekly payroll proposal, campus master planning, and a short update on the union negotiations.

1. Biweekly Payroll

Professor Morrison welcomed Mr. Pfutzenreuter to talk about a proposal to streamline the way faculty and staff are now paid by shifting them to the biweekly payroll, the way the Hospital and trades employees are paid, with checks every two weeks. He added a caveat: this is the third time in perhaps 15 years that this proposal has been made; in both the prior instances, it led to the departure of the finance vice president who proposed it! There are land mines in the issue; there could be opposition because that is not the way Mr. Middlebrook did it.

Mr. Pfutzenreuter said this is the first opportunity they have had to consult about the proposal to streamline the payroll system; this may be the third time it has been proposed, but he said he believed it was the first time the administration has planned to consult before trying to act.

*These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

This is a first proposal in what will be a wave of re-engineering proposals coming up in the weeks and months ahead, he told the Committee. This is being brought to the Committee in the spirit of examining the pros and cons and then making a decision; they are not prepared to fall on their swords over it. They want a decision made, but if the decision is not to change, things will move on. The administration wants to begin to deal with the policies and practices of the University, look at the way things are done, and try to save money and time. This proposal will both save money and save time in departments.

Mr. Pfutzenreuter then quickly ran through a handout set of slides.

- There are currently two payroll systems, one for people paid semi-monthly and one for people paid biweekly. The proposal is one biweekly system.
- University employees are about evenly divided between the two existing systems. The semi-monthly system pays people for the period up to and including the day the check is issued; the biweekly payroll is delayed ten days after the end of the pay period.
- Problems with the current two systems include requiring extra training for accountants, administrators, payroll staff; extra paperwork and calculation costs extra time and money; and overtime, bonuses, course overload pay, etc., are paid in separate checks and taxed at a very high rate.
- The problems with the semi-monthly system include: if an employee does not work the expected number of days, the University overpays and must recover the extra payment; pay periods vary in length, so calculating payment for new hires, leaves of absence, and vacation payouts for departing employees is complicated; sometimes there are three weekends between paychecks; vacation and sick leave accrual cannot be shown on pay stubs, but are reported separately; non-academic across-the-board increases cannot be handled centrally, so there is a delay before raises show up in paychecks.

The proposal is to move everyone to a single, enhanced biweekly payroll system--beginning, Mr. Pfutzenreuter noted with amusement, on Friday the 13th of September, 1996.

Asked what "enhanced" meant, Mr. Pfutzenreuter noted the benefits of the system (elimination of three-weekend pay periods, predictability of payday--always Wednesday--overtime and other pay included in the normal paycheck so taxed at correct rates, elimination of complicated calculation of daily pay rates, vacation and sick leave will be on payroll stubs, and overpayments are reduced). In addition, new employees will receive their first paycheck sooner, grant money can be encumbered so funds won't be overspent, a single system simplifies payroll processing and training, running 24 fewer payrolls each year could save the University about \$250,000 per year. The administration must cut \$8.9 million; it is in changes such as this that many of the reductions can be accomplished.

Mr. Pfutzenreuter then explained that there are three major challenges that must be resolved before the system is converted. One is that non-academic employees will receive less paid-out salary by June 30, 1997 compared to June 30, 1996 (because of the delayed pay; they would receive, over the course of their employment and retirement/departure, the exact same amount they would have received were there

no change); if this creates a hardship, it must be dealt with.

The second challenge is that at the time of conversion, payday will be delayed for employees switching to the biweekly payroll. The final semi-monthly check will be Friday, September 13 (covering September 1-15); the first biweekly check will be October 9 (covering September 16-30). For employees who live from paycheck to paycheck, this will be a problem, and it is this that has torpedoed the proposal in the past.

The third challenge will require personal budgeting changes--paychecks will be smaller amounts, but there will be two more of them.

Mr. Pfutzenreuter said these issues MUST be resolved prior to implementation.

It is a long time between paychecks for B (nine-month) appointees the conversion year, one Committee member noted, from June 15 to October 9, and that will not be acceptable. A related problem is that for new B appointees, they will begin work on September 15 but not receive their first check until October 9, and then only be paid for two weeks.

How will this be affected by the change in the academic calendar, such as starting in August and ending in May rather than September/June? All appointments will need to be changed to fit the new semester calendar, it was noted by one Committee member; people will receive 20 checks rather than 18. The first and last check could be small, for only a day or a few days.

One can see the advantage to one payroll, said one Committee member, but the handout fails to identify the advantages of the semi-monthly system. The proposal to put everyone on a biweekly payroll, with its delay, in a way says the University doesn't trust its employees to work what they are supposed to, so there is a ten-day delay.

Faculty are not docked on the payroll; the non-faculty are. That is part of the problem with a current payroll; it gives checks to people who have not worked. It is also difficult with student employees who may not have a set appointment; the University had a current payroll system and it did not work.

In response to a query, Mr. Pfutzenreuter said the change would have no effect on health coverage or other benefits.

The cost to make the change, Mr. Pfutzenreuter reported, will be about \$500,000 to \$600,000, so the cost will be recovered (by the \$250,000 in savings) in two to two and one-half years. This is apart from the time that will be saved in departments. One Committee member expressed doubt about the amount of time departments would save; Mr. Pfutzenreuter said the payroll task force, composed of 18-20 people who work with payrolls, said it would save a lot of time.

One Committee member said the Committee should know of the value to the University of the "float" from delaying the payroll for ten days. Further, what is magic about ten days? In this day of computers, could not checks be issued the Friday after the end of the pay period, rather than the following Wednesday?

The problems must be resolved, Mr. Pfutzenreuter said, and the proposal cannot have a tone that it is not paying attention to them. He agreed that later discussions could entertain the possibility of establishing a fund which could be used to assist people adversely affected by the change. He also agreed to provide a breakdown of the expected cost of the conversion.

Professor Morrison thanked Mr. Pfutzenreuter for bringing the proposal to the Committee and promised that it would be on the agenda in two weeks for additional discussion.

2. Campus Master Planning

Professor Morrison next welcomed Associate Vice President Hewitt and some of the members of the consulting firm that have assisted in the development of the Twin Cities campus plan.

Mr. Hewitt began the discussion with a half-hour slide presentation about the master plans that are underway at each of the outstate campuses. He explained that the development of the plans for ALL of the campuses are guided by the four Campus Master Planning Principles approved by the Board of Regents:

- Creating and maintaining a distinctive and aspiring vision for the physical development of each campus
- Enriching the experience of all who come to the campus
- Maximize the value of existing physical assets
- An inclusive, accountable and timely process for creating and implementing the master plan vision.

Crookston Campus

Master planning at the Crookston Campus comes at a critical time in the institution's history. UMC has become a four-year baccalaureate degree granting institution responsive to the need for the further development of vocational and technical education. The objectives of the master plan can be summarized in three areas of concentration: (1) collaboration and shared use among campus units and connection to community resources, (2) embody the principles of a four-year Polytechnic University and (3) provide campus with identity, placeness and visual wholeness. The Major elements of the master plan are:

- Completion of the Mall Loop Road
- Development of Broadway - road between the University and the Northwest Experiment Station
- Connection to development north of the campus
- Clarification of "the backyard"
- Establish a Resource Center
- Improvements to wayfinding on the campus

Morris Campus

The master plan for the Morris Campus has grown out of broad campus input, historical research and analysis of the physical and architectural layers of the campus itself. Through the planning process, the four guiding principles have been translated into specific recommendations for physical change and a set of guidelines that will shape the future development of the campus and support the campus's

academic mission of providing a quality liberal arts education. The plan deals with questions related to academic expansion, housing needs, historic presentation and adaptive re-use, open space preservation and circulation, with the goal of reinforcing the residential and rural character of the campus in its historic setting and complementing the liberal arts mission. Important components of the master plan are:

- concentrating academic and administrative facilities on the historic mall
- improve academic instructional space
- recognize the clustering of academic divisions by clustering buildings
- building a south ring road
- create a new "front door" to the campus from Highway 59
- strengthen residential life and recreational opportunities
- re-use existing facilities where feasible (i.e., historic mall buildings, mall open space)
- Preserve views and pedestrian access to surrounding streets and fields

Duluth Campus

The master planning committee at the UMD campus explored three concepts illustrating distinct planning approaches to long-range physical development of the campus. The objectives and values that emerged from analysis of the different approaches formed the basis for the final draft campus plan. The key values and the plan elements supporting them are:

Concentrated Academic Core

- Establish building sites that preserve the compactness of the campus core
- Add a third circulation spine to present system
- Reinforce and extend internal courtyard system

Outreach and Access

- Creating greater visibility of the campus and primary point of access
- Developing new drop-off and campus gathering
- Re-shaping and adding to existing roads and drives to create a new ring road and designated parking

Regional Setting

- Restore the native Hillside tree cover and extend native northwoods landscape into campus core
- Reclaim (uncover) natural attributes of campus
- Link Rock Hill and Bagley Nature area
- Preserve open space and landscaped areas

Twin Cities Campus

Following brief discussion with the Committee, Mr. Hewitt introduced Mr. Greenberg of the Berridge Lewinberg Greenberg Dark Gabor firm of Toronto, who presented a series of slides concerning the master plan for the Twin Cities campus. The plan has been worked on for a year and a draft final

report has just been submitted to the campus master planning advisory committee. There will be a period of discussion of about two months, to get reactions from the advisory committee and other parts of the campus, at which point a final report will be submitted.

The themes of the Twin Cities master plan are these:

- On both Minneapolis and St. Paul, there is an emphasis on consolidation of resources and what is to be done in the heart of the campus.
- There is a balanced means of access to the campus. There is a concern about more commuters and the vast parking lots; the Regents have adopted a resolution concerning housing; the University is trying to redefine the campus, including providing more opportunity for students to live on campus and increase the emphasis on public transit and bikes. The available land tends to be used for parking lots, so one strategy is to move them toward the transitway and use a fleet of smaller vehicles to transport people to campus.
- Because of their size, the campuses have "neighborhoods" within them that people experience, and they are not necessarily distributed by academic discipline. A lot of people have complained of the long distances they must go to get the things they need; the plan tries to come to grips with the needs of these neighborhoods.
- The campuses are deeply embedded in their host communities and relationships with the neighborhoods are very important.

The key ideas about the Twin Cities campus are these:

- Washington Avenue is the main spine and should be more transit- and pedestrian-friendly (including bike lanes, transit lanes, and covered sidewalks). It would carry less traffic; the plan proposes more access to the campus, so there would be less going around it for those destined for the campus. With light rail transit (whenever it is developed), there would be only two lanes of traffic on the bridge; it would not be encouraged as a bypass--that is what I94 is for--and traffic should be compatible with the life of the University.
- The plan proposes to take the pedestrian level off the Washington Avenue bridge and add cantilevered bikeways and walkways at traffic level with weather protection. This would improve visibility and image and the experience of going across the bridge. In a count a few years ago, 16,000 people used the bridge each day.
- The goal is to bring athletic fields in closer to the campus and to gradually move transit parking out, so that recreational fields are part of the campus and do not have to be driven to.
- The river area offers opportunity for informal recreation.
- The transitway would come to Washington Avenue, to the University, to the existing transitway, and would foreshadow light-rail transit.

After Mr. Greenberg highlighted a few more elements of the plan for the Twin Cities campuses, Committee members offered comments.

- Parking Service plans are not at all where the campus master plan proposes they should be.

The plan is jumping on a moving train, it was said. The last plans were a generation ago; people with responsibilities run with them, which can lead to "ad hocism" and split jurisdictions. The consultants are talking to Parking Services, Facilities Management, and Transportation. They are working to identify places where parking could be brought into the campus away from the State Fair. Parking is being convinced that the ramps should not be stand-alone, but like the one on Washington, with a building attached so it is embedded in the landscape. When the master plan is adopted, any undertaking over \$100,000 would automatically trigger the preparation of a precinct plan (the area of the campus in which the undertaking would occur) and would go to the President's office; there would be no undertakings independent of the campus master plan.

- The idea of precincts is attractive, but one worries about something like the library, which many must use. It is tucked away on the West Bank and now the short-term parking has been abolished. Faculty on the East Bank cannot get to the library without paying \$1.05 for 15 minutes. It is to be hoped that the master plan can accommodate people who need to get to the library without relying on public transit, which does not work. There is no provision for rapid access and egress to the library by vehicular traffic.

It was agreed that when construction of a new building is to occur, and parking removed, there must be a strategy on how much of the parking to replicate and what kind of connections can be made. The Carlson School plans, moreover, were in place before the consultants arrived, and they had no strategy in place to deal with the construction. Consideration of activity within a precinct of the campus is not limited to that precinct, so library access questions would be considered more broadly.

Mr. Hewitt noted that the initial planning for the facility included the potential to provide for underground parking adjunct to the new Carlson School building, although he acknowledged that the funds to construct the underground parking are not available. He agreed that underground parking is more expensive than ramps, but the master planning transportation consultant has emphasized a focus on access, rather than getting vehicles everywhere on the West Bank, and urged an admission that it cannot accommodate all the cars but must accommodate people.

- Mr. Greenberg recalled that Harrison Fraker, Dean of the School of Architecture, visited Toronto to see what has happened at the University of Toronto over the last 20 years. Earlier, it had a lot of parking lots and empty spaces; gradually, all surface parking was filled in with new buildings and replaced with multiple levels of underground parking, there is a great deal more housing on the campus, increased parking rates, and a network of bike lanes with the surrounding neighborhood. The campus is invisible, knit into the surrounding city. Parking here cannot be withdrawn quickly, however; the health sciences, for example, depend on the East River Road ramp and there must be a strategy for accommodating their needs.

- The plans should be taken to the colleges, and in an affirmative way, rather than just inviting

people to a meeting. The colleges will be a key source of resistance.

- What would the impact on the plan be if the University adopted a "no net increase in square footage" policy?

All the new facilities would only be built as renovation or upgrading or as replacement of existing buildings.

The plan calls for a considerable amount of new space, when there is a problem with maintaining the square footage the University already has. The worry is not about the capital cost; there needs to be a calculation of maintenance costs per foot, and then the colleges will be retrenched to pay for heat and light.

Mr. Hewitt agreed and indicated that this would be a focus within the Responsibility Center Management concept, which is the direction the University is proceeding. He also said that the "no net new space" policy initially was proposed in 1984 but it never really became operative.

- One senses, looking at the plan, that the Twin Cities campus will become a rabbit warren, with buildings packed into the center and all the green space at the periphery.

When one is on the Mall, Mr. Greenberg said, there is a coherent ensemble and one has a feeling of openness. When one walks into the slots between buildings away from the Mall (e.g., to the Radisson), one encounters garbage pick-up places, bridges overhead, the back of a parking ramp, and a nasty street experience--and is faced with a sea of parking all the way to Oak Street. The plan calls for the back of the ramp to have a building on it, so walking by the ramp will not be unpleasant. There are a lot of blank walls around the campus--the hotel, the aquatic center--and the plan calls for more defined open spaces around the rest of the campus, areas more like the Mall.

The Committee was joined by Dean Harrison Fraker, who is chairing the Twin Cities Campus Master Planning Advisory committee. He told the Committee he believes the issue of financing the master plan is important. There needs to be something like a campus master plan, so that precinct plans can be understood not to be pie-in-the-sky, but something that bears a relationship with the physical and space needs of the units in each precinct and that has the services people need to make their life good--parking, places to eat, residences. There are income streams in many precincts for ongoing operations; what is needed is an overall statement on how to balance the quality of life in the precinct with the funding scheme.

The problem is not the capital expenses, it was said again; the Committee has experienced adequate meeting of the capital plans, and then is told at the last minute that the buildings cost a lot to operate and those costs must be retrenched from the academic budgets. The cost of operating the building MUST be a condition of construction.

Professor Morrison said that since this is the planning committee, it will return to the issue and that when the plan is forwarded to the administration for action, the Committee will adopt a resolution concerning it. He then thanked Mr. Hewitt and Messrs. Greenberg and Fraker for joining the meeting. Mr. Hewitt expressed his appreciation for the opportunity to present the status of the various plans to the

Committee and expressed the hope that the campus community will forward concerns and comments to his office.

3. Update on Union Negotiations

Professor Morrison then asked Mr. Paschke for a status report on the negotiations.

Mr. Paschke explained that the negotiations have involved three unions, the Teamsters (which includes primarily custodial staff, grounds workers, and food service employees), AFSCME employees in the Hospital, and the AFSCME clerical union. The Teamsters have taken a strike vote that will be counted November 8. The negotiations with the clerical union are not as far along.

The Hospital is a different situation; one issue, once the outcome of a strike vote is known, is what the University will do--go back to the table or absorb a strike. There are separate votes among the three unions; the Hospital vote comes in the near future.

The issues in the negotiations are financial--what the state employees received versus what University collectively bargaining employees have been offered. The state settlement has put pressure on the University to make the same offer of 2.5% recurring increases plus step increases in both years of the biennium. The University's budget plan has provided for no recurring money in the second year of the biennium.

It was noted that information and instructions about what to do in case of a strike have been provided to managers and supervisors. They will be provided to the Committee.

At present, Mr. Paschke affirmed, the University intends to operate on the basis of a strike being a very real possibility.

It was agreed that Mr. Paschke would return to the Committee when he knew more.

Professor Morrison then adjourned the meeting at 5:20.

-- Gary Engstrand