

77th MSSA Senate
July 14, 2010

78th Senate Special Meeting called to order by Speaker Matt Schmidt

I. Roll Call (present-absent-proxy)

Jennifer Dooley 0-1-0, Nikki Sabby 1-0-0, Matt Salmen 0-1-0, Alexi Roskom 1-0-0, Chris Mangione 1-0-0, Brandon Quam 0-1-0, Dan Kromer 1-0-0, Amin Mohomed 0-1-0, Nathan Gustafson 1-0-0, Samuel Adams 0-1-0, Cody Ingenthron 0-0-1, Sarah Koenen 1-0-0, Abdihakim Abdi 1-0-0, Lani Petrulo 1-0-0, Zachary Lincoln 1-0-0, Lyndsay Sadler 0-0-1, Braeden Hogie 0-1-0, Cody Buechner 0-0-1, Michael Do 0-0-1, Benjamin Guthmiller 1-0-0, Dannie Higginbotham 1-0-0, Lela Magxaka 0-1-0, Nansy Pradhan 0-1-0, Robbie Sitka 0-1-0, Matt Skluzacek 1-0-0, President Williams 1-0-0, Vice President Anderson 1-0-0

II. Approval of Consent Agenda

Appointments: Student Affairs Coordinator-Sarah Revering, Diversity Coordinator-Shaka Mansaray, Public Relations Coordinator-Dannie Higginbotham, Legislative Affairs-Kate Olson

III. Presentation-Vice President Anderson-Zipcar

Overview of 20 year Master Plan. Three new residence halls will be built and 113 parking stalls will be eliminated. Gage will fill with overflow parking. 2010 increase of 300 students. Busing costs cannot be sustained at \$76.00 an hour. Campus will be more pedestrian in the future. It focuses on peripheral parking. Last year of 2900 students living in the res halls, one half bought a parking pass. International students find it very difficult to maintain a car or get a driver's license in the U.S. Zipcar does honor international driver's licensees. In the last Got a Gripe campaign there was considerable reference to bus service on weekends around town. We might have to pay some money to get Zipcar started but then we would be providing opportunity. Zipcars will save costs in the future. This would be good to be a totally initiated and managed student initiative. The student activity fund reserve needs to be maintained at about 5% of our annual expenditure. Approximately \$485,000 needs to remain in reserve fund. Mr. Hodapps current projection put it at about \$576,000, about \$90,000 is a fairly conservative estimate. Enrollment numbers are up but it also depends on how many credits they take. Zipcar was founded in 1999. They currently are at about 185 universities. In Minnesota the U of M and Winona have the program. They are a very technology forward company. There are about 6 ways you can reserve cars. There are no keys, it is based on membership card. We can have up to the minute operational reports. They have GPS where they can track their own cars if something were to happen. They have their own insurance. Our attorney and MSU Finance is looking at the contract. We would have to market and promote this as a business. They will help us do that. We have been mentioning this as a possibility at orientation. They do require a certain amount of generated money per month. The Toyota Prius rents out for about \$1800 per month. Those guarantees can go away if we meet the revenues. That could be tough this year. Ridership will go down in the summer. 18+ - no parental waivers or consent forms. Best comprehensive insurance in the industry and Zipcar is "primary". /11 school year and beyond. Custom 90 day and 1 year marketing plan. Zipcar will work with you to produce a variety of custom and standard marketing. Usage similar to car rental. Monthly Revenue Guarantees: \$1500-1600. Zipcar would help launch. MSU would provide high profile parking locations currently in lot 13, light maintenance support, assist in marketing plan execution.

New Business

M#07.14.10A Zipcar Vice President Anderson

Whereas: It is the vision of Minnesota State University, Mankato to build a campus of the future while focusing on an increasingly pedestrian friendly campus while shifting parking to the periphery

Whereas: Almost 50% of resident hall students do not purchase a parking pass

Whereas: Campus core parking will become increasingly difficult for resident hall students given one-half of Lot 13 (Carkoski Green) will be taken "off-line" in March 2011 and Gage Hall becomes increasingly full with "overflow" student housing

Whereas: There are numerous challenges for an International student to own and maintain a car

Whereas: In the 2010 "Got a Gripe Campaign" students frequently requested more flexible transportation options especially in PM hours and to various locations around town

Be It Resolved: The MSSA recommends contracting with Zipcar for a period of 3 years to initially provide two eco-friendly car rentals to students age 18+ to provide services beginning before the start of the fall 2010 semester

Be it Resolved: The MSSA recommends taking \$30,000 from the SAC Reserve and establishing a "ZipCar Administration" cost center for program expenses and support

President Williams-Transportation and busing has been a discussion point with almost every administration when it comes to what the students want. Expanding the bus route has always been discussed. Rouse I costs about \$76,000. It is not feasible to add another bus route at that cost. Enrollment is up. This is the second time in history that MSU will be over 15,000 students. Transfer students are up, first year students are up and international student enrollment is up. Student population is increasing. Parking is decreasing. We are going to have to find some way for students to move around the city. This is an initial upfront cost that if we do it right will go away and then students that use it will pay for it.

Senator Abdi-Long term where will the costs come from to maintain?

Vice President Anderson-There will be a few long term costs like parking maybe a little marketing. We discussed making this a transportation line item or increase our budget to cover administration costs.

Senator Abdi-If we are trying to be an eco friendly campus, this does not make sense.

Proxy- Regarding general maintenance-what do they project from our end?

Vice President Anderson-We need to provide someone to take the cars to someone in Mankato to do the maintenance, people manpower. If it is body maintenance, that is covered by insurance

President Williams-As we are going toward a pedestrian campus we need to provide ways for students to get around town. This does fit in with that model. Zipcar has a statistic that it does remove several thousand cars from campus nationwide. Zipcar does remove cars, wear and tear on the roads, exhaust. This goes along with the campus of the future. These are environmentally friendly cars that get roughly 51 miles per gallon on the highway. This has an environmental impact. 90% of Zipcars drive less than 5500 miles per year.

Senator Roskom-What is the estimated maintenance and start up cost to maintain the program?

Vice President Anderson-If the cars are not driven at all we will owe \$3,000 a month. If they are driven totally we will owe them nothing. We will have to make sure they are getting used. We will have the responsibility to help market this. We think the \$30,000 will be adequate.

Senator Roskom-What is the cost of marketing and pr?

Vice President Anderson-It depends on what we do. Paper, signs, dedicated stalls sponsored by MSSA. It depends on how comprehensive we want to get.

Senator Gustafson-Service contract with mechanics, would we have a contract that would say they would service the car for a designated amount?

Vice President Anderson-Zipcar pays for the service of the car.

Senator Gustafson-What is an example of functional use of this vehicle, how far from campus can it go?

Vice President Anderson-You get 180 miles a day after that you would pay an additional amount of .45 cents a mile. You could get to the cities and back, gas paid. You might just need to get to WalMart and go when the bus does not run to maybe get a mini fridge.

International students do not have access to cars this would allow them to go to the cities.

Senator Higginbotham-What is the program like at Winona?

President Williams-Their original fleet was three cars. They are decreasing it to two. We would have two cars for twice the amount off people They have not met their business agreement but they have half the students we have. Their initial reaction was positive. Winona has seen an increase in membership now that they are marketing with all school emails.

Senator Guthmiller-A driver's license is illegal in United States if not from US.

Also, expenses would be about \$37,000 a year times 3 for a contract. \$113,400 over the years is what we would have to give them. I don't understand how providing two cars will effectively alleviate parking at MSU. All information on hybrid cars show they are more harmful to the environment than a Hummer. It was mentioned that a practical use of the car would be to run to the store. You would add \$8-16 dollars to your shopping bill. I don't know if this is as feasible an option as we perceive it to be. I think we need to do a little more research before we proceed and get this in motion.

Senator Koenen-I am glad we are addressing the parking issues and that we are trying to go eco friendly but the costs are worrying with maintenance, fees and parking. I feel we are gambling with the surplus. How many hours per month do we need to cover the costs? This is relying on the residence hall students so what is the relationship with the residence halls in this whole program?

Proxy-Greatest fear is the 18-21 year age and their liability in the event of an accident. If they are in an accident it could be up to a \$100,000 in damage and they won't be going to college any more, we will lose a student. International students can use their international license because this is a rental car program.

President Williams-Rental cars are under jurisdictions. Regarding \$100,000 in costs. You are assuming no one will use the program and it will cost us \$36,000 a year. However, we can reach 100's of students a day, we can do emails that cost little to nothing.

Parking is an issue, we need spaces. We would be providing a car. We can work with the Residence Hall Association that is my least concern of getting them on board. There are many avenues to reach the off-campus students. The administration is behind this. They like what they see in Zipcars. Insurance-you pay \$35.00 annual fee that goes to cover insurance. If I was driving my own car and got in an accident I would not be going to school. It would be my responsibility.

Senator Abdi-Is there a trial period like one semester

Vice President Anderson-It is not in the contract. We could ask about a one year contract.
Vice President Anderson-I don't know what the usage will be. When I was a freshmen my car payments and insurance and gas was a lot. This could be a good deal if you think about how much your own car costs you.

Utilization-if they are used about 1/3 of the time to about 46% a day. That is about the utilization we need to be at, about 170 hours if it is rented hourly. Parking-you save on a parking pass. The fee is refundable if you drive 4 hours a month. We could always drop a car. If we are looking at a trial period it would need to be more like a year because of the set up fees. Repairs and maintenance are the responsibility of Zipcar.

Senator Guthmiller-I think this is a creative way of trying to fix a problem of concern to students at MSU. I think we need to talk to the perspective campuses that use the program and get some hard data on usage and maintenance. It might be the greatest thing we have ever come up with but I think we are trying to push this through prematurely. We need to have hard data. We don't want to give \$100,000 to Zipcar and not have it work out. We need valid research and get answers. This has the potential to be a great program but we need to look into it a little more and get valid answers to valid questions.

Senator Kromer-This is like a small business and we do need to jump into this, there is a risk in any small business. That is part of the three things that you learn in Economics. You need to have money, man power and be a risk taker and be an entrepreneur. The trial run would not work. Winona has already put it into effect. Freshmen are coming here now. If we talk to them, the program sells itself. It is a \$35.00 membership and you get that much free driving to start. You can get refunded. If Winona can support 2 cars after having it a full year, why can't we with a university twice that size? This is in line with the university ideals and it applies to the 20 year plan. We have enough parking right now and kids have enough money right not, but what happens in 20 years? We have to commit right now because we have the opportunity with budget as it is. I think there will be excitement about it. This is something we can sell students on and bring them in.

Senator Roskom-I agree this has potential. but a 3 year contract is a lot. The fees are estimated and they could be more. We are a university and a business. If we focus on the business why would we sign a contract when the figures are not fixed costs? They are variable and they can change. Winona is in a three year contract and they have no way out. They are doing what they can, reduce to two cars instead of three. Winona is paying out, they have not met their revenue. We have the potential to lose \$3,000 a month. This is a heavy risk. There is more investigation that needs to be done with this money and usage. I think the car is a good deal but if I lived in the res halls I would not purchase a meal plan here at MSU. They you have a loss and you balance everything out. I would use the car and purchase everything in bulk. If we can't answer the questions in this meeting, how can we pitch this as a good plan to someone else out there that has a question.

Senator Koenen-This would be a big risk, we are taking \$30,000, where would we pull the money from? Where would we get money to continue funding them.

Vice President Anderson-This would be a line item and would be a contractual obligation. You either manage what you have or student fees increase.

Senator Koenen-This motion seems geared towards res hall students.

I think the 4th Whereas-the numerous challenges for International students should not be a main part of the motion and I move to strike that from the motion.

Senator Mangione- Anything that you estimate can be accounted for and Zipcar did research and do that for us. Regarding the Red Eye shuttle-I think three or four years ago it did make trips around campus, how much would it cost to reinstate that? Would it cost more than the Zipcar?

Vice President Anderson-That one might be a possibility-is that one subsidized?

Senator Gustafson-We cannot compare ourselves to the U of M. That is an urban area that has a student body three times the size of ours with an international population

approaching the size of our entire student body. If we look at Winona we will still not have an accurate reflection. We need to find similar cities that have had success or failure with the program.

Senator Guthmiller-Move to amend motion M#07.14.10A

Whereas:	MSSA recommends striking the last two Be it Resolved of M#07.14.10A
Be it Resolved:	The MSSA recommends appointing a task force to thoroughly conduct research and present its finds, with recommendations, by the second to last meeting of Fall semester 2010.

Senator Guthmiller-Basically everyone thinks we need more research. This would allow us to get facts and have Zipcar rolling by the spring or next year.

Proxy Do-There needs to be some research done. Within the next two weeks we should get some questions answered.

President Williams-I don't think we do need to postpone this. Maintenance, costs, comparison with Winona is a good student demographic comparison. Winona has not spent the \$30,000. They are not in jeopardy of putting more money into the fund. The estimates of costs-you never have exact data, you run on estimates. Zipcar has answered the questions. I don't know what else there is to research. International students can use their driver's license.

Senator Guthmiller-Where does the \$30,000 come from-dumb risk takers flounder. Zipcar does put out good numbers, they are in the business of renting cars. We should not have executive order put through. There are 170 other schools that we need to look at for their costs. We can use Zipcars estimates but we can research and do far better. This is \$30,000, real debt incurred by real people. As leaders of the student body we need to research this more and make an informed decision instead of a rushed decision..

Vice President Anderson-I am mildly disappointed as we had a week to put out questions. Costs will always be variable. This is dependent on how well we market. Starting in the spring would only give 3 months. When it comes to sustainable funding, that is what the student activity fund is for. Enrollment is good for next year. We are in a position that even if this tanked we could take another \$30,000 and put this into the SAC budget. If we do our job well enough we won't have to worry with long term funding. We will have the revenue guarantees gone right away. We already know that 1600 residence students don't buy a parking permit. We have 600 international students. There are hundreds of off-campus students that don't own cars as well. There was no intention of pushing this through. It came from the stand point that if we are going to do this and do it well, this does need to start in the fall. We have been talking about this for four weeks. Admittedly I know that is fast. Being responsible leaders we need to do our best that we don't owe money.

Senator Koenen-Why would it be bad to wait until spring?

Vice President Anderson-You really only have 3 ½ months to get ridership. We wanted a whole year so we don't have to pay the fees for revenue guarantees over the summer. When you start in the spring you are shortening your window of opportunity.

Senator Guthmiller-There are ways to do free marketing. I thought we were senators and not responsible for marketing.

Senator Roskom-Most of the freshmen have already decided to take their cars to campus and planned their year out.

President Williams-We do ask the question at orientation-about ½ of them say they are. Most of them are interested in the program. There is a desired interest.

Vice President Anderson-You have the legislative authority. If this motion passes, then come tonight and talk about being on the task force.

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Roll Call Vote

Senators voting yes

Sabby, Roskom, Petrulo, Lincoln, Sadler-proxy, Buechner-proxy, Do-proxy, Guthmiller, Higginbotham, Skluzacek

Senators voting no

Mangione, Kromer, Gustafson, Koenen, Ingenthron

President Williams no, Vice President Anderson no

Amendment passes

Senator Higginbotham-Many International students do not want to pay for a cab or they find someone with a car.

President Williams-The ISA President said they would be interested in it. Director Gjersvig felt they would like to promote it. We do have fiduciary responsibility to the students to make sure the \$30,000 is used well.

Vice President Anderson-Definitely, I am in favor of getting more information. Maybe we can even do this before school starts. Let's work on this and see this on the table our first meeting.

Senator Guthmiller-This is a good thing.

Senator Koenen-I like the idea of a taskforce but I think it should be opened to all students. I would like to see more res halls represented. How do budget cuts affect this?

President Williams-Enrollment is up and that is what helps our revenue stream.

Senator Roskom-Thank you President Williams and Vice President Anderson for bringing this up. It is innovative and interesting. Thank you for bringing it to us to discuss.

Senator Gustafson-What account is this ?

President Williams-This is our student fees. We must maintain 5%.

Senator Gustafson-If we have this money in the account maybe it would be worth it to allocate this money for this program, it is not earning us anything in this account

Vice President Anderson-We get a best estimate of fee money-everyone gets a certain amount, this money is accumulating. That is why we choose this account.

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Motion passes

Announcements

Senator Higginbotham-August 17-House of Serendipity

President Williams-July 30-Debate Minnesota-7:00 DFL primary.

Wind turbine-Southwest does not have a turbine. More in the works

Vice President Anderson-Thank you to all those who came to this special meeting.

Senator Guthmiller-Thank you to Tom and Brett for walking all the way to the Twin Cities.

IV. Adjournment Meeting adjourned at 5:48 PM