

**Minutes of the Formal Session
of the
Oakland University Board of Trustees
May 7, 2014**

Present: Chair Michael R. Kramer; Vice Chair Richard A. Flynn; and Trustees Richard L. DeVore, Monica E. Emerson, Scott G. Kunselman, Ronald E. Robinson, Mark E. Schlusel and Jay B. Shah

Also Present: Interim President Betty J. Youngblood; Senior Vice President James P. Lentini; Vice Presidents Eric D. Barritt, John W. Beaghan, Rochelle A. Black and Interim Vice President Glenn McIntosh; Vice President and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaisons Robert F. Williford and Samantha D. Wolf

A. Call to Order

Chair Michael R. Kramer called the meeting to order at 2:00 pm. in the Auditorium of Elliott Hall of Business and Information Technology.

B. Roll Call

Mr. Victor A. Zambardi, Vice President for Legal Affairs, General Counsel and Secretary to the Board of Trustees, conducted a roll call and all of the Board members were present.

C. Consent Agenda for Consideration/Action

Consent Agenda

Minutes of the Board of Trustees Formal Session of February 24, 2014

University Personnel Actions

RESOLVED, that the Board of Trustees approve the personnel actions below.

I. New Appointments

Effective June 1, 2014

Barremkala, Mallikarjuna, Assistant Professor of Biomedical Sciences without tenure (\$90,000) (New appointment filling a vacant authorized position).

Cortes, Claudio, Assistant Professor of Biomedical Sciences without tenure (\$90,000) (New appointment filling a new authorized position).

Effective July 1, 2014

Patino, Gustavo A., Assistant Professor of Biomedical Sciences without tenure (\$90,000) (New appointment filling a new authorized position).

Thompson, Brent J., Assistant Professor of Biomedical Sciences without tenure (\$90,000) (New appointment filling a vacant authorized position).

Effective August 1, 2014

Ferrari, Thomas M., Assistant Professor of Biomedical Sciences without tenure (\$90,000) (New appointment filling a new authorized position).

Kuang, Yan, Assistant Professor of Biomedical Sciences without tenure (\$90,000) (New appointment filling a new authorized position).

Taylor, Tracey A. Hunt, Associate Professor of Biomedical Sciences without tenure (\$110,000) (New appointment filling a new authorized position).

II. Oakland University William Beaumont School of Medicine Standard Appointments, effective May 7, 2014.

The following standard appointments in the Oakland University William Beaumont School of Medicine are for three years, commencing on May 7, 2014, and are renewable. These standard appointments are without salary support from Oakland University and are not tenured positions. Appointees must maintain active status on the staff of Beaumont Hospital, meet all applicable School of Medicine Participation requirements, and maintain the continued support of their Department Chairs, who are responsible for assessing their performance. Appointees' standard appointments may also be terminated at any time, upon the recommendation of their Department Chair, or for reasons that are at the exclusive discretion of the Dean of the School of Medicine:

Borschke, Frank A.	Assistant Professor	Emergency Medicine
Chesney, Kimberlee	Instructor	Emergency Medicine
Cipa, Laura E.	Instructor	Emergency Medicine
Levasseur, Kelly	Assistant Professor	Emergency Medicine
Edwards, Robert	Instructor	Family Medicine
Hoffmann, Keith	Instructor	Family Medicine
Kamath, Clara	Instructor	Family Medicine
Kopp, Amy	Instructor	Family Medicine
Weisman, Marc	Instructor	Family Medicine
Wetzel, Jennilyn	Instructor	Family Medicine
Hervey, Sheleika L.	Assistant Professor	Diagnostic Radiology
Estanol, Maria V.	Assistant Professor	OB/GYN
Khalil, Jad G.	Assistant Professor	Orthopaedic Surgery
Arndt, Daniel	Assistant Professor	Pediatrics
Bharwani, Sulaiman	Professor	Pediatrics
Cohen, Dana M.	Assistant Professor	Pediatrics

Gowans, L. Kate	Assistant Professor	Pediatrics
Hauser-Harrington, Jessica	Assistant Professor	Pediatrics
Radtke, Lauren	Instructor	Pediatrics
Tsai, Wan Chong	Professor	Pediatrics
Warner, Lori J.	Associate Professor	Pediatrics
Dabrowski, Edward	Associate Professor	Physical Medicine
Bedi, Damanpreet S.	Assistant Professor	Surgery

III. Administrative Appointments

Hitt, Anne L., from Associate Professor of Biological Sciences to Associate Dean, College of Arts and Sciences and Associate Professor of Biological Sciences, effective February 1, 2014.

Lombardo, Shawn V., from Interim Associate Dean of Library and Associate Professor, Library to Associate Dean of Library and Associate Professor, Library, effective February 3, 2014.

IV. Emeritus Appointments

Lindemann, Charles B., Professor Emeritus of Biological Sciences, effective August 14, 2013.

Sudol, Ronald A., Professor Emeritus of Writing and Rhetoric, effective August 31, 2013.

V. Faculty Reappointments (Probationary)

The faculty agreement requires that certain reviews for possible reemployment and promotion be completed by March 1, 2014. The following recommendations are made by the President and Senior Vice President for Academic Affairs and Provost. Standard review processes were followed.

Assistant Professor eligible for reemployment to final two-year probationary term as Assistant Professor, effective August 15, 2014, through August 14, 2016:

Balijepally, Venugopal	Decision & Information Science	Reemploy
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VI. Faculty Promotions

The faculty agreement requires that certain reviews for possible promotion be completed by April 15, 2014. The following recommendations are made by the President and Senior Vice President for Academic Affairs and Provost. Standard review processes were followed.

Associate Professors with tenure considered for promotion to full Professor, effective August 15, 2014:

Deng, Xiaodong	Decision & Information Science	Promote
Oakley, Barbara	Industrial & Systems Engineering	Promote
Penprase, Barbara B.	Nursing	Promote
Zou, Qian	Mechanical Engineering	Promote

Acceptance of Gifts and Pledges to Oakland University for the Period of February 18, 2014 through April 30, 2014

RESOLVED, that the Board of Trustees accept the gifts and pledges to Oakland University identified in the Gifts and Pledges Report, Attachment A, for the period of February 18, 2014 through April 30, 2014.

(A copy of Attachment A is on file in the Board of Trustees Office.)

Acceptance of Grants and Contracts to Oakland University for the Period of January 1 – February 28, 2014

RESOLVED, that the Board of Trustees accept the grants and contracts to Oakland University identified in the Grants and Contracts Report, Attachment A, for the period of January 1 – February 28, 2014.

(A copy of Attachment A is on file in the Board of Trustees Office.)

Trustee Emerson thanked faculty and staff for reaching out and obtaining additional grants and contracts for the University.

Acceptance of Meadow Brook Subdivision Guarantee Report

The Board of Trustees at its meeting of May 7, 2014, approved the Meadow Brook Subdivision Guarantee Report.

In response to a question from Trustee Shah, Mr. McIntosh explained that the University owns the property in the subdivision, but University faculty and staff own their own homes through a ground lease arrangement. Because of the nature of the ground lease, commercial lenders will not lend mortgages without the payments being guaranteed by the University. Ownership is restricted to faculty and staff.

Amendment to School of Health Sciences Constitution

RESOLVED, that notwithstanding any provision of the proposed, amended Constitution of the Oakland University School of Health Sciences, the Board of Trustees reconfirms its legal authority to grant, modify and rescind internal constitutions when the Board of Trustees determines such action to be in the interest of the institution or required to comply with its legal obligations; and, be it further

RESOLVED, that the Board of Trustees, under the conditions set forth above, approves the amended Constitution of the Oakland University School of Health Sciences, attached hereto, effective May 7, 2014.

(A copy of the amended Constitution of the Oakland University School of Health Sciences is on file in the Board of Trustees Office.)

In response to a question from Trustee Shah, Dr. Lentini stated that the proposed modifications simply make the Constitution of the Oakland University School of Health Sciences more contemporary to existing practices.

Final Amended Undergraduate School Report – Fall 2013 – December 14, 2013

RESOLVED, that the Board of Trustees approves granting the degrees more fully described in the Amended Final Undergraduate School Report, dated December 14, 2013.

(A copy of the Final Amended Undergraduate School Report - Fall 2013 – December 14, 2013 is on file in the Board of Trustees Office.)

Trustee Richard A. Flynn, seconded by Trustee Monica E. Emerson, moved approval of the Consent Agenda and the motion was unanimously approved by those present.

D. New Items for Consideration/Action

Commendation of Alfred G. and Matilda R. Wilson Awards and Human Relations Award

Mr. Glenn McIntosh, Interim Vice President for Students Affairs, and Enrollment Management, presented the Commendation of Alfred G. and Matilda R. Wilson Awards and Human Relations Award recommendation as set forth in the agenda item.

Commendation of Alfred G. Wilson Award to Mr. Trpko Shawn Blazeovski

RESOLVED that the Board of Trustees expresses its appreciation to Mr. Blazeovski for his unwavering commitment to campus life at Oakland University; and, be it further

RESOLVED that the Board of Trustees commends Trpko Shawn Blazeovski for the quality of his leadership and extends to him its best wishes for continued success in all of his future endeavors.

After discussion, Trustee Jay B. Shah, seconded by Trustee Flynn, moved approval of the recommendation, and the motion was unanimously approved by those present.

Commendation of Matilda R. Wilson Award to Ms. Caymen May Novak

RESOLVED that the Board of Trustees expresses its appreciation to Ms. Novak for her unwavering commitment to campus life at Oakland University; and, be it further

RESOLVED that the Board of Trustees commends Caymen May Novak for the quality of her leadership and extends to her its best wishes for continued success in all her future endeavors.

After discussion, Trustee Emerson, seconded by Trustee Scott G. Kunselman, moved approval of the recommendation, and the motion was unanimously approved by those present.

Commendation of Human Relations Award to Mr. Christopher Dalton Keemer

RESOLVED that the Board of Trustees expresses its appreciation to Mr. Keemer for his unwavering commitment to campus life at Oakland University; and, be it further

RESOLVED that the Board of Trustees commends Christopher Dalton Keemer for the quality of his leadership and extends to him its best wishes for continued success in all of his future endeavors.

After discussion, Trustee DeVore, seconded by Trustee Shah, moved approval of the recommendation, and the motion was unanimously approved by those present.

Master of Arts in Clinical Mental Health Counseling Degree

Dr. James P. Lentini, Senior Vice President for Academic Affairs and Provost, called on Dr. Lisa D. Hawley, Associate Professor, Education, to present the Master of Arts in Clinical Mental Health Counseling Degree recommendation as set forth in the agendum item. Dr. Hawley gave a brief PowerPoint presentation.

RESOLVED, that the Board of Trustees authorizes the School of Education and Human Services change to the current Community Counseling program from a track within the Master of Arts in Counseling to a separate Master of Arts in Clinical Mental Health Counseling Degree.

After discussion, Trustee Shah, seconded by Trustee Flynn, moved approval of the recommendation, and the motion was unanimously approved by those present.

Revised Board of Trustees Gift Policy

Trustee Kunselman presented the Revised Board of Trustees Gift Policy recommendation as set forth in the agendum item.

RESOLVED, that the Board of Trustees approves the attached revised *Board of Trustees Gift Policy* effectively immediately.

(A copy of the revised Board of trustees Gift Policy is on file in the Board of Trustees Office.)

Trustee Kunselman presented the item on behalf of the Board of Trustees' Governance Committee and asked Mr. Barritt to summarize the proposed changes to the policy.

Mr. Barritt stated that the recommendations represent benchmarking of 12 peer universities through Michigan and Ohio that are similar in age and size to the University and have similar alumni bases and consultation with the standards of the Council for Advancement and Support of Education. The modifications were also reviewed and supported by the Department Chairs, the Dean's Council, and the President's Cabinet. The rationale behind the modification is that the University is in the planning phase of its next comprehensive capital campaign and the gift policies needed to be updated going into that campaign so that naming opportunities are at levels that will encourage more gifts.

In response to a question from Trustee Shah, Mr. Barritt explained that existing buildings are differentiated from new buildings upon completion of construction, and he gave a few examples to illustrate that distinction.

In response to a question from Trustee DeVore, Mr. Barritt stated that the policy as currently stated has been at times difficult to administer because the naming rights were set too high given the University's size, age and donor base, and he gave a few examples to illustrate that point.

In response to another question from Trustee DeVore, Mr. Barritt stated that the policy is thoroughly articulated such that a particular donation can be refused when appropriate and that appropriate review mechanisms are in place to turn away some gifts that might not be consistent with the mission of the University. Trustee Kunselman confirmed that this was an issue considered by the Board of Trustees' Governance Committee, which felt that the policy as proposed was satisfactory in that regard.

After discussion, Trustee Flynn, seconded by Trustee Emerson, moved approval of the recommendation, and the motion was unanimously approved by those present.

Revised Board of Trustees Conflict of Interest Policy

Trustee Kunselman presented the Revised Board of Trustees Conflict of Interest Policy recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the attached revised *Board of Trustees Conflict Interest Policy*, effective immediately, to replace the *Conflict of Interest Policy* adopted in 1981 and amended in 1995 and the *Conflict of Interest Policy in the Appointment and Assignment of Related Employees* adopted in 1993.

Trustee Kunselman presented the item on Behalf of the Board of Trustees' Governance Committee and explained that the proposal is to have a new conflict of interest policy that would replace two existing policies both of which are somewhat dated; one being the personal and financial conflicts of interest and the other one being the anti-nepotism policy. Trustee Kunselman thanked Trustee Robinson and the Audit Committee for their preliminary work on revising the conflict of interest policy. It was also noted that the proposed new policy was drafted by the General Counsel and vetted with both the Director of Internal Audit and the Board of Trustee's external auditor.

Trustee Kunselman then highlighted some substantive changes to the conflict of interest policy. The first related to the additions of annual training and affirmation processes where all those affected by the policy would have the chance to review it and confirm their intent to comply. The second is the opportunity for recusal where someone can recuse themselves of the potential for a conflict. Third is a formal and independent review and evaluation process when a conflict or potential conflict is highlighted and ultimately managed under a compelling benefit to the University standard. Trustee Kunselman stated that he believes the new conflict of interest policy puts the University in line with commensurate institutions and even for profit businesses.

Trustee Kunselman then noted that he received some late inputs for one final amendment, that being to Article III and Article V, both dealing with disclosure. The amendment would be to add that for Board of Trustee conflicts disclosure can occur directly to the Chair of the Board as well as to the Chair of the Audit Committee or as otherwise designated by the Board itself. Trustee Emerson seconded the amendment and all Trustees other than Trustee Robinson accepted the amendment. Trustee Robinson opposed the amendment.

In response to a question from Trustee Schlusell, Mr. Zambardi stated that Michigan statute identified by the policy specifically governs Board of Trustee conflicts. Mr. Zambardi added that the Michigan statute is law whereas the Association of Governing Boards' (AGB) guidelines and recommendations do not rise to the level of law and can simply be used as a benchmark for those analyzing a conflict of interest. Trustee Schlusell suggested amending the wording in the proposed policy to make that distinction absolutely clear by changing the word "will" to "may" relative to the AGB guidelines. Trustee Robinson commented that he believes the AGB is the authoritative body for public and private university boards and would not support such an amendment if made.

In response to another question from Trustee Schlusell, Mr. Zambardi stated that the intend of Article 5, Section 3d is as follows: the person with the potential conflict of interest would first have the opportunity to discuss and explain the conflict of interest situation with the individuals without a potential conflict of interest; the person with the potential conflict of interest would then be recused; the individuals without a potential conflict of interest make a decision whether or not a conflict actually exists using those tools or if a conflict of interest does exist, then how the conflict would be managed; then the person with the potential conflict of interest would then be advised of the group's decision. Trustee Flynn then gave an example confirming the scenario explained by Mr. Zambardi. Mr. Zambardi highlighted that conflicts of interest involving

the Board of Trustees are resolved by the Board of Trustees, and conflicts of interest involving employees are resolved by a committee.

In response to a question from Trustee Robinson, Trustee Kunselman commented that in terms of managing conflicts, recusal is the most common form of management.

Trustee Emerson commented that to ensure the greatest compliance there will be training that will be made available to everyone so that questions can be answered and that the best judgments are made in all situations.

Trustee Schlusel then proposed an amendment to the policy, to wit: under Article V, Section 3.c. (2), state that the conflict of interest policy statements and principles of the AGB are discretionary as opposed to mandatory, "may" instead of "will". Trustee Shah seconded the amendment and all Trustees other than Trustee Robinson accepted the amendment. Trustee Robinson opposed the amendment.

Then Trustee Shah, seconded by Trustee Flynn, moved for approval of the recommendation as twice amended, and the motion was unanimously approved by those present.

Approval of Schematic Design for Lower Fields Athletic Complex

Dr. Robert B. Stewart, Interim Director of Athletics, presented the Approval of Schematic Design for Lower Fields Athletic Complex recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the schematic design of the Lower Fields Athletic Complex (Attachment A, as may be immaterially amended during continuing design and construction phases of the project); and, be it further

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to proceed with the completion of design and construction of the Lower Fields Athletic Complex and perform all acts and deeds required by this resolution, consistent with the project scope and schematic design; and, be it further

RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute contracts with a construction manager to be selected to design and construct the Lower Fields Athletic Complex for an amount not to exceed \$4,900,000; and, be it further

RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute a lease agreement with Total Sports Complex to lease the Lower Fields Athletic Complex at an annual amount of \$356,316 for fifteen years, with two potential five-year extensions; and, be it further

RESOLVED, that the lease agreement with Total Sports be contingent upon the University's ability to negotiate and execute a construction manager contract with a not to exceed guaranteed maximum price of \$4,900,000; and, be it further

RESOLVED, that all contracts be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

In response to questions from Trustee Shah, Mr. Stollsteimer explained that the original proposal increased by \$600,000 because the soil borings showed that the loam base was unstable and the entire project had to be shifted 90 degrees to have better soil for the footings of the structure. The basic location remains unchanged as the lower playing fields location is integral to the University's sports complex. Trustee Emerson stated that she was less concerned about the cost and more concerned about the stability of the structure and the safety of the students. In response to a question from Trustee Emerson, Mr. Stollsteimer explained that movement of the project from the sited location would increase the cost significantly, and that the 90 degree shift provides for a stable platform for the structure.

In response to a question from Trustee Kramer, Mr. Beaghan confirmed that the lease payments will reflect the increased cost so that will be a zero sum lost in terms of money to the University. Mr. Beaghan confirmed for Trustee DeVore that the University will get the same projected return had the money been invested.

In response to questions from Trustee Kunselman, Mr. Stollsteimer explained that because of the 90 degree shift of the project, the parking lot was reconfigured into an L-shape but with the same amount of parking spaces. Mr. Stollsteimer also confirmed that the University retained the control of signage, park traffic flow, and managing the facility.

In response to a question from Trustee Shah, Mr. Beaghan estimated that the total cost of an alternative permanent structure would have been about \$8 million. Trustee Shah commented that as the Chair of the Facility Committee he did more due diligence than other Trustees and would have supported a permanent facility. In response to a question from Trustee DeVore, Mr. Beaghan confirmed that the bubble comes with a 20 year guarantee; and therefore, Trustee DeVore would not categorize that as a temporary facility.

In response to questions from Trustee Schlusel, Mr. Beaghan confirmed that the lease includes appropriate restrictions on the type of uses so that the tenant complies with the philosophy and the restrictions for state universities. Mr. Beaghan explained that the lease contains standard lease termination upon default provisions, but in addition, the lease contains a 12-month standing letter of credit upon which the University could draw.

Trustee DeVore asked whether there should be a cross-default provision and Chair Kramer instructed the administration to attempt to negotiate a provision such that if there was a problem with another one of the lessee's facilities which caused a default on that lease, that that would also create a default on the university's lease.

Trustee DeVore then summarized the project, to wit: the University gets its normal return on investment, the university has somebody build a facility, the University gets to use the facility off cycle and the project pays for itself.

After further discussion, Trustee Schlussel, seconded by Trustee Kunselman, moved approval of the recommendation, and the motion was passed with seven positive votes and one negative vote cast by Trustee Shah.

Renewal of Charter for Four Corners Montessori Academy

Dr. Lentini called on Dr. Robert C. Maxfield, Interim Dean, School of Education & Human Services, and on Ms. Judeen M. Bartos, Executive Director, Public School Academies, to present the Renewal of Charter for Four Corners Montessori Academy recommendation as set forth in the agenda item.

RESOLVED, that the application submitted by Four Corners Montessori Academy meets the requirements of the Board and of applicable law; and, be it further

RESOLVED, that the Board approves the application of Four Corners Montessori Academy; and, be it further

RESOLVED, that the University administration shall negotiate and finalize an Agreement with Four Corners Montessori Academy in a form that incorporates the standardized requirements of the Michigan Department of Education and with such provisions as shall be required or authorized by the Revised School Code of 1976 as amended; and, be it further

RESOLVED, that the term of the Agreement with Four Corners Montessori Academy shall expire no later than June 30, 2024; and, be it further

RESOLVED, that the Agreement shall be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and shall be in compliance with the law and University policies and regulations and shall conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Dean Maxfield first introduced the University's Director of Public School Academies, Judeen Bartos, and then mentioned that he has visited seven of the University's nine charter schools and was very impressed with the operations; a wonderful array of schools serving about 6,500 students in the tri-county area, and they are solid places that are serving children very well. He also noted that 48 University graduates are serving as teachers or administrators in the University's nine public school academies.

In response to questions from Trustee Flynn, Ms. Bartos explained that Four Corners Academy has one school located in Madison Heights but that its management company, Choice Schools Associates, represents several charter schools. The most recent data for MEAP scores for reading for 3rd grade was 67% proficient and reading in 4th grade was

90% proficiency and she explained that State publishes a composite of all the grades, averaged together.

In response to a question from Trustee Schluskel, Ms. Bartos explained that board member applicants are submitted to the University, interviewed, background checks are conducted, and each is otherwise thoroughly vetted by the Dean and the Provost. The board members are men and women, there's diversity of where people live, their occupations, their backgrounds, and racial and ethnic background. The University wants the boards to be well rounded, balanced, and have a variety of skills to offer a variety of outlooks to the school.

In response to questions from Trustees Kunselman and Kramer, Ms. Bartos explained that admittance is by blind draw during an established enrollment period from which waiting lists are created.

In response to a question from Trustee Robinson, Dean Maxfield and Ms. Bartos explained that the charter schools support special needs students according to law; there is an array of services available equivalent to other public schools. The state average for schools is 13% in the 2012-2013 school year and Four Corners was at 10% this past year. Special needs students are being serviced appropriately.

In response to a question from Trustee Flynn, Ms. Bartos and Mr. Beaghan confirmed that the University receives three percent of the total student aid from the State for administration.

Trustee Emerson commented that she has visited every one of the University's charter schools and thinks that they are operating differently, different philosophies and in fact different standards, and asked that the University's annual charter school report for 2013-2014 be made available to Trustees. She also commented that the University should consider the University's charter school graduates among the University's recruitable students.

In response to a question from Trustee DeVore, Ms. Bartos confirmed that the University has student teachers placed in the University's charter schools, and also offer professional development through graduate credits for graduates who are now teaching.

After discussion, Trustee Shah, seconded by Trustee Emerson, moved approval of the recommendation, and the motion was approved with the recusal of Chair Kramer because his wife is involved with charter schools and Trustee Schluskel who represented a client involved with charter schools.

Real Estate Lease Agreement – FOCUS:HOPE

Dr. Lentini gave a brief overview and then called on Dr. Kerri Schuiling, Dean, School of Nursing, to present the Real Estate Lease Agreement – FOCUS:HOPE recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees authorizes the Senior Vice President for Academic Affairs and Provost to execute a lease agreement with FOCUS:HOPE to Lease 10,350 square feet at \$6,000 per month from May 1, 2014 through December 31, 2014; and, be it further

RESOLVED, that the foregoing lease agreement be reviewed and approved by the Office of the Vice President of Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Dr. Lentini presented a general overview of the agenda item and then introduced Kerri Schuiling, Dean of the School of Nursing.

In response to a question from Trustee Shah, Dr. Lentini stated that the University was exploring options for the end of the lease term, including with FOCUS:HOPE. Chair Kramer suggested seeking a University option for the extension of the FOCUS:HOPE lease.

After discussion, Trustee Shah, seconded by Trustee Flynn, moved approval of the recommendation, and the motion was unanimously approved by those present.

Ancillary Activities Operating Budgets for the Fiscal Year Ending June 30, 2015

Mr. Beaghan called on the respective administrators to present the Ancillary Activities Operating Budgets for the Fiscal Year Ending June 30, 2014 as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the FY2015 budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Lowry Center for Early Childhood Education, Meadow Brook Music Festival, Meadow Brook Theatre, Oakland Center, and University Housing, with expenditures and transfers not to exceed the expense total for each unit as reflected in the attached budgets, except as set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved expense total must have the prior approval of the President or his/her designee and these amounts will be reported on a periodic basis to the Board of Trustees.

(A copy of each Ancillary Activities Operating Budget for the Fiscal Year Ending June 30, 2015 is on file in the Board of Trustees Office.)

In response to a question from Trustee Shah, Mr. Zentmeyer explained that the new housing facility is already full and that further evaluation of capacity needs and possible future housing expansion will begin in the Fall, and University Housing is working with Facilities to update the master plan for student housing.

In response to a question from Trustee Robinson, Mr. Zentmeyer confirmed that the budget includes a 3.75% increase on standard housing but because of additional amenities in the new facility. He added that there are seven public universities in Michigan that charge more for room and board and there are six institutions that charge less for room and board. Trustee Emerson cautioned the administration to monitor how increased housing costs may affect the diversity of the student body.

In response to questions from Trustee Schluskel, Nancy Schmitz explained that patient visits fluctuate because many students are drawn from the tri-county area and they have medical insurance under their parents and the primary care provider is their family doctor so many students don't utilize the health center. The health center is servicing students who are uninsured, students who are currently insured on the student health plan and faculty and staff for an acute situation that would save them time from going to their own doctor.

In response to questions from Trustee Schluskel, Nancy Jansen explained that the wait for psychiatric care is about two weeks, or the patient is triaged immediately at the health center with the psychologist and the medical providers and transported to an emergency room, depending on severity. Trustee Schluskel then suggested that a study be done on the adequacy of the psychiatric services offered.

Professor Ricks-Donnen then asked to comment on the Lowry Center, noting that it has been balanced for some time.

After further discussion, Trustee Flynn, seconded by Trustee Shah, moved approval of the recommendation, and the motion was unanimously approved by those present.

State Building Authority Resolution Approving a Construction and Completion Assurance Agreement, a Conveyance of Property, a Lease and an Easement Agreement, if Necessary, for the Oakland University Engineering Center

Mr. Beaghan presented the State Building Authority Resolution Approving a Construction and Completion Assurance Agreement, a Conveyance of Property, a Lease and an Easement Agreement, if Necessary, for the Oakland University Engineering Center recommendation as set forth in the agenda item.

**RESOLUTION OF THE BOARD OF TRUSTEES OF
OAKLAND UNIVERSITY
APPROVING A CONSTRUCTION AND COMPLETION
ASSURANCE AGREEMENT, A CONVEYANCE OF
PROPERTY, A LEASE AND AN EASEMENT AGREEMENT,
IF NECESSARY, FOR THE OAKLAND UNIVERSITY
ENGINEERING CENTER**

A RESOLUTION of the Board of Trustees of Oakland University (i) approving (a) a form of construction and completion assurance agreement (the "Construction Agreement"), by and among the State Building Authority (the "Authority"), the State of

Michigan (the "State") and Oakland University, a Michigan constitutional body corporate (the "Educational Institution"), providing for the rights, duties and obligations of the Authority, the State and the Educational Institution with respect to the Educational Institution's Engineering Center and the site therefor (the "Facility") during the construction, renovation and/or equipping of the Facility and prior to the conveyance of the Facility to the Authority, (b) the conveyance of the Facility to the Authority, (c) a lease (the "Lease"), by and among the Authority, the Educational Institution and the State, for the purpose of leasing the Facility to the State and the Educational Institution and (d) an easement agreement (the "Easement Agreement") between the Authority and the Educational Institution, if necessary in connection with the entering into of the Lease, and (ii) providing for other matters related thereto.

WHEREAS, the Authority has been incorporated under and pursuant to the provisions of Act No. 183, Public Acts of Michigan, 1964, as amended ("Act 183"), for the purpose of acquiring, constructing, furnishing, equipping, owning, improving, enlarging, operating, mortgaging and maintaining buildings, necessary parking structures or lots and facilities, and sites therefor, for the use of the State, including institutions of higher education created pursuant to Section 4, 5, 6 or 7 of Article 8 of the Michigan Constitution of 1963 (the "State Constitution"), or any of its agencies; and

WHEREAS, the Educational Institution has been maintained and created pursuant to Sections 4 and 6 of Article 8 of the State Constitution; and

WHEREAS, the State and the Educational Institution desire that the Authority finance the acquisition, construction, renovation and/or equipping of the Facility in consideration of (i) the Educational Institution granting a license to the Authority to enter upon the site of the Facility (the "Site") in order to undertake such construction, renovation and/or equipping, (ii) the Educational Institution undertaking on behalf of the Authority the oversight of such construction, renovation and/or equipping and (iii) the Educational Institution conveying the Facility to the Authority on or prior to the date of its completion, and the Authority is willing to provide such financing in consideration of the items described above; and

WHEREAS, in accordance with the Construction Agreement, the State and the Educational Institution desire that the Authority acquire the Facility on or prior to the date of its completion, and lease the same to the State and the Educational Institution, and the Authority is willing to acquire the Facility and lease the same to the State and the Educational Institution; and

WHEREAS, the Site is presently owned by the Educational Institution, the Facility will be constructed by the Educational Institution on behalf of the Authority, and it is intended that the Site and the Facility be conveyed to the Authority by the Educational Institution; and

WHEREAS, the acquisition of the Facility by the Authority for use by and lease to the Educational Institution and the State is necessary in order for the State and the Educational Institution to carry out necessary governmental functions and to provide necessary services to the people of the State as mandated or permitted by constitution and law, and the use of Act 183 to accomplish such acquisition represents the most

practical means to that end at the lowest cost to the State and the Educational Institution; and

WHEREAS, Section 7 of Act 183 provides that the Lease shall be approved by the Authority, by the State Administrative Board of the State and by concurrent resolution of the Legislature of the State concurred in by a majority of the members elected to and serving in each house and if the Lease is for an institution of higher education existing or created pursuant to Section 4, 5, 6 or 7 of Article 8 of the State Constitution, then in addition, the Lease shall be authorized by the institution of higher education and signed by its authorized officers and, accordingly, it is necessary that the Educational Institution authorize and approve the Lease; and

WHEREAS, if it is determined that (i) the Authority will require an easement from a public road to the Facility over real property owned by the Educational Institution so that the Authority has access to the Facility, (ii) the Educational Institution will require for future use certain easements through the Facility, (iii) the Authority and the Educational Institution will require an agreement to share a common structural wall or (iv) the Authority will require an easement over real property owned by the Educational Institution so that the Authority has sufficient parking available in connection with the reasonable use of the Facility, then in order to meet any such requirement, it may be necessary for authorized officers of the Educational Institution to approve an Easement Agreement to provide for such easements or the sharing of a common structural wall, as the case may be;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE EDUCATIONAL INSTITUTION THAT:

1. The plans for the Facility, as filed with the Educational Institution, are hereby approved.
2. The Educational Institution hereby authorizes and approves the Construction Agreement in substantially the form attached as Exhibit A, and the following then seated officers of the Educational Institution: the President and the Vice President for Finance and Administration are hereby authorized and directed to execute and deliver, at the appropriate time, the Construction Agreement in substantially the form attached as Exhibit A for and on behalf of the Educational Institution. Such officers are hereby authorized to approve such changes in and modifications to the Construction Agreement as do not materially adversely affect the Educational Institution.
3. The conveyance of the Site and the Facility to the Authority in accordance with the Construction Agreement is hereby approved, and the following then seated officers of the Educational Institution: the President and the Vice President for Finance and Administration are hereby authorized and directed to execute and deliver a warranty deed in substantially the form attached as Exhibit B and bills of sale to accomplish such conveyance in such form as may be from time to time approved by such officers.
4. The Educational Institution hereby authorizes and approves the Lease in substantially the form attached as Exhibit C, and the following then seated officers of the Educational Institution: the President and the Vice President for Finance and Administration are hereby authorized and directed to execute and deliver the Lease in

accordance with the Construction Agreement and in substantially the form attached as Exhibit C for and on behalf of the Educational Institution and such officers are hereby designated as authorized officers of the Educational Institution for purposes of Section 7 of Act 183. Such officers are hereby authorized to approve such changes in and modifications to the Lease as do not materially alter the substance and intent thereof as expressed in the Lease and the request for action submitted to the Board of Trustees in connection therewith; provided such officers are not hereby authorized to approve a change in the Lease with respect to the range of rental, the description of the Facility or the material financial obligations of the Educational Institution contained in the Lease approved herein. The Educational Institution hereby determines that the maximum rental in the amount described below is reasonable and the authorized officers are hereby authorized to approve in the Lease, as executed, rental in annual amounts determined by the final appraisal of "True Rental," but not exceeding \$2,690,000 in any 12-month period and a lease term of not exceeding 40 years.

5. If in connection with the entering into of the Lease, and if either of the following then seated officers of the Educational Institution: the President and the Vice President for Finance and Administration, determine that (i) the Authority will require an easement from a public road to the Facility over real property owned by the Educational Institution so that the Authority has access to the Facility, (ii) the Educational Institution will require for future use certain easements through the Facility, (iii) the Authority and the Educational Institution will require an agreement to share a common structural wall or (iv) the Authority will require an easement over real property owned by the Educational Institution so that the Authority has sufficient parking available in connection with the reasonable use of the Facility, then such officers are hereby authorized and directed to execute and deliver an Easement Agreement if necessary in order to meet any such requirement.

6. Any of the following then seated officers of the Educational Institution: the President, the Vice President for Finance and Administration and the Vice President for Legal Affairs, General Counsel and Secretary to the Board of Trustees are hereby severally authorized and directed to take or cause to be taken all other actions, including, without limitation, making requests of and approving requests from the Authority and the State and signing certificates, documents or other instruments, each on behalf of the Educational Institution, as they deem necessary or desirable under the circumstances to accomplish the purposes of the transactions authorized in this Resolution.

7. The Educational Institution further confirms its obligations to perform the duties and obligations specified in the Construction Agreement (only upon its execution by authorized officers of the Educational Institution) and the Lease (only upon its execution by authorized officers of the Educational Institution) and acknowledges that such obligations do not depend upon passage of title to the Facility to the Educational Institution without consideration upon termination of the Lease. The Educational Institution hereby recognizes that it would execute and deliver the Lease even if title to the Facility would not pass upon termination of the Lease.

8. The Educational Institution recognizes that the Authority shall pay for costs of the Facility in an amount not in excess of \$29,999,800.

9. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

10. This Resolution shall be effective immediately upon its adoption.

After discussion, Trustee Shah, seconded by Trustee DeVore, moved approval of the recommendation, and the motion was unanimously approved by those present.

Approval of Authorization for Custodial Services Contract

Mr. Terry Stollsteimer, Associate Vice President for Facilities Management, presented the Approval of Authorization for Custodial Services Contract recommendation as set forth in the agenda item.

RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute a custodial services contract with ARAMARK at an amount not to exceed \$5,007,119; and, be it further

RESOLVED, that the Agreement be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Marcy Felegy, Uniserv representative of the OUCMT union asked to address the Board of Trustees. Ms. Felegy read the following statement:

I am here today and I represent the hardworking and dedicated members of both OUCMT and OUPSA. I am here today to speak in support of the custodial bid that we submitted and we are very grateful for the opportunity to bid. The employees of both OUPSA and OUCMT are a great source of public relations that the University has truly yet to tap its full potential. The majority of those employees live in or near this community and they're committed to making the University the best it can be. They have worked here for many many years. The University is not only their job but it's their livelihood and they've built their careers upon the University. I personally in over 20 years of public education have never worked with a more committed group of individuals and I greatly hope that that factor is taken into consideration by you when making your decision today. No disrespect to any of the outside bidders but you simply don't find that type of an allegiance from an outside contract company, you don't. Additionally and again, absolutely no disrespect intended but the level of work done by my OUCMT members is visibly superior to that of any outside company and I say that with 20 years of knowledge spending time not only on universities, community colleges and public schools but their work is superior. Please know that the bid we submitted represents

an unprecedented level of creativity and flexibility in preparing our bid which includes part-time staff, contingent workers and floaters to address the growing and diverse needs of the campus. This was done intentionally to demonstrate our desire to be competitive yet meet the needs of the University and ultimately obtain this bid. It is my understanding as I've heard that our bid did come in slightly higher than that of the competition. On behalf of my members, especially those who many of whom are here who work diligently for weeks to prepare, we simply cannot comprehend how that is possible. We reviewed every aspect of the bids specs and we compared it with a current ARAMARK contract and current staffing. When you look at the work that has been added to the current contract bid, that being the new engineering building and the golf course facilities, I believe eight buildings, it is impossible that those buildings do not increase the cost of services to that of our bid. It's not feasible. If it were, then the University grossly overpaid for the last custodial bid contract. You must also know that our bid is all inclusive. It includes services such as washing the walls in the biomedical building, finishing the hardwood floors at the recreation and athletic centers and much much more, for which the University has paid in the past bid, additional money above and beyond the negotiated agreement for the last five years. With our bid, what you see is what you get. It is a complete bid at \$5.7M. I understand from the information posted online that our main campus bid was posted at \$6M. That number is incorrect. It was \$5.374M. Additionally the staffing that was reported was off on the main campus by, I believe, 2.5 and on the east campus by 2. Our actual numbers were 46 and 2, not 48.5 and 4. I've also been told that but I cannot confirm, however I feel the need to let you know that our competitors have lowered their hiring wage to decrease their bid. I think it's important then that you know that the University itself is having trouble continually attracting and retaining contingent employees at the current \$9.00/hr. rate. I ask you to consider what type of a work force will you attract at an even lower rate? Simply put, you get what you pay for and with OUCMT, you get dedication, security, security of the buildings for which the University has paid so much money and they are properly cleaned and cared for. On behalf of all of my members, I thank you for the opportunity to address you today and we are happy to answer any questions you may have.

In response to a question from Chair Kramer to clarify the OUCMT bid, Mr. Beaghan explained that a contingency was included which is the exact same dollar amount for all three bids because the OUCMT did not include a contingency in their bid; nor did the other two bids and the same contingency was added for each. The OUCMT also did not include supervision in their bid and that that was added. Mr. Stollsteimer added that the OUCMT's cost of benefits was understated and was adjusted for actual costs, as well as the addition of supervision for the 40+ additional employees to be hired under the OUCMT proposal. Mr. Stollsteimer also clarified with specificity the distinction between the full- and part-time employees proposed by the OUCMT in its bid for Trustee DeVore, and the effect on fringe benefit costs.

In response to a question from Trustee DeVore, Mr. Beaghan confirmed that all bidders must comply with minimum wage laws.

Trustee Robinson then expressed his views on the minimum wage laws at length, questioning whether the Board of Trustees has a responsibility as a public university to be on the forefront of this issue and establish a higher minimum wage for University related work than is required by law, referencing a recent Detroit Free Press article and a Michigan voters poll. Trustee Schluskel agreed stating that it seemed to him that there is at the state university level a certain sense of morality; everything is not dollars and cents and so he was equally troubled with the philosophical premise upon which the Board of Trustees is making the decision. Trustee DeVore questioned the ability and propriety of the University setting the wages of every vendor with which the University contracts for service and the precedents set that will impact the University budget reliant upon tuition and State appropriations. Trustee Robinson suggested rebidding the contract, and in response to a question from Chair Kramer, Mr. Stollsteimer stated that a rebidding process would take approximately six weeks to complete.

In response to questions from Trustee Flynn, Mr. Beaghan declined to attempt to place a monetary value upon having university employees do all work as opposed to private companies, indicating he has only a financial analysis of the actual bids. Mr. Stollsteimer confirmed that the service specifications were the same for all bidders.

In response to a question from Chair Kramer, Mr. Beaghan stated that the current contract with ARAMARK expires on June 30, 2014. Mr. Stollsteimer added that if allowed to expire without a new contract in place, the Facilities Department would try to manage the situation by reducing services, contracting for a short period of time with another vendor or overtime, or some combination thereof.

In response to a question from Trustee Emerson, Mr. Beaghan confirmed that the OUCMT bid is about \$1 million more than the ARAMARK bid over the five year life of the contract. Mr. Stollsteimer clarified that accepting the ARAMARK bid would not displace any current employees. In response to a question from Trustee DeVore, Mr. Beaghan clarified that new employees would need to be hired to satisfy the OUCMT proposal. In response to a question from Trustee Emerson, Mr. Stollsteimer explained that the real cost differentiator is the addition of fringe benefits for employees verses the contracted for price from an external vendor.

In response to questions from Trustee Kunselman, Mr. Beaghan explained the budgetary impact of the ARAMARK proposal as the incremental cost associated with adding newly constructed buildings to clean although the base price of the services is basically the same as the prior contract; the total OUCMT contract cost would be driven by the addition of new employees and collective bargained salary and benefit increases during the life of the contract.

Trustee DeVore emphasized for those present that the administration was charged with bringing forward the lowest bid and not to attach political or moral decisions to its recommendation. Trustee Emerson commented that the Board's role is more than just

economic, and the Board should consider its overall long-range strategy and how the Board wants the University to be viewed.

Trustee Schlusser, seconded by Trustee Robinson, moved that the item be tabled for one week to allow the administration to provide the Board with more information relative to the full scope and effect that a change in minimum wage would have, and whether the proposals would affect a reduction in current wages, and the motion to table was unanimously approved.

Vandenberg Hall Lower Level Dining Renovation

Mr. James Zentmeyer, Director of University Housing, presented the Vandenberg Hall Lower Level Dining Renovation recommendation as set forth in the agenda item.

RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute a contract with Borton Construction Company as the General Contractor for the Vandenberg Lower Level Dining Renovation; and, be it further

RESOLVED, that the total cost for the Vandenberg Lower Level Dining Project (Vandenberg East Tower), inclusive of reimbursables and Oakland University contingencies, will not exceed \$1,431,536; and, be it further

RESOLVED, that the contract be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations, and confirm to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

In response to a question from Trustee Shah, Mr. Zentmeyer explained that the first floor of Vandenberg Hall is a multi-use facility that includes academic and administrative components.

In response to a question from Trustee Kunselman, Mr. Zentmeyer explained that the revenue is generated through the meal plans available to students, and because there are more student residents that revenue will increase proportionally.

After discussion, Trustee Shah, seconded by Trustee Schlusser, moved approval of the recommendation, and the motion was unanimously approved by those present

F. Other Items for Consideration/Action that May Come Before the Board

Expansion of the Oakland Center

Mr. Williford and Ms. Wolf, both Student Liaisons to the Board, then presented an important concern of the students, expansion of the Oakland Center. In support of expanding the Oakland Center, Mr. Williford and Ms. Wolf presented the following information, to wit: the Oakland Center is one of the most important places for students on campus; students are concerned that the Oakland Center is too small; there are about 1.58M visitors to the Oakland Center yearly; this past year there were 2,503 student organization requests for meeting rooms

and 29% had to be denied because of the lack of space; they visited facilities at Eastern Michigan University, Bowling Green, Akron and Ohio State to make comparisons, and they included bowling alleys, lots of seating, food amenities, array of different things that could be done, and a lot of student organization space; a student committee created a survey to inform the Board that was sent to all 20,000 students that yielded over 4,000 responses as follows:

- 49% strongly agree and 33% agree which is over 80% of students who agree that if it were made available an expanded Oakland Center would enhance the student experience at Oakland University;
- almost 80% of the students who participated in the survey were commuters and the survey is broken down by residence location, class standing and the different colleges or programs to see who's utilizing the Oakland Center;
- 80% of students said they experienced traffic or overcrowding in the Oakland Center, so they avoid the Oakland Center altogether and often go somewhere off-campus;
- the Oakland Center is utilized for food services, meeting locations and the bookstore;
- students would add dining space, food options, more areas to study, parking, etc.;
- 49% disagreed or strongly disagreed that they would support expansion of the Oakland Center with a tuition increase, students generally don't want their tuition raised, they want to pay less, and 26% were moderate or undecided and about a 24% strongly agreed.

In response to a question from Trustee Kunselman, Ms. Wolf stated that the centers on the campuses they visited had one central student union facility. Mr. McIntosh clarified that there are other dining options available to students in other locations around campus, but noted that the Oakland Center is the hub of the campus and is the first stop for most students, faculty and staff.

In response to a question from Trustee Flynn, Mr. Beaghan stated that the Oakland Center could be expanded both out and up.

In response to a question from Trustee Schluskel, Richard Fekel, Director of the Oakland Center, estimated the cost of the designed expansion at \$69 million.

The Board thanked Mr. Williford and Ms. Wolf for their work and report and indicated that more discussion will be had around the topic of expanding the Oakland Center.

Presidential Search

In response to a request for an update as to the presidential search by Trustee Robinson, Chair Kramer stated that the Presidential Search Committee (PSC) conducted airport interviews with four candidates and have at least two more interviews scheduled, although applications are being accepted through May 15 so there may be additional candidates. Trustee Robinson suggested that the PSC identify two or three finalists and that those finalists, preferably three, would be presented to the Oakland University community which would be

given an opportunity to meet the candidates and comment on their candidacy confidentially, similar to the process used to hire the Provost. The Board would then appoint a president based upon the PSC's recommendations and the community's comments. Trustee Shah indicated that he would like all Trustees to have the opportunity to meet the final two candidates, but otherwise supported the current process. Chair Kramer stated there is no question but that the Board will have the final vote as to the next president of the University, and commented that almost everything that's happened in the PSC has been leaked to the general population of the University which has had a direct adverse effect with regard to the willingness of candidates to meet; as such Chair Kramer was unsure whether it is in the best interests of the search and the candidates to have candidates meet with the entire community. Trustee Schlusser cautioned that the best candidates will be less willing to expose themselves to the jeopardy of their present employment. Trustee Robinson expressed his views that while confidentiality is important, he does not know if all candidates are concerned about confidentiality and that the topic should be explored further. Trustee Robinson is concerned that secrecy leads to distrust and that the next president of this University needs to have the trust of the University community and that the Board must strike an appropriate balance. Trustee Flynn commented that it would be more appropriately for the PSC to entertain Trustee Robinson's suggestions and to discuss them further as it deemed appropriate. Trustee Robinson stated that he supported the PSC concept, and in response to his questions whether the members of the PSC each have an equal vote, Trustee Emerson stated that the PSC is working together with a common purpose in mind, and that is identifying and bringing forth the best candidate to be the next president of this University by having robust discussions so that members can come to a consensus; it builds more of a team spirit and people's opinions are respected. Trustee Robinson commented that he felt shut out of the process by not having been given information about the interview schedule. Chair Kramer stated that he is comfortable that the PSC is representing all the factions of the University well, that Mr. Funk has identified excellent candidates and that all PSC and Trustees have equal votes.

G. Adjournment

Chair Kramer then adjourned the meeting at 4:59 p.m.

Submitted,

Approved,



Victor A. Zambardi
Secretary to the Board of Trustees

Michael R. Kramer
Chair, Board of Trustees

**Minutes of the Special Formal Session
of the
Oakland University Board of Trustees
May 21, 2014**

Present: Vice Chair Richard A. Flynn; and Trustees Monica E. Emerson, Scott G. Kunselman, Ronald E. Robinson, Mark E. Schlusel and Jay B. Shah

Absent: Chair Michael R. Kramer and Trustee Richard L. DeVore

Also Present: Interim President Betty J. Youngblood; Senior Vice President James P. Lentini; Vice Presidents Eric D. Barritt, John W. Beaghan; Vice President and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaisons Robert F. Williford and Samantha D. Wolf

A. Call to Order

Vice Chair Richard A. Flynn called the meeting to order at 3:30 p.m. in the Auditorium of Elliott Hall of Business and Information Technology.

B. Roll Call

Mr. Victor A. Zambardi, Vice President for Legal Affairs, General Counsel and Secretary to the Board of Trustees, conducted a roll call and all of the Board members were present except Chair Michael R. Kramer and Trustee Richard L. DeVore.

C. New Items for Consideration/Action

Approval of Oakland University William Beaumont School of Medicine Strategic Plan

Dr. Robert Folberg, Founding Dean of the Oakland University William Beaumont School of Medicine and Beaumont Health System's Chief Academic Officer, presented the Approval of Oakland University William Beaumont School of Medicine Strategic Plan recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the Oakland University William Beaumont School of Medicine Strategic Plan for submission to the Liaison Committee on Medical Education.

Dean Folberg provided some background of the accreditation process, the formation of the medical school, and a timeline for full accreditation. He explained that when preliminary accreditation was received in August of 2011, the Strategic Plan consisted of only a mission statement and a vision statement. For provisional accreditation, received in June of 2013, the Strategic Plan was expanded to also include a set of goals. The LCME has now requested that the Strategic Plan include strategies for accomplishing the goals, outcomes measures, responsible parties and timelines. Dean Folberg provided some information on the composition of the Medical School Management Committee that created the intensive and detailed Strategic Plan to meet the accreditation standards. He explained that the Strategic Plan will be reviewed and recalibrated every year.

Trustee Kunselman asked Dean Folberg if the Committee had benchmarks to know what LCME is looking for. Dean Folberg indicated that their accreditation consultants guided them and have said that the plan should work.

Trustee Robinson commended the committee for the well-structured outline of goals and initiatives in the Strategic Plan. He expressed concern over the Medical School's deficit which is in excess of \$30 million dollars for the past three years. As a Trustee he would like information on what is going on with the school on a timelier basis, not just on an annual basis. At a prior informal meeting the Board was told that Beaumont Hospital wanted to reduce the number of incoming students from 125 to 100 at a cost of approximately one million dollars per year for the next four years. Trustee Robinson requested that the resolution be amended to require an annual written report on the implementation of the Strategic Plan. He then requested to amend his prior amendment to require that the administrative goals be the responsibility of the Committee "with the input and approval" of the Board.

Trustee Schluskel stated that because the Board has ultimate authority and the Committee is merely advisory, he does not believe the amendment is necessary. Trustee Robinson responded by asking if, as the Strategic Plan document evolves, whether it would be brought before the Board on an annual basis to have any updates approved. Trustee Schluskel responded that any document that changes the relationship between the University and the Medical School would come back to the Board for approval.

Trustee Kunselman stated that he was comfortable that, as part of the annual budget development, review, and approval process the fiduciary responsibilities of the Board can be adhered to.

Trustee Shah complimented Dean Folberg on the plan and feels the Board should move forward and approve the plan.

After some procedural discussions, Trustee Robinson, seconded by Trustee Shah, formally moved to amend his motion to amend the motion for Approval of Oakland University William Beaumont School of Medicine Strategic Plan to include the language "and approval by the Oakland University Board of Trustees" in pages 17 and 18, in addition to requiring that the Oakland University William Beaumont School of Medicine annually provide a written report to the Oakland University Board of Trustees on the implementation of the Strategic Plan. After a vote, Trustee Robinson's motion to amend his motion to amend the motion for Approval of Oakland University William Beaumont School of Medicine Strategic Plan, to include the language "and approval by the Oakland University Board of Trustees" in pages 17 and 18 failed.

Trustee Robinson then resubmitted his motion to amend the motion for Approval of Oakland University William Beaumont School of Medicine's Strategic Plan to include a provision that the Oakland University William Beaumont School of Medicine annually provide a written report to the Oakland University Board of Trustees on the implementation of the Strategic Plan. The Motion was not seconded and therefore failed.

Vice Chair Flynn then called for a vote on the motion for Approval of Oakland University William Beaumont School of Medicine's Strategic Plan and the motion was approved with five positive votes and one negative vote by Trustee Robinson.

Approval of Authorization for Custodial Services Contract

Mr. Terry Stollsteimer, Associate Vice President for Facilities Management, presented the Approval of Authorization for Custodial Services Contract recommendation as set forth in the agenda item.

RESOLVED, that the Vice President for Finance and Administration be authorized to negotiate and execute a custodial services agreement with the vendor selected by the Board of Trustees; and, be it further

RESOLVED, that the agreement be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Vice Chair Flynn began the discussion by indicating that the President of the OUCMT had sent a letter to Vice President Beaghan and Mr. Stollsteimer which was forwarded to the members of the Board. He also stated that Mr. Beaghan provided responses to the questions and the requested information which the Board had requested at the last meeting.

Trustee Robinson made a motion to have the contract rebid with the added requirement that the minimum and starting hourly wage be \$9.20 per hour. The motion was not seconded and therefore failed.

Trustee Emerson stated that, as Trustees, they have a fiduciary responsibility to safeguard the resources of the University. She further believes that the culture of the campus is critically important as well and that there is a better working environment when the Board works together with employees. She does not believe that the OUCMT bid, although higher, would make a significant difference in the ability to operate the University and that outsourcing of employment can have a detrimental effect to the University and, therefore, she recommended to award the contract to the OUCMT.

Trustee Shah believes that a million dollar difference between two of the bids is a significant difference. Trustee Shah asked Vice President Beaghan if union members can take advantage of taking courses and studying at the University for free to which Vice Beaghan responded that they could but he did not know how many have. Trustee Shah explained that he has done custodian work in the past and appreciates what they do but that, of a million dollar difference, 82% will come from student tuition.

In response to a question from Trustee Shah, Vice President Beaghan indicated that ARAMARK is currently the vendor doing similar services on campus. In response to a question from Trustee Emerson, he indicated that the OUCMT cleans approximately 2/3 of campus, and ARAMARK cleans about 1/3. The majority of the employees for both are full-time employees. The employees could be students as well, but the employees are not primarily student employees. Vice President Beaghan confirmed for Trustee Emerson that the million dollar figure is over a 5 year period. He also confirmed for Trustee Kunselman that there would be no displacement of current OUCMT employees who still would clean 2/3 of the campus. Up for bid is the remaining 1/3 as well as some additional services because of additional buildings.

Trustee Kunselman considers a million dollars to be a significant amount and that another difference in the bids is that ARAMARK's bid has a significantly higher quantity of full-time custodians with benefits than the other two bids.

In a response to a question from Trustee Emerson, Vice President Beaghan responded that the \$200,000 per year figure would be approximately 1/8 of a percent of tuition, or 17 full scholarships.

Trustee Emerson stated she believes that it is an advantage to retain its own full-time employees to which Trustee Robinson agreed and stated further that paying low wages will cause employees to look for other work. That was the reason for his motion to require \$9.20 an hour as a compromise. The anecdotal information

he received is that the OUCMT employees do a better job than ARAMARK's employees. He noted that the minimum wage law as proposed by the Senate will be \$9.20 an hour by January 1, 2017 and that his motion was reasonable as the University would not have to renegotiate with ARAMARK when the legislature does act.

Trustee Emerson moved to award the contract to OUCMT. The motion was not seconded and therefore failed.

In response to a question from Vice Chair Flynn, as to what would happen if this is not resolved, Vice President Beaghan indicated that the University would have no means of cleaning the buildings July 1 without a Board action.

Trustee Kunselman stated that his understanding is that in the OUCMT proposal, the majority of the workforce that would be paid at \$9.00 per hour, and under the ARAMARK proposal, the majority of the full-time employees with benefits would earn \$9.33 per hour.

In response to a question by Trustee Schlusser, Vice President Beaghan indicated that with the new buildings opening, OUCMT would still clean about 2/3 of the campus, and 1/3 would be cleaned by ARAMARK. Mr. Stollsteimer added that if the contract is awarded to ARAMARK, the new housing project and new facilities building would be cleaned by OUCMT, whereas the new engineering building would be cleaned by ARAMARK and ARAMARK would continue to clean the areas of campus it currently cleans, including the golf course. The Elliott Tower will be cleaned by skilled trades.

Trustee Emerson expressed concern that 33 employees couldn't be hired by July if necessary. Vice President Beaghan clarified that ARAMARK already has most of the required employees under their employment so they would only have to hire and train new staff for the new engineering building.

Mr. Stollsteimer confirmed for Trustee Schlusser that if the ARAMARK agreement is approved, the Board can be assured that the price that is laid out in the ARAMARK proposal of \$5,007,119.00 would be the gross cost to the University with no other costs barring some change in the minimum wage law.

Trustee Kunselman, seconded by Trustee Shah, moved for approval of ARAMARK's proposal as submitted with a provision added as to how to deal with any change in the minimum wage law.

Trustee Schlusser moved to amend the motion to indicate that if there are any changes in the contract that required an increase in cost to the University, other than those generated by wage increases to the employees, that the contract needs to be brought back to the Board for review. The amendment to the motion

was accepted. A roll call vote was called. Trustees Schlusser, Kunselman, and Shah voted for approval, Trustees Emerson and Robinson voted against approval, and Vice Chair Flynn abstained from the vote because of his position as Director of MEA-NEA Local 16-E, and therefore the motion failed for failing to receive the required 5 votes in favor of approval.

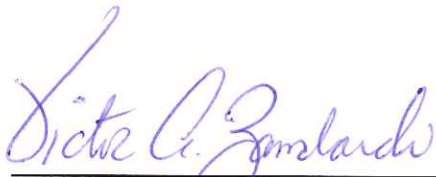
D. Other Items for Consideration/Action that May Come Before the Board

There were no other items for consideration/action presented to the Board.

E. Adjournment

Vice Chair Flynn then adjourned the meeting at 4:20 p.m.

Submitted,



Victor A. Zambardi
Secretary to the Board of Trustees

Approved,

Richard A. Flynn
Vice Chair, Board of Trustees