

Minutes of the Executive Session  
of the Oakland University  
Board of Trustees  
October 23, 1974

Present: Chairman Saltzman and Trustees Lewis and Schwartz  
University representatives: President O'Dowd, John De Carlo  
and Robert W. Swanson

President O'Dowd called the meeting to order at 5:30 p. m. in the Meadow Brook Room of the Oakland Center.

Chairman Saltzman stated that he has been quite concerned about the Board's structure and organization for quite some time and felt that the role of the Board has not been defined. Furthermore, he was not "married" to the establishment of more committees, but was of the opinion that they would be of assistance in carrying out the functions of the Board. He stated that the Board currently consists of the following committees:

1. Audit Committee

The present role is to review the auditor's report. He stated that he would recommend that the Audit Committee be expanded so that the Board could interact on all financial matters. The Committee would review the University's portfolio, which would include the endowment and pension funds. In addition, it would analyze the proposals for the lease and sale of property. The Chairman also expressed concern about gifts and grants to the University requiring financial commitments on the part of the institution. The impact of such gifts should be within the scope of review of the Committee.

2. Employment Relations Committee

This committee's primary responsibility has been in the area of collective bargaining. The Chairman suggested that a report on the University's status after three years of collective bargaining would be helpful and would assist the Board in its policy judgments. The three-year status report should consist of an analysis of the University's gains and losses in order that a determination could be made regarding the advisability of continuing with the current mediation process.

The Chairman then suggested that perhaps the following additional committees should be considered:

1. Capital Gifts and Projects Committee

Mr. Saltzman indicated some unhappiness with the architectural design of Classroom-Office Building II. He indicated that he had expressed his concerns but felt that there was no mechanism for a Board member to become involved or "intervene" in the process without being disruptive. He suggested that the Board should be deeply involved in the shaping of the University and determining priorities on programs as well as policy. He cited, for example, that if the University made a decision to emphasize its performing arts programs, then priorities should be placed in this area. If the fields of health science or medicine were selected, then the total University commitment should be in another direction. He further stated that the Board should assist in funding efforts to attain these objectives.

2. Academic Affairs

The Chairman stated that the Board should define their policy vis-a-vis the administration's. He would encourage more Board input into the academic decisions of the University. He added that the State and the University would be faced with limited resources for the next several years and that decisions would have to be made with respect to program priorities.

The Board of Trustees and the administration should also determine Oakland University's relationship with other institutions. He reiterated that the Board must have a direct input on the distribution of funds and a role in determining whether or not the institution should be in competition with other universities in certain academic areas.

3. Student Affairs Committee

The creation of this committee would provide systematic access to the student body.

As another example of Board involvement, Mr. Saltzman made reference to the Governor's letter, which was included in the agenda material, and stated that the Board should participate in policy responses and should be advised of the rationale for challenging the Governor.

In summary, Chairman Saltzman stated that he was extremely concerned about determining Board role and function and also concerned about "Board discipline" with respect to attendance. He added, however, that before we can enforce discipline, we must ascertain the Board's role in the institution. He then called upon the other Trustees for their reactions.

Mr. Lewis stated that while he was not opposed to the concept of subcommittees, he had several concerns that he would like to have resolved:

1. He questioned the feasibility of subcommittees in view of the difficulty in obtaining quorums for Board meetings. Such a structure would necessitate greater input of time from each member.
2. Comparable data regarding Board organization and committee structure from other institutions would be valuable in determining Oakland's role.
3. He asked if it would not possibly be counterproductive to operate with several committees since the Board as a whole works with a "good balance."

Mr. Lewis stated that the Finance Committee as outlined would have a critical role in the destiny of the institution since it would recommend the allocation of all University resources.

Mr. Schwartz noted that from a personal standpoint, he liked the University and everyone with whom he has been associated; however, he had several reservations about the Board meetings. He felt that the meetings consisted mostly of "housekeeping items" and did not involve the Board in policy issues. He stated that he greatly missed the excitement and adventure of dealing with the destiny of the University. He felt that he was not a part of a team or process. Mr. Schwartz stated that the committee process had his endorsement since certain individuals enjoyed working in certain areas and would devote themselves to these problems.

Mr. Schwartz stated that his primary concern, however, was the fact that the University and the Board were not establishing "bench marks" for the creation of policy, strategy and goals. The broader issues of the long-range objectives of the University and where the Board wanted the institution to go as well as the type of student to be brought to the campus were of primary importance to Mr. Schwartz. He expressed deep concern that as a Board member he had not been shown any information or data to indicate whether students were getting a good education and that the University was providing quality programs. Mr. Schwartz cautioned that an institution should not let an activity or a program determine policy. In many instances decisions are made with respect to the abandonment, curtailment or postponement of projects, not based upon the merit of the program, but upon the conclusion that funds are not available. He suggested that it should be the policy of an institution to determine the merit of a program and then determine the

availability of funds with efforts concentrated on acquiring the resources.

Mr. Schwartz suggested that the Board determine its function, goal and policy. After the Board's role has been defined, a decision should be made with respect to issues which fall under the Board's prerogative. After these judgments are made then it might be appropriate to determine what committees would be necessary to carry out the Board's role. He stated that the committee structure works well if there is a shared respect among the members. He has been greatly impressed by the spirit of cooperativeness and the excellent attitude displayed at all times by all Board members since their appointment.

Mr. Schwartz suggested one other possible committee to deal with "External Affairs," which would include such activities as the Festival and Theatre.

Chairman Saltzman stated that President O'Dowd had made the following recommendations to him regarding the removal of items from the Board agenda:

1. The personnel action section would be removed from the agenda. The salary policy would still be approved by the Board but only appointments to the executive staff would continue to be reviewed.
2. The gift and grant report would be omitted with a quarterly report substituted. (Mr. Schwartz observed that he felt it beneficial to receive the listing of gifts in order to learn who was supporting the institution. He suggested that the current listing be continued but formal review or action was not needed.)
3. Routine contracts for construction and architectural services could be delegated to the administration. (Mr. Schwartz raised an exception indicating the University's architecture was "pedestrian" and the Board should be involved in the concept and design of buildings.)
4. Miscellaneous contracts, such as food service, should be deleted from Board reports.

President O'Dowd informed Mr. Saltzman that by removing the above items in future Board meetings, there would then be time to review the following topics:

1. New academic programs, degrees, and majors.
2. Changes in administrative organization structure.

3. The approval of collective bargaining contracts.
4. Examination and approval of the capital outlay program of the University.
5. Consideration of budget requests to the Executive Office of the Governor, and much more attention to the allocation of the University's annual appropriation.
6. Various academic policy issues such as the grading system, admissions policies, graduation requirements, and other important items as they emerge.
7. Major policy documents such as a "Management by Objectives" and "Affirmative Action Plan" and related items.

(Mr. Saltzman noted that the Board should be concerned about the establishment of an Affirmative Action Plan and its implementation, but not be involved with detail. If a Board member was concerned about any matter, he or she could serve as a committee of one to determine whether University policy was being followed.)

8. Basic philosophical issues that should guide the long-range development of the University.

Chairman Saltzman stated that in order to expedite matters, Board meetings should have only the President, Secretary and Treasurer present with staff members on call if specific information or reports are required.

During further discussion regarding goals of the University, Mr. Schwartz stated that he would like to be informed as to the quality of the University. He would like to have some information on teaching, the quality of students, and where they go after graduation. He would like a current status report on the University because if we are to determine "where we wish to go, it is important to determine where we are today." Mr. Saltzman inquired about the preparation of a "State of the University" report. President O'Dowd replied that it would take several months to gather this information and would require several members of the University staff to compile the material. He added that comparative data from other universities such as the University of Michigan was not available.

During dinner there was a general discussion of the quality of Oakland

University as compared with the University of Michigan. President O'Dowd stated that Oakland's early models were Dartmouth, Wesleyan and Brown and it was his contention that Oakland was better at the undergraduate level than the University of Michigan. Mr. Schwartz expressed an interest in knowing what action would be necessary to become the best undergraduate institution in the country. He would like to be advised as to the programs we are lacking and the actions that we have failed to take to reach this goal. President O'Dowd stated that the University does not have adequate resources to be excellent in all areas and that the University has concentrated in Biology and has a great program. Mr. Schwartz stated that he wished to be informed of the areas neglected to provide excellence in Biology. In addition, he stated that the Board should be informed about University attitude toward vocational programs.

To continue the discussion of agenda items, President O'Dowd stated that he wanted to discuss three items prior to a review by Mr. William Broucek of the Ann Arbor Trust Company of the refinancing of Van Wagoner House.

1. Denise Lewis has reversed her decision and has indicated that she would not accept the appointment as Director of Employment Relations.
2. The University has delayed implementation of the AAUP contract. The negotiating teams agreed to the settlement of two tenure grievances as a condition precedent to the final contract. One faculty member is currently displeased with the decision of the AAUP bargaining team and has threatened to sue the AAUP. As a result, the AAUP is attempting to renegotiate one of the grievances. On the advice of counsel the University is maintaining a position that the total agreement must remain in force.
3. President O'Dowd recommended the appointment of Ms. Geraldine Felton as Dean of the new nursing program. President O'Dowd stated that she was highly recommended by the selection committee and that she also has his recommendation. In addition, it was critical for him to obtain a decision at this meeting since the appointment of a dean was needed for accreditation. Ms. Felton is a lieutenant colonel in the Army with extensive hospital and teaching experience. The salary offer will be \$32,000 with tenure as Professor of Nursing and a five-year appointment as dean. The Board approved the recommendation.

(Mr. Saltzman left the meeting because of a prior commitment.)

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Van Wagoner House Refinancing

Mr. Swanson reviewed his memo as set forth in the Board agenda indicating that the current term loan expires December 15. Mr. William Broucek from the Ann Arbor Trust Company is attempting to renegotiate a new loan with the same bank, Community National Bank. Mr. Broucek stated that the interest rate in the open market is 6.5% but he was drawing upon the fact that the bank currently has the loan plus the University payroll account and, therefore, should be interested in renegotiating at a 6% rate. He informed the Board that there was a "no call" provision the first year with a 1% penalty during the second and third years, and no penalty after the third year. The revenue from Hill and Pryale House dormitories will also be applied to this loan. Mr. Schwartz indicated that the payment provisions were important in the event that the University wished to retire the obligation. Mr. Lewis asked if there was an obligation to obtain public bids, and Mr. Broucek indicated that there was not. He further stated that a bond issue would be a more expensive method of financing. The Board members authorized Mr. Broucek to negotiate the refinancing as recommended.

The meeting adjourned at 7:45 p. m.

John De Carlo, Secretary  
Board of Trustees

JDeC/ag

November 11, 1974

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OAKLAND UNIVERSITY  
JOHN DeCARLO

To: John De Carlo  
Public Affairs, NFH

From: Donald D. O'Dowd  
President



In reviewing the minutes of the Executive Session of the Board of Trustees meeting of October 23, I note a few comments that are reported a bit at variance with my intention during the course of the discussion. You might wish to make some note of the following comments for the record:

On page 6 in the first paragraph, your minutes suggest that the university has concentrated all of its resources on the Department of Biological Sciences program at the expense of other university educational activities. It was my intention to convey to the Board of Trustees that over the years we have made careful choices and have concentrated our educational financial resources on several departments and areas out of the full range of educational activities in which we are involved. Thus is not only the Department of Biological Sciences a program in which we have concentrated heavy resources, we have also put special emphasis behind area studies, engineering, dramatic arts, and other specialized areas. The reality is that about a quarter of our educational programs have been singled out for special excellence.

DDO'D:alm

[signed in the absence of Mr. O'Dowd]