

Minutes of the Meeting  
of the  
Oakland University Board of Trustees  
October 12, 1988

Present: Chairman Patricia Hartmann, Trustees Larry Chunovich, Phyllis Law Googasian, Stephan Sharf, James A. Sharp, Jr., and Howard Sims

Absent: Trustees David Handleman and Ken Morris

Chairman Hartmann called the meeting to order at 5:12 p.m. in the Gold Rooms of the Oakland Center.

Approval of the Minutes of the Meeting of September 14, 1988

Trustee Googasian moved approval of the proposed minutes of the September 14, 1988, Board of Trustees meeting with the following change. In the second paragraph of page 119, the eight-year term for Trustees Handleman and Sims should expire on August, 1996, rather than 1995. Trustee Chunovich seconded the motion which was voted on and unanimously carried.

Recommendation to Accept Gifts and Grants to Oakland University for the period of August 1, 1988, through August 31, 1988

Mr. David Rodwell, Vice President for External Affairs, stated that the gifts and grants to Oakland University for the period of August 1, 1988, through August 31, 1988, totaled \$550,594.25.

Trustee Sims, seconded by Trustee Chunovich, moved acceptance of the gifts and grants with gratitude. The motion was unanimously carried.

Information Report on Gifts and Grants to the Oakland University Foundation for the period of August 1, 1988, through August 31, 1988

Mr. Robert Swanson, Vice President for Developmental Affairs, stated that the gifts and grants to the Oakland University Foundation totaled \$53,408.50.

Trustee Chunovich, seconded by Trustee Sims, moved acceptance of the report. The motion was unanimously carried.

Approval of Collective Bargaining Agreement between Oakland University and the Oakland University Chapter of the American Association of University Professors

Mr. Keith Kleckner, Senior Vice President for University Affairs and Provost, stated that the University and the Oakland Chapter of

the American Association of University Professors (AAUP) reached tentative agreement on a three-year contract on September 1, 1988. The faculty has ratified the agreement.

Mr. Kleckner made the following recommendation:

RESOLVED, that the Board of Trustees hereby approves the 1988-91 contract between Oakland University and the Oakland Chapter of the American Association of University Professors, with the effective dates of August 15, 1988, through August 14, 1991.

Chairman Hartmann commended the bargaining teams for their timely and successful negotiations.

Trustee Chunovich, seconded by Trustee Gogasian, moved approval of the recommendation. The motion was unanimously carried.

Chairman Hartmann noted that she should have introduced and welcomed newly appointed Trustee James A. Sharp, Jr., to his first Board meeting. Trustee Sharp was warmly welcomed with a round of applause from the Board and the audience.

#### Faculty Personnel Actions

Mr. Kleckner made the following recommendations:

##### Appointment

Blumenkranz, Mark S., Adjunct Associate Professor of Biomedical Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Buffard-O'Shea, Nicole B., Assistant Professor of French, effective August 15, 1988 (replacing a permanent faculty member) [Supersedes previous Board action of May 11, 1988, which appointed Ms. Buffard-O'Shea as an Instructor in French; this action is taken because Ms. Buffard-O'Shea has received her Doctor of Philosophy Degree.]

Dworkin, Howard, Clinical Professor of Medical Physics, effective August 15, 1988, through August 14, 1990 (renewal)

Eliezer, Naomi, Adjunct Assistant Professor of Biological Sciences, effective August 15, 1988, through August 14, 1993 (renewal)

Karabeg, Almira, Assistant Professor of Mathematical Sciences, effective August 15, 1988 (replacing a permanent faculty member) [Supersedes previous Board action of June 8, 1988, which appointed Ms. Karabeg as an Instructor in Mathematical Sciences; this action is taken because Ms. Karabeg has received her Doctor of Philosophy degree.]

Lorenz, Paul F., Adjunct Professor of Management, effective August 15, 1988, through August 14, 1993 (renewal)

McGrath, Charles M., Adjunct Professor of Biological Sciences, effective August 15, 1988, through August 14, 1989 (renewal)

Portnoy, Harold, Clinical Professor of Medical Physics, effective August 15, 1988, through August 14, 1990 (renewal)

Rosenshein, Joseph S., Clinical Associate Professor of Medical Physics, effective August 15, 1988, through August 14, 1990 (renewal)

Rutzky, Julius, Consulting Professor of Biomedical and Health Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Shine, Cornelius J., Professor of Journalism with tenure, effective August 15, 1988 (new position)

Urso, Linda Hollern, Instructor in Nursing, effective August 15, 1988 (replacing a permanent faculty member)

#### Leave of Absence

Marsh, Jerry E., Special Instructor in Engineering, sabbatical leave from January 3, 1989, to April 27, 1989 (with full pay)

#### Resignation

Kanost, Richard F., Assistant Professor of Political Science, effective August 14, 1989

Maloney, John C., Associate Professor of Philosophy, effective August 14, 1988

Shichi, Hitoshi, Professor of Biomedical Sciences and Assistant Director, Eye Research Institute, effective September 30, 1988

Mr. Kleckner stated that Mr. Cornelius J. Shine's appointment was held until the issue of the Joint Operating Agreement between the Detroit News and the Detroit Free Press was near resolution. The appointment of Mr. Shine to the faculty was praised by Mr. Kleckner.

Mr. Kleckner added that Mr. Hitoshi Shichi will continue to have an association with Oakland University as an adjunct professor. Mr. Shichi will be employed at Wayne State University and there will be some joint efforts between Wayne State and Oakland University.

Trustee Sims, seconded by Trustee Chunovich, moved approval of the recommendations. The motion was unanimously carried.

#### 1988-89 General Fund Budget

Mr. Robert McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, stated that the State Legislature has approved a 1988-89 appropriation for Oakland University of \$32,301,465. Included in the increase are line items of \$98,000 for operation of the library addition and \$400,000 for computer system modernization. Converting the State's appropriation to the University's fiscal year, the total amount to be recognized is \$32,152,922.

Mr. McGarry stated that on March 9, 1988, the Board of Trustees approved a tuition and fee increase of 9.67 percent for full-time resident undergraduate students. This increase was effective for spring term, 1988, and has been incorporated in this budget. This new tuition and fee rate, less a projected enrollment decline of 276 FYES from 1987-88, results in an increase in tuition and required fees of \$1,003,152 over last year's actual revenue. On July 25, 1988, the Board of Trustees approved an additional tuition increase of 8.69 percent to be effective fall term, 1988, which was expected to realize approximately \$1.6 million in additional revenues. This increase was rescinded on August 15, 1988, with the result that after expenditure reductions a deficit carry-forward of \$715,677 is projected for 1988-89.

Mr. McGarry added that total budgeted expenditures recommended for 1988-89 are \$55,378,731 which is \$3,076,956 more than last year's actual expenditures. Employee compensation increases represent 71 percent of the increase and State line items represent an additional 12 percent. Funding is also provided for increased costs of utilities, insurance, postage, compensated absences, financial aid and increased costs of the library's circulation system. (The detailed budget documents submitted to the Board of Trustees are on file in the Office of the Secretary to the Board of Trustees.)

Mr. McGarry added that the administration is currently developing a plan which would result in future budgets with revenues in excess of expenditures. The effects of this plan will be recognized within three years.

Mr. McGarry made the following recommendation:

RESOLVED, That the Board of Trustees approves the 1988-89 General Fund Budget at an expenditure level of \$55,378,731.

Trustee Chunovich, seconded by Trustee Googasian, moved approval of the recommendation.

Trustee Sims expressed his "discomfort" in adopting a budget that carries a \$1.7 million operating deficit. He believes that it is not appropriate for the University to continue in this position for the upcoming year. He noted that the President and the administration have done everything in their power toward reducing the deficit. In spite of these efforts, Trustee Sims was still uncomfortable and he requested that the administration not only look for methods to eliminate the deficit position in the future but he also "charged" the President to develop a plan on how the deficit may be eliminated in 1989-90.

Trustee Sharp stated that in the future, the programmatic implications of any budget cut should be reviewed by the Board prior to the adoption of a budget.

Trustee Chunovich stated that each University department will be affected. He was disappointed with the level of funding and State support for academic programs. He added that there must be some long range planning to assure that the University can continue to hold tuition down, maintain quality programs and provide student access to higher education.

Chairman Hartmann referred to Trustee Googasian's comment at the September Board meeting that this is a "no progress budget." She stated that, "we are just holding our own."

Trustee Sims observed that as a result of the tuition rollback, the burden for reducing costs was not carried equally across the University.

President Champagne stated that the University is going in reverse with the budget. He added that he fully agrees with Trustee

Sims. The administration is developing a plan to remove Oakland from the deficit situation within two years. When the July, 1988, increase in tuition was proposed, it was based on the goal of a balanced budget. Oakland is attempting to build a systematic plan which does not dismantle the institution in one year, but one which will absorb the deficit over a two to three year period until revenues and expenditures are in balance. The University has been working toward that goal for several years and would have been there if it were not for the tuition rollback action by the Executive Office of the State of Michigan.

The motion to approve the 1988-89 General Fund Budget was voted on and unanimously carried.

President Champagne stated that the Trustees have expressed a great concern over a deficit budget and the Board would like to see the administration exert more pressure on the budget system. This situation is similar to that which occurred in 1987 when the Board approved a one percent budget cut after the 1987-88 General Fund Budget was adopted because of an impending Executive Order cut of .75 percent in funding. The administration immediately began to work on the situation by implementing a hiring freeze and other cost cutting actions. While it is difficult at this point to put into place emergency procedures for the budget, the administration will take very seriously the Board's request to achieve a less than \$715,000 deficit situation.

Trustee Sims stated that this action was laudable, but his comments were in reference to the 1989-90 budget. President Champagne stated that even to achieve a balanced budget in 1989-90 requires action this year to assure the necessary saving of funds.

Approval of 1989-90 Operating Budget Request for Submission to the Executive Office of the State of Michigan

Mr. McGarry stated that requests are made to the State each fall for budgetary needs for the following year. The proposal prepared for 1989-90 is at an expenditure level of \$59.8 million. It is made up of programmatic needs and does not include a tuition increase. The major request of \$1 million is for academic computing. An amount of \$660,000 is requested for library opening expenses which will probably be funded to some extent. There is a request for the establishment of an Office of Safety and Environmental Health at \$85,000 and another request for services to the handicapped at \$59,000. In addition, there are the non-programmatic needs which are inflationary costs of \$3.2 million.

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees approves the 1989-90 Operating Budget Request to the State of Michigan in the amount of \$59,821,000.

Trustee Chunovich, seconded by Trustee Googasian, moved approval of the recommendation. The motion was unanimously carried. (The detailed recommendation submitted to the Board is on file in the Office of the Secretary to the Board of Trustees.)

### Capital Outlay Budget Request

Mr. McGarry stated that each year the Michigan Department of Management and Budget invites the University to submit a request for Capital Outlay funding for specific projects for the following fiscal year. The 1989-90 request includes thirteen projects, six of which are new. The projects by State classification and in priority order are:

#### I. Construction Program (over \$500,000)

##### Programming and Planning:

- |                                    |              |
|------------------------------------|--------------|
| 1. Science Building                | \$28,868,000 |
| 2. University Maintenance Facility | 2,820,000    |
| 3. Classroom-Office Building       |              |
| Construction and/or Completion     | 16,071,000   |
| 4. Library                         | 7,000,000    |

#### II. Request for Lump Sum Allocations

##### Remodeling and Additions/Special Maintenance:

- |   |            |
|---|------------|
| 1. Administration and Risk Management and Purchasing Department Addition (To Public Safety Services Building) | \$ 349,000 |
| 2. Classroom Renovations Auditorium, Room 201, Dodge Hall   | 98,600     |
| 3. High Voltage Switchgear Maintenance  | 92,400     |
| 4. Replacement of High Temperature Hot Water Lines--Wilson and Dodge Halls                                    | 210,000    |
| 5. Repair and Replace Exterior Entrances and Doorways   | 89,000     |
| 6. Classroom Renovations--Campus Wide (5 year phasing with total cost of \$306,000)                           | 61,200     |
| 7. Replacement of High Temperature Hot Water Supply Pumps   | 58,000     |
| 8. Air Conditioning Hannah Hall   | 487,000    |
| 9. Modify Existing Structures to Comply with State and Federal Handicapped Accessibility Codes                | 336,600    |

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees approves the 1989-90 Capital Outlay Request to the State of Michigan Department of Management and Budget.

Trustee Chunovich, seconded by Trustee Sharf, moved approval of the recommendation. The motion was unanimously carried.

Comerica Bank Resolution Requirements

Mr. McGarry stated that on June 8, 1988, the Board of Trustees approved the transfer of the University's general bank account to Comerica, Inc. The Board actions included approval of the resolutions required by Comerica. The resolutions failed to state the number of signatories and to designate the University office authorized to transact the banking activities. The Board of Trustees has received the actual resolutions set forth in the recommendation and must approve them in their entirety.

Therefore, Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees approves the following resolutions submitted by Comerica, Inc.:

1. Opening and maintaining a deposit account,
2. Opening and maintaining a safekeeping account and purchasing and selling securities, and
3. Funds transfer authorization and agreement;

and, be it further

RESOLVED, that the Board of Trustees authorizes the Treasurer to the Board of Trustees or the President to enter into the agreements set forth in these resolutions on behalf of the Board of Trustees; and, be it further

RESOLVED, that the resolutions be approved by legal counsel and be in accordance with the University's affirmative action policy.

Trustee Sharf, seconded by Trustee Googasian, moved approval of the recommendation. Trustee Sims abstained from voting due to a potential conflict of interest, since he serves on the Comerica Board of Directors. The motion was voted on and passed with five votes.

Kresge Library Addition High Temperature Hot Water Line Replacement

Mr. McGarry stated that the high temperature hot water line replacement was approved by the Board on November 11, 1987, at \$130,000 with funds provided by the State of Michigan. Some unforeseen construction difficulties developed and the contingency was not adequate to cover these costs plus the costs resulting from unexpected asbestos insulation and mismatched valves. When these problems were discovered, \$129,000 had been spent and additional costs of \$8,000 were necessary in order to meet the construction schedule for the Library and provide heat prior to the cold weather season. The administration spoke with the Chairman and Vice Chairman of the Board who granted authority to proceed with the project. The administration is seeking ratification of that approval. The project cost is now \$152,386 rather than \$130,000 and includes a contingency of \$10,000. The additional funding has been given to the University by the State from the Special Maintenance Fund.

Mr. McGarry made the following recommendation:

RESOLVED, that the Kresge Library High Temperature Hot Water Line replacement project be increased in scope from \$130,000 to \$152,386.

Trustee Sims, seconded by Trustee Chunovich, moved approval of the recommendation. The motion was unanimously carried.

President Champagne stated that under the Board contracting policy authority, there is a provision whereby the administration may contact and consult with the Chairman and Vice Chairman of the Board for emergency authority to purchase items where the amount is over \$100,000 but less than \$200,000. The action of the Chairman and Vice Chairman must be ratified at the next Board meeting. It was under that authority that Mr. McGarry was acting in this case.

Trustee Googasian stated that part of the increase occurred because there was a failure to provide cathodic protection for the system. Since one of the Capital Outlay Requests to the State is for the replacement of the last set of high temperature hot water lines, she requested that the administration be certain to include cathodic protection as part of the specifications.

Property Insurance Policy Renewal

Mr. McGarry stated that the University's property insurance expires December 1, 1988. This was the University's first year with

Arkwright Mutual, and the policy is entering the second year of a three-year period. Last year's premium was \$131,198. It is anticipated that a renewal premium will reflect the increases associated with the increase in property values. On the advice of Oakland's insurance consultant, The Wyatt Company, the administration was advised not to rebid as it would result in additional cost to the University. In consultation with the Finance and Personnel Committee, the administration recommends that the policy not be rebid at this time. The policy will be renewed in accordance with the recommendation to the Board with the understanding that in one year the administration will review the relationship with Arkwright and return to the Board with a recommendation regarding renewal.

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to renew the University's property insurance coverage with Arkwright Mutual for the period of December 1, 1988, through December 1, 1989.

Trustee Chunovich, seconded by Trustee Googasian, moved approval of the recommendation. The motion was unanimously carried.

#### Meadow Brook Subdivision Assignment and Release of Leaseholds

Mr. McGarry stated that the home owners in the Meadow Brook Subdivision are required to sign a leasehold agreement. Upon the sale of the home, an Assignment and Release of Leasehold is prepared for the seller of the home which releases both the University and the home owner from obligations under the leasehold agreement. In 1977, outside legal counsel rewrote the document and included a clause which required the approval of the Board. No record of formal acceptance of the documents by the Board has been found, yet all documents have been recorded by the Oakland County Register of Deeds. To correct this matter, formal acceptance by the Board of the individual Assignment and Release of Leaseholds is necessary.

With the concurrence of the University's General Counsel, the Assignment and Release of Leasehold document has been revised, and the Board acceptance condition has been removed.

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees accepts the "Assignment and Release of Leasehold" documents executed by the home owners listed on the attachment to this agenda item.

(The list is on file in the Office of the Secretary to the Board of Trustees.)

Trustee Sims, seconded by Trustee Chunovich, moved approval of the recommendation. The motion was unanimously carried.

#### Kresge Library Shelving

Mr. McGarry stated that the library expansion project has a furnishing budget that provides for shelving. The shelving is expected to be installed in February when the new wings to the building are completed. Because of the construction timing, it was necessary to present this recommendation to the Board at the October meeting rather than delay the installation of the shelving.

Mr. McGarry made the following recommendation:

RESOLVED, that the Vice President for Finance and Administration is authorized to award a contract for Kresge Library shelving in the amount of \$156,759 to Library Design Associates, Inc.

Trustee Googasian, seconded by Trustee Chunovich, moved approval of the recommendation.

Trustee Sims asked if the amount of the bid in the recommendation was within the budget. Mr. McGarry responded that the amount was within the budget.

Trustee Chunovich, as a result of a review of the supporting documentation, inquired why the original cost bids obtained in September, 1988, are higher than the final bids submitted in June, 1987. Mr. McGarry stated that the difference in bids was based on the 15-month time span.

The motion was voted on and unanimously approved.

#### Other Items

Chairman Hartmann called on President Champagne for his comments.

President Champagne stated that Mr. Lester Thurow, the Dean of the School of Management at the Massachusetts Institute of Technology,

spoke on campus on October 5, 1988, as part of the Annual Business Forum. Mr. Thurow was present through the efforts of the School of Business Administration Student Board. The program was sponsored by Ameritech Publishing, Inc. The lecture was extremely interesting, well-attended and well-received by the University community. President Champagne asked that the Board express its appreciation to the School of Business Administration Student Board for its hard work and to Ameritech Publishing, Inc., for sponsoring all three of the School of Business Administration Annual Business Forums. President Champagne added that the students have done an outstanding job.

Chairman Hartmann stated that she would be pleased to send letters of acknowledgment to the School of Business Administration Student Board and Ameritech Publishing, Inc.

There being no further items for consideration, Trustee Sims, seconded by Trustee Chunovich, moved adjournment of the meeting. The motion was unanimously carried. The meeting was adjourned at 5:50 p.m.

Submitted,

Approved,



John De Carlo, Secretary  
Board of Trustees

Patricia Hartmann, Chairman  
Board of Trustees