

**Minutes of the Formal Meeting
of the
Oakland University Board of Trustees
December 6, 2000**

Present: Chair Ann V. Nicholson; Trustees Henry Baskin, Robert C. Cooper, Penny M. Crissman, David J. Doyle, David T. Fischer, Louis Grech-Curnbo and Rex E. Schlaybaugh

Also Present: President Gary D. Russi; Vice Presidents Louis Esposito, Lynne C. Schaefer and Mary Beth Snyder; Acting Vice President Geoffrey C. Upward; General Counsel and Secretary to the Board of Trustees Victor A. Zambardi; and Administrative Assistant Rhonda G. Saunders

I. Call to Order

Chair Ann V. Nicholson called the meeting to order at 2:05 p.m. in the Auditorium of the Elliott Hall of Business and Information Technology.

II. President's Report

President Gary D. Russi reported the following information:

- Mr. Ray Mora and Ms. Bonnie McNeill were recognized as the October and November Employees of the Month, respectively.
- Dr. Anahid Kulwicki, Associate Professor of Nursing, was recognized for being the Principal Investigator on funded projects totaling nearly \$4 million. Her first funded grant in 1989 was for the study of AIDS in the Arab community. The majority of Dr. Kulwicki's research has focused on the Arab-American community, where she studied such health related topics as domestic violence, healthcare perceptions of Arab women, access to healthcare for Arab-Americans, cardiovascular and diabetes risk, AIDS and STD prevention, and family planning. She is a prolific author and an internationally known speaker who has presented scholarly papers all over the United States and in Lebanon, Egypt, Jordan, the Netherlands and Canada. With respect to community service Dr. Kulwicki was invited by Governor John Engler to help establish the Neighborhood Partnership Initiative. She has long been active with the Arab

American Center for Economic and Social Services (ACCESS) and the United Community Services of Metropolitan Detroit. She is also the only nurse to serve on a committee to study the responsible collection and use of genetic samples sponsored by the National Institutes of Health. Dr. Kulwicki was recently given the Harmony Award by the Michigan Coalition Against Sexual Assault, and she was also honored by the Michigan HIV/AIDS Council.

- Dr. Norman Tepley, Professor of Physics, Director of Medical Physics and Scientific Director of the Neuromagnetism Laboratory at Henry Ford Hospital, was recognized for his research involving measurements of magnetic fields arising from the electrical activity of the human brain that are used to better understand epilepsy, migraine, stroke, dyslexia and sleep. His lab is one of only a handful in North America to have a state-of-the-art whole head neuromagnetometer. Dr. Tepley's research is supported by the National Institutes of Health. In August 2000, he was invited to present a talk titled "Two Dimensional Inverse Imaging," at the 12th International Conference on Biomagnetism in Helsinki, Finland. This project, done in collaboration with Dr. John Moran, a postdoctoral researcher in Professor Tepley's group, has resulted in a novel method for re-constructing brain images from magnetoencephalographic measurements. Dr. Tepley and his collaborators have led the way in Michigan in use of their whole-head neuromagnetometer to identify and evaluate sites in a patient's brain where surgery might be performed to alleviate epilepsy. In contrast to all previous reliable diagnostic procedures, the one employed by Dr. Tepley is completely non-invasive. For his pioneering research, Dr. Tepley recently received an award from the Michigan Epilepsy Foundation that reads "For bringing help and hope to people with epilepsy."

- The university community was invited to the annual University Holiday Reception on December 15, from 3:00 to 5:00 p.m., in the Oakland Center Fireside Lounge.

Chair Nicholson thanked President Russi for his report and congratulated the honorees for their accomplishments and commendable service to the university.

III. Treasurer's Report

Ms. Lynne C. Schaefer, Vice President for Finance & Administration, presented the following treasurer's report:

Pooled Cash Investment Update:

The pooled cash report for the month of October, the most recent available, showed a current blended yield of 6.62%, which includes current estimated yields of 7.41% for the Short Term Account, 6.30% for the Short Term Fixed Account, and 6.54% for the Intermediate Fixed Account. With a reported 12-month yield of 6.75% on the entire pool, each is currently performing above their respective benchmarks.

Budget Development Process:

The university is in the process of modifying the annual general fund budget development process, based on feedback from the Board and the administration. The goal is to provide additional information as part of the budget presentation to the Board on proposed expenditures by major organizational unit. The internal budget development process is planned to begin in January, for presentation to the Board at its Working Session meeting on May 2, 2001.

Introduction of New Associate Vice President for Facilities Management:

Mr. Rusty Postlewait has accepted the offer to serve as Associate Vice President for Facilities Management, the position formerly held by Ms. Susan Aldrich. A national search was conducted for the position, which involved many individuals across campus in the candidate interview process. Mr. Postlewait will have responsibility for all aspects of facilities operations, management, planning and construction on campus. He comes to the university with outstanding credentials, experiences and references. Mr. Postlewait has had a very impressive 32-year career as a civilian with the U.S. Army and the Army Corps of Engineers. He has a very extensive background in operating, managing and constructing facilities, both large and small, across the world.

IV. Roll Call

Mr. Victor A. Zambardi, General Counsel and Secretary to the Board of Trustees, conducted a roll call vote. All of the Board members were present.

V. Action Items

A. Consent Agenda

Chair Nicholson moved the following recommendations:

1. Approval of the Minutes of the Meeting of October 4, 2000

2. Approval of University Personnel Actions

New Appointments

Kraemer, Elizabeth W., Assistant Professor, University Library, effective November 8, 2000 (\$35,000) (new appointment filling a vacant authorized position).

Administrative Appointments

Heatlie, Pamela, Assistant General Counsel, effective January 29, 2001 (\$76,000) in accordance with the terms and conditions set forth in the Agreement between Ms. Pamela Heatlie and Oakland University.

Emeritus(a) Appointments

Casstevens, Thomas W., Professor Emeritus of Political Science, effective August 15, 2000.

Ozinga, James R., Professor Emeritus of Political Science, effective August 15, 2000.

Weng, Tung H., Professor Emeritus of Engineering, effective August 15, 2000.

Change of Status

Connellan, William W., from Vice Provost to Associate Professor of Journalism, effective August 15, 2000 (\$76,000).

Mayer, Donald O., from Associate Professor of Management to Interim Associate Dean for External Programs, School of Business Administration, effective October 15, 2000 (\$90,070).

Correction

Barnes, Jr., Carl F., Professor of Art and Art History, retirement effective January 1, 2001 (retirement date incorrectly reported as December 31, 2000 in the April 6, 2000 University Personnel Actions).

Dovaras, John N., Associate Professor of Music, retirement effective January 1, 2001 (retirement date incorrectly reported as December 31, 2000 in the April 6, 2000 University Personnel Actions).

Kitchens, Marshall W., Instructor in Rhetoric, effective August 15, 2000 (title incorrectly reported as Assistant Professor in the August 2, 2000 University Personnel Actions).

Kruk, Serge G., Instructor in Mathematics and Statistics, effective August 15, 2000 (title incorrectly reported as Assistant Professor in the August 2, 2000 University Personnel Actions).

Wells, James William, Instructor in Musical Theatre, effective August 15, 2000 (title incorrectly reported as Assistant Professor in the August 2, 2000 University Personnel Actions).

3. Approval of Oakland University Board of Trustees Investment Advisory Committee

WHEREAS, the Oakland University Board of Trustees possesses all constitutional powers customarily exercised by a board of control of a Michigan institution of higher education established by law having authority to grant baccalaureate degrees, including without limitation the entire control of university affairs and property, the power to control, direct, and manage university funds, and the power to control and direct all expenditures from university funds; now, therefore, be it

RESOLVED, that to assist the Board in maintaining the financial integrity of the university, to maintain adequate income and reserves, and to properly manage university funds, the Board hereby establishes the Oakland University Board of Trustees Investment Advisory Committee as follows:

CHARGE

The Investment Advisory Committee is charged to review, develop and recommend policies to the full Board for the investment of university funds, and to periodically review and report the progress and appropriateness of university investments to the full Board.

MEMBERSHIP

The Investment Advisory Committee shall be comprised of no less than three and no more than four members of the Board, one of which shall be the Vice-Chairperson of the Board, the President of the university, and the university's Vice President for Finance and Administration. The Chairperson of the Board shall appoint Board members to the Investment Advisory Committee for two year terms, except that of the first Board members appointed, at least one-third shall be appointed for a one year term. Board members may be re-appointed to the Investment Advisory Committee at the expiration of their term. The Chairperson of the Board shall also appoint one of the Board members as the Chairperson of the Investment Advisory Committee.

MEETINGS AND REPORTS

The Investment Advisory Committee shall meet informally at least quarterly, and shall report to the full Board at least annually on the progress of invested funds for the preceding fiscal year. The informal quarterly meetings need not be open to the public but all reports and recommendations of the Investment Advisory Committee shall be made at a formal or informal meeting of the full Board that is open to the public. The Secretary to the Board shall take the minutes of all Investment Advisory Committee meetings.

The President and/or the Vice President for Finance and Administration may have other appropriate internal university financial management staff and external investment advisors and managers attend and participate in Investment Advisory Committee meetings.

RESPONSIBILITIES

In carrying out its charge, the Investment Advisory Committee shall have the following responsibilities:

1. Review, monitor and make recommendations to the full Board on the university's investment policies and strategies, including target rates of return and asset allocation.
2. Meet quarterly to review the progress of invested funds for the preceding quarter.

3. Report annually to the full Board on the progress of invested funds for the preceding fiscal year.
4. Review and recommend to the full Board the selection of any outside investment advisors and investment managers.
5. Such other responsibilities as the Board may assign from time to time. All such other responsibilities shall be assigned in writing.

4. Approval of Recommendation of Final Undergraduate and Graduate School Reports dated August 21, 2000

(A list of the final undergraduate and graduate school reports is on file in the Board of Trustees office.)

5. Approval of Meadow Brook Subdivision Financing Guarantee

(The Meadow Brook Subdivision Financing Guarantee report is on file in the Board of Trustees office.)

6. Recommendation to Accept Gifts to Oakland University and the Oakland University Foundation for the Periods of September 1 through September 30, 2000 and October 1 through October 31, 2000, and to Accept Grants and Contracts to Oakland University for the Period September 1, 2000 through November 15, 2000

(A list of the gifts, grants and contracts is on file in the Board of Trustees office.)

Trustee David T. Fischer seconded the motion. The motion was unanimously approved by those present.

B. Approval of Primary Electric Power Upgrade

Trustee Robert N. Cooper stated that, after attending several informative meetings and researching the matter, he has learned that according to the Michigan Public Service Commission (PSC) Detroit Edison has a responsibility to deliver available power to customers based on the capacity of their system, to build facilities needed to provide basic service to those customers, and to permit connection of new customers who are willing to pay the cost of those facilities.

Trustee Cooper stated that Oakland University has a need for reliable, clean electric power service and redundancy. He noted that the university's current system consists of two overhead lines that run from DECo's Carter Substation located two miles away at I-75 and Walton Blvd. Trustee Cooper stated that the service is inadequate and barely able to carry the peak summer campus loads, and the overhead lines are subject to lightening, wind, ice, animals, automobiles, and load problems which cause service disruptions. He noted that the university's capacity has increased beyond what was originally bartered for with Detroit Edison. As the institution continues to grow and add new buildings, the electric power capacity needs will continue to increase. Trustee Cooper stated that the proposal is to increase the university's capacity by allowing Detroit Edison to build a new substation at their expense of \$7.5 million. The university is to provide 9/10 of an acre of land, at an estimated value of \$235,000, for the substation. Trustee Cooper stated that the substation will increase the university's capacity from 6.5 MVA to 15 MVA, serving the university's current needs and future needs for the next 30 years. It would also provide redundancy to ensure that the university continues to get good quality electrical service without service disruptions. Trustee Cooper added that the university switch gear would have to be upgraded to accommodate the power upgrade. He noted that with the substation on campus, the two miles of overhead lines would be eliminated and the university will be directly fed from the substation via underground cables. The power would switch from the 13.2KV overhead distribution lines to 120KV underground distribution lines, offering excellent clean quality power to meet the campus' technological needs. Trustee Cooper stated that the total cost of the project is over \$12 million, with Oakland University bearing a cost of \$4.8 million for the switch gear upgrade.

Trustee Henry Baskin expressed concern over the fact that, in order to get clean power, the university must spend \$5 million (\$4.8 million for the switch gear plus \$235,000 for the value of the land) in order to pay Detroit Edison for the upgraded power. He was also concerned about the green space that will be allocated for this purpose.

Trustee Rex E. Schlaybaugh, Jr. inquired if two separate buildings are to be constructed on the site (a substation and a switching house), and if the university is contributing to the cost of the substation. Trustee Cooper and Ms. Schaefer replied that the substation will be financed and owned by Detroit Edison, while the switching house will belong to the university to house the switch gear, cables and connection to the university's on-campus distribution network. Ms. Schaefer added that the \$4.8 million university cost includes the cost of the switching house and \$2.9 million to replace deteriorating cable across campus. Trustee Cooper noted that even if the substation was built at another site, the university would still have to make these improvements.

Trustee Schlaybaugh asked if the university is signing a long-term power supply contract as part of this service, and Trustee Cooper replied that power would be supplied under standard agreements approved by the PSC. Trustee Schlaybaugh also questioned whether the university will have aesthetic design or architectural control over the switching house facility. Ms. Schaefer stated that she expects that the agreement will give the university right of approval for the design of the switching house screening and landscaping. She stated that she believes that the screening will actually be the outside of the building, and that the facility will house the transformers, wires, etc. Trustee Cooper stated that the buildings will comport aesthetically with their surroundings, similar to others built by Detroit Edison, Consumer Power and Michigan Bell located in business and residential neighborhoods. Trustee Schlaybaugh requested that the administration ensure that the switching house aesthetics are consistent with university architectural design.

Trustee Baskin asked if there would be a problem with Detroit Edison owning the substation if the university chooses a different power provider in the future. He was concerned that the university would be bound to Detroit Edison contractually for the life of the campus. Trustee Cooper responded that, while the university could choose a different company to generate the power, Detroit Edison will still distribute the power through the substation. Trustee David J. Doyle added that the PSC will determine the cost of that distribution.

Student Liaison, Cristina J. Kapustij, thanked Trustee Cooper for clarifying this issue. She stated that the students would definitely appreciate reliable power, especially in the computer laboratories. Ms. Kapustij also stressed the students' concerns over the use of the green space, the university's most valuable resource, and commented that if it is absolutely necessary to use the green space for the electric power upgrade, then the students would support that action.

Student Liaison, Bonefacio DeLaRosa, asked for clarification on the substation ownership on university property and how it will benefit the university, other than to provide guaranteed electric power. Trustee Cooper stated that the university will actually gain more than guaranteed electric power. For example, if Detroit Edison contracted with somebody across the street to build the substation, they could charge the university as much as \$2 million of the \$7 million to construct the substation based on the university's demand for service. Trustee Cooper added that ultimately the university would save a substantial amount of capital funding by allowing Detroit Edison to build the substation on campus while receiving clean uninterrupted power. Trustee Doyle reiterated that even if Detroit Edison built the substation across the street, the university will still have to pay \$4.8 million for the switching gear upgrade.

Trustee Schlaybaugh asked if the university will be guaranteed more power in the future, and Trustee Cooper replied that the 15 MVA should be sufficient through the year 2027, and that an agreement to expand the facility would have to be entered into at that time.

Trustee Baskin asked a representative from DiClemente Siegel Design if it is a common practice for public institutions, such as Oakland University, to give their land to a public service provider in exchange for a guarantee that they will be supplied with electricity. DiClemente stated that the practice is very common, especially in the Auburn Hills vicinity. Trustee Cooper stated that the underlying question to the university is "Do we think that it makes sense for us to allow Detroit Edison to have \$235,000 worth of our land in exchange for \$2 million that the university would be charged if the substation were built elsewhere?" Ms. Schaefer added that if this proposal is not approved, the most logical alternative for power at this point is to run overhead wires over two and a half miles from the Hamlin Substation to campus at a cost of \$2 million.

Trustee Doyle asked where the substation will be located, and Ms. Schaefer responded that it is located on a dirt road south of Lonedale Road off of Squirrel Road between Pioneer and Butler Roads. In response to a question from Trustee Baskin regarding possible radioactivity at the substation site and how it might impact future development in that area, Ms. Schaefer stated that the university is comfortable that radioactivity is not an issue based on EMF studies conducted by Detroit Edison and responses received from university physicists and chemists who conduct research in that area. She added that the Campus Master Plan is considering a proposal that the adjacent area also be used for a future arena and convocation center.

Trustee Cooper moved approval of the following resolution:

WHEREAS, there has been and will continue to be a steady increase in the university's electric power consumption; and

WHEREAS, there is a need to upgrade the reliability of the existing underground primary electrical power cables and aging building switchgear on campus; and

WHEREAS, there is a need to improve the quality of the university's electric power; and

WHEREAS, the Detroit Edison Company has expressed interest in constructing a General Purpose Substation on university property; now, therefore, be it

RESOLVED, that the Vice President for Finance and Administration be authorized to finalize negotiations with the Detroit Edison Company in the interest of granting easements, and entering into an agreement to allow the construction of a General Purpose Substation; and

RESOLVED, that the Vice President for Finance and Administration be authorized to enter into design and construction agreements to upgrade the main campus on-site high-voltage electrical power distribution system, and provide the necessary infrastructure to interface with the Detroit Edison substation; and, be it further

RESOLVED, that the easements, the contractual agreements with Detroit Edison, and the design and construction agreements to upgrade the university power distribution system shall be reviewed and approved by the Office of the General Counsel prior to execution, and shall be in compliance with the law and university policies and regulations and shall conform to legal standards and policies of the Board of Trustees; and, be it further

RESOLVED, that the total university cost of the project shall not exceed \$4.8 million.

Trustee David J. Doyle seconded the motion. The motion was approved with seven affirmative votes and one negative vote from Trustee Henry Baskin.

Trustee Cooper left the meeting at this time, however, a quorum of the Board was still present.

C. Approval of Schematic Plans and Selection of Construction Manager for the Education and Human Services Building

Trustee Penny Crissman stated that on December 16, 1999, the Board of Trustees approved the submission of the university's Capital Outlay Budget Request to the State of Michigan. She noted that included in the request was the Education and Human Services (EHS) Building as the university's number one priority. She noted that in January 2000, the State approved a capital outlay program which included this project, estimated at \$31.5 million to be funded with a 75-25% cost sharing of State and university funds, respectively.

Trustee Crissman stated that on April 6, 2000, the Board of Trustees approved the appointment of the architectural firm of Duce Simmons Associates for design of the EHS building. Consistent with the recommendations of the Master

Planning Task Force, the site for this new building will be located southeast of Varner Hall, with occupancy anticipated for fall 2002. Trustee Crissman noted that the proposed design is a 132,000 gross square foot, four level structure that will take maximum advantage of the natural topography, vegetation and vistas offered by the chosen site.

Trustee Crissman stated that in June 2000, the Board authorized the Vice President for Finance and Administration to negotiate and execute a contract for pre-construction services for the EHS building. The construction manager will act as general contractor and provide the university with a Guaranteed Maximum Price (GMP) when the design development documents are completed. Trustee Crissman noted that the construction manager and general contractor is responsible for obtaining competitive pricing for all subcontracts.

Trustee Crissman asked the architects to make a brief presentation. They demonstrated the updated EHS model and drawings, and stressed that the facade of the building will be consistent with other campus buildings.

Trustee Crissman moved approval of the following resolution:

RESOLVED, that the Vice President for Finance and Administration be authorized to proceed with the completion of design for the Education and Human Services building, consistent with the project scope, budget, and schematic design as approved by the Board on this date and on file with the Secretary to the Board of Trustees; and, be it further

RESOLVED, that the JM Olson Corporation be selected as the Construction Manager for the project; and, be it further

RESOLVED, that the Vice President for Finance and Administration shall report to the Board periodically on the project progress; and, be it further

RESOLVED, that the contract with JM Olson Corporation shall be reviewed by and approved by the Office of 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 Board of Trustees; and, be it further

RESOLVED, that the total cost for the project including design, construction, furnishings, equipment and project management shall not exceed \$31,500,000 to be funded by \$7,875,000 in university funds and \$23,625,000 in State funds.

Trustee Doyle seconded the motion.

Trustee Schlaybaugh questioned whether the university will have any contractual responsibility above the proposed \$31.5 million, and Ms. Schaefer stated that the subcontractors will be hired by the construction management firm and that the university will have no obligation beyond the GMP.

Chair Nicholson asked Mr. Zambardi to conduct a roll call vote on this item, since Trustee Baskin had stated his intention to abstain. Mr. Zambardi conducted the following roll call vote:

Trustee Baskin	Abstain
Trustee Crissman	Yes
Trustee Doyle	Yes
Trustee Fischer	Yes
Trustee Grech-Cumbo	Yes
Trustee Nicholson	Yes
Trustee Schlaybaugh	Yes

The motion was approved with six affirmative votes and one abstention by Trustee Baskin due to a previously stated conflict of interest.

D. Approval of FY 2001-02 Operating Budget Request for Submission to the Department of Management and Budget of the State of Michigan

Trustee Crissman stated that the university is requesting submission to the Department of Management and Budget for the fiscal year equated students (FYES). This request is for state appropriation funding at the rate of \$4,000 per FYES amounting to \$1,056,000 over and above the non-programmatic request of \$4,200,000. Trustee Crissman added that the submission also includes a \$550,000 request for a Work Learn Center; a \$2,500,000 for technology enhancements; a \$500,000 request for diversity student scholarships; and a \$200,000 request for enhancement of services to students with disabilities.

Trustee Crissman moved approval of the following resolution:

RESOLVED, that the Board of Trustees supports the submission, by the Vice President for Finance and Administration, of the attached Oakland University 2001-02 Operating Budget Request to the Department of Management and Budget, State of Michigan, as representative of the university's budget needs and program priorities for the university's 2001-02 fiscal year.

(A copy of the Budget Request is on file in the Board of Trustees office.)

Trustee Fischer seconded the motion. The motion was unanimously approved by those present.

E. Approval of Capital Outlay Budget Request Fiscal Year 2002 5-Year Plan

Trustee Louis Grech-Curnbo stated that the State of Michigan has asked that the Capital Outlay Budget Request Fiscal Year 2002 5-Year Plan include a more long-term planning approach that identifies one top capital outlay project. He noted that Oakland University's top two capital outlay priorities include renovation and addition to Varner Hall for the Performing Arts Academy Program and construction of a new Automotive Technology Building (ATB). The third priority is an addition to South Foundation Hall for the Humanities.

Trustee Grech-Cumbo moved approval of the following resolution:

RESOLVED, that the Board of Trustees approve the Capital Outlay Budget Request for Fiscal Year 2002, 5-year plan, as presented with this recommendation, to the State of Michigan, Department of Management and Budget; and, be it further

RESOLVED, that the Board of Trustees approve the \$50,000,000 renovation and addition to Varner Hall in support of the performing arts as the university's top priority project.

(A copy of the Capital Outlay Budget Request is on file in the Board of Trustees office.)

Trustee Doyle seconded the motion.

Trustee Grech-Cumbo stated that, upon further consideration and discussion, the university is proposing to change the order of the two top priorities of the State Capital

Outlay Request, since it has been determined that focus of the automobile industry through an interdisciplinary teaching, research and service program will set Oakland University apart from other universities. He stated that he wished to amend the motion.

Trustee Crissman asked how long the Varner Hall renovation has been on the Capital Outlay Projects list, and President Russi replied that it has been on the list for at least three years.

Trustee Baskin suggested that the focus of the ATB should not be restricted to technological areas, but that it should include other disciplines such as human resources and health sciences in its curriculum. Trustee Grech-Cumbo noted that the purpose of the ATB is to offer interdisciplinary teaching and research service that will include human resources, safety, ergonomics, management and marketing principles. In taking this direction, the university will have a competitive advantage in offering something different for the citizens of the State of Michigan that is not offered anywhere else in that type of setting.

President Russi directed Trustee Baskin's attention to a narrative description in the proposal that reads: "The proposed new building is designed to provide appropriate instructional and research facilities for the programs that support the automotive industry which is so critical to the economy of southeastern Michigan and the State as a whole." Trustee Baskin recommended incorporating this language in the resolution. Trustee Schlaybaugh stated that the resolution could include the language "as provided in the submission."

Chair Nicholson asked Mr. Zambardi to read the amendment. Mr. Zambardi presented the following amendment to the Board for approval, as moved by Trustee Grech-Cumbo:

RESOLVED, that the Board of Trustees approve the \$45,000,00 Automotive Technology Building, as provided for and described in the Capital Outlay Budget Request, as the university's top priority project.

Trustee Doyle seconded the motion. The motion to amend the resolution was unanimously approved by those present. The underlying motion, as amended, was unanimously approved by those present.

F. Approval of Pooled Cash Investment Policy

Trustee Baskin stated that on June 8, 2000, the Board of Trustees approved a transfer of the university's banking and treasury management functions to

Comerica Bank. As part of this change, Oakland University's financial administration has been working with Comerica Bank's investment branch, Munder Capital Management, to move the university's treasury management services from Bank One and the One Group to Munder Capital Management. Trustee Baskin noted that this proposal is designed to govern this new relationship by providing rules under which Oakland University's pooled cash will be invested by Munder Capital Management into the three asset groups short term investments, immediate fixed income and equity investments. Trustee Baskin commented that he is confident with the choice of Munder Capital as the university's management resource based on the university's control of these assets.

Trustee Baskin moved approval of the following resolution:

WHEREAS, the university anticipates moving its pooled cash investment management to Munder Capital management; and

WHEREAS, the current pooled cash investment policy needed to be updated before the transition to Munder Capital Management could take place; now, therefore, be it

RESOLVED, that the university shall adopt and implement the attached Pooled Cash Investment Policy effective after January 1, 2001.

(A copy of the Pooled Cash Investment Policy is on file in the Board of Trustees office.)

Trustee Fischer seconded the motion. The motion was unanimously approved by those present.

G. Approval of Selection of Bond Underwriter and Debt Advisor

Trustee Schlaybaugh stated that long-term financing is needed for the following major capital projects: the Education and Human Services (EHS) Building; the upgrade of electrical power service on campus; additional parking; and additional student housing. The administration conducted a Request for Proposals (RFP) selection earlier this year, and four underwriters were interviewed. Trustee Schlaybaugh stated that the appointment of Lehman Brothers is being recommended as the university's debt advisor and bond underwriter in connection with these capital projects. He noted that Lehman Brothers' fees are very competitive compared to those experienced at other universities.

Trustee Schlaybaugh moved approval of the following resolution:

WHEREAS, the university anticipates a series of capital projects needed to address its current and future growth; and

WHEREAS, these anticipated capital projects shall be financed using the advice of experienced debt issuers; and

WHEREAS, an experienced bond underwriter shall be required to issue bonded indebtedness to finance these capital projects; now, therefore, be it

RESOLVED, that the university shall appoint Lehman Brothers Inc. to act as its debt advisor and bond underwriter for the upcoming series of capital projects and their related financings; and, be it further

RESOLVED, that all bond issues developed in concert with Lehman Brothers shall be brought to the Board of Trustees in the form of Bond Resolutions for the Board's prior approval.

Trustee Fischer seconded the motion.

Trustee Schlaybaugh proposed and moved approval of an amendment to the resolution to include the language "that the underwriting agreement be reviewed by and approved by the Office of General Counsel prior to execution, and shall be in compliance with law, the university policies and regulations, and shall conform to the legal standards and policies of the Board of Trustees."

For clarification purposes, Ms. Schaefer stated that, based on this Board action, the university will not enter into a contract with Lehman Brothers until a specific financing decision is determined. Trustees Schlaybaugh and Baskin concurred that an agreement is necessary prior to Lehman Brothers actions on behalf of the university.

Chair Nicholson asked Mr. Zambardi to read the amendment. Mr. Zambardi presented the following amendment to the Board for approval, as moved by Trustee Schlaybaugh:

RESOLVED, that the underwriter agreement shall be reviewed and approved by the Office of the General Counsel prior to execution and shall be in compliance with the law and university policies and regulations and shall conform to legal standards and policies of the Board of Trustees.

Trustee Grech-Cumbo seconded the motion. The motion to amend the resolution was unanimously approved by those present. The underlying motion, as amended, was then unanimously approved by those present.

During a discussion about the debt strategy timetable, Ms. Schaefer stated that she plans to present the debt strategy issue to the Investment Advisory Committee and the full Board in January. Chair Nicholson noted that the Investment Advisory Committee consists of Trustee Schlaybaugh as Chair, Trustee Fischer, Trustee Grech-Cumbo and herself.

H. Acceptance of Audited Financial Statements for the Fiscal Year Ended June 30, 2000

Trustee Schlaybaugh stated that the university's independent auditing firm, Andrews Hooper and Pavlik was appointed by the Board of Trustees on February 5, 1998. He noted that the firm completed the audit of the university for the fiscal year ended June 30, 2000, as an unqualified audit opinion with no material weaknesses relative to university operations.

Trustee Schlaybaugh moved approval of the following resolution:

RESOLVED, that the Board of Trustees accept the following financial statements which were audited by the public accounting firm of Andrews Hooper and Pavlik, P.L.C.

1. Oakland University Report on Audit of Consolidated Financial Statements for the year ended June 30, 2000.
2. Oakland University Report on Audited Financial Statements, other Financial Information and Required Supplementary Information for the year ended June 30, 2000.

(Copies of the audit report and financial statements are on file in the Board of Trustees office.)

Trustee Grech-Cumbo seconded the motion.

Ms. Schaefer called on Ms. Susan Crane, of Andrews Hooper & Pavlik, to make a statement. Ms. Crane thanked Ms. Schaefer and the financial staff for their cooperation in providing the auditors with complete access to all necessary records. She reiterated that the audit opinion was unqualified with no material weaknesses.

The motion was unanimously approved by those present.

VI. Discussion of January 31, 2001, Board of Trustees Meeting Agenda

The Board reviewed the January 31, 2001, proposed agenda. Trustee Crissman stressed the importance of moving forward with the bond counsel proposal to finance new projects such as the student apartments.

VII. Other Items that May Come Before the Board

Dr. Joel W. Russell, President of the American Association of University Professors (AAUP), addressed the Board with a statement contrasting the conduct of the recent faculty negotiations with the current Clerical-Technical (CT) negotiations. A copy of the statement is on file in the Board of Trustees office.

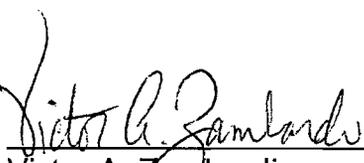
Chair Nicholson thanked Dr. Russell for his statement.

VIII. Adjournment

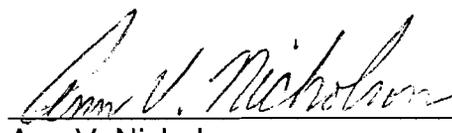
Trustee Baskin, seconded by Trustee Fischer, moved adjournment of the meeting. The meeting was adjourned at 3:50 p.m.

Submitted,

Approved,



Victor A. Zambardi
Secretary to the Board of Trustees



Ann V. Nicholson
Chair, Board of Trustees