

**Minutes of the Meeting
of the
Oakland University Board of Trustees
December 3, 1998**

Present: Chairman David J. Doyle; Trustees Henry Baskin, David T. Fischer, Louis Grech-Cumbo, Ann V. Nicholson, and James A. Sharp, Jr.

Absent: Trustees Rex E. Schlaybaugh, Jr. and Dennis K. Pawley

Also Present: President Gary D. Russi; Mr. David S. Disend, Dr. David J. Downing, Ms. LaShanda Evans, Ms. Susan Gerrits, Ms. Linda Hickmott, Ms. Rhonda G. Saunders, Ms. Lynne C. Schaefer, and Dr. Mary Beth Snyder

I. Call to Order

Chairman David J. Doyle called the meeting to order at 2:11 p.m. in the Gold Rooms of the Oakland Center.

II. President's Report

President Gary D. Russi reported the following information:

- Ms. Dorothy Duffy and Ms. Judy Amir were recognized as the November and December Employees of the Month respectively.
- The Vice President for Academic Affairs and Provost Search Committee has narrowed the candidate pool to ten. Airport interviews will be conducted on December 5 and 6, with on-campus interviews to follow in January.
- The Library Dean Search Committee membership has been finalized, with Mr. Frank Lepkowski, Associate Professor of the Library, serving as Chair.
- The annual Holiday Reception is set for December 18, 3 p.m., in the Fireside Lounge of the Oakland Center.
- The School of Health Sciences is holding an Open House to celebrate the opening of the school's new facility on February 5 at 4 p.m.

- Later in the meeting, Dr. David Downing, Interim Vice President for Academic Affairs and Provost, Ms. Lynne C. Schaefer, Vice President for Finance and Administration, and Mr. David S. Disend, Vice President for University Relations,

will report on extensive campus consultation sessions held on the design and development of the R&S Sharf Golf Course.

III. Reports

A. Report on Status of Enrollment

Dr. Downing reported on the FTIAC and transfer status as of November 19, 1998, for fall 1999 enrollments. The FTIAC numbers have increased 47.4%, while the transfer students numbers are slightly decreasing due to lower community college enrollments. Dr. Downing stated that the total numbers are very encouraging due to recruitment initiatives such as responses to direct mail from the Communications and Marketing and Enrollment Management departments.

Trustee Henry Baskin requested additional information on other measures utilized by the university to project enrollment, and Dr. Downing stated that he can provide an additional report to the Board with that information.

The Board thanked Dr. Downing for his report.

B. Public School Academy (PSA) Annual Report

Dr. Downing stated that on October 5, 1995, the Board approved the Oakland University Policy on Public School Academies (PSA) and criteria for the evaluation of applications. The Board also requested annual PSA status reports. Dr. Downing called on Ms. Angelete M. Melhado, Director of Urban Partnerships and Public School Academies, to highlight the 1998 report.

Ms. Melhado briefly reviewed the following Exhibits to the PSA Annual Report:

- Exhibit A lists the Public School Academy Advisory Review Committee (PSAARC) purpose and members. It also reports the names of three PSA support office staff.

- Exhibit B-1.1 is a narrative summary of the oversight activities stating the following information:
 - At least five annual PSAARC meetings are scheduled.
 - Ad Hoc meetings are called for special issues.
 - Two PSAARC subcommittee teams have been created. (1) The PSA Compliance Team meets prior to the PSAARC meetings to review compliance issues for every charter school, determine compliance with state and Oakland University reports, and conduct site visits. Ms. Catherine R. Lark, Director of Risk Management and Contracting, is also conducting site visits to determine safety and hazard issues. (2) The PSA Assessment Team will conduct bi-monthly reviews on assessment and evaluation issues.
- Exhibit B-1.2 is a summary of the PSA Oversight Activities and subcommittee memberships.
- Exhibit B-2.1 is a meeting schedule of the PSAARC activity including the typical agenda for those meetings. With the current PSA moratorium for accepting applications, PSAARC will assess and evaluate the eight current PSAs.
- Exhibit B-3 is a timeline chart for the PSA meetings and activities including how they correspond to the University Senate and Oakland University Board of Trustees meetings and planned site visits. A May 1999 executive site visit timeline will be coordinated with the President's Office over a two-day period. Board members are welcome to join in those visits.
- Exhibit C summarizes the status of each PSA, including new information on grade level, yearly student enrollment, instructional staff, and yearly site visits.
- Exhibit D outlines the PSA budget status. The 1998-99 budget is now in the black with a fund balance of \$72,075. Of the 2,800 students in the eight charter schools, the Edison project is responsible for at least 1,100 of those students. The exhibit also lists 1998-99 implications for OU with benefits and concerns, such as an evaluation of PSA effectiveness.

- Exhibit E reports the following PSA assessment and evaluation plans:

Purpose:

- Assess and evaluate existing PSAs for OU contract renewals.
- Review and assess OU activities required to support/enhance existing PSAs.
- Analyze concerns and provide data for PSAARC recommendations on OU authorization of additional PSAs.

Goals/Objectives:

- Ensure and monitor PSA compliance with state requirements.
- Monitor PSA compliance with OU requirements and policy.
- Assess PSA effectiveness and success in accordance with OU policy for authorizing PSAs.

Process Development & Implementation:

- Phase I: January-March 1999. This phase includes reviewing OU/PSA records & compliance files; hiring resources to conduct research and develop assessment tools; and conducting focus group discussions.
- Phase II: April-June 1999. This phase includes continuing and analyzing focus group discussions and reviewing data collected.
- Phase III: July-September 1999. This phase includes compiling results and final reports; finalizing 1999-2000 school year assessment/evaluation process; and providing feedback to PSA sites.

- Exhibit F-1 reports 10 criteria for contract renewals. Failure to comply with five or more of the conditions may result in non-renewal and/or revocation of the OU/PSA contract. The PSAARC may recommend the following contract renewals:

- Five-Year Contract Renewals if certain conditions are met.
- Three-Year Contract Renewals if all the conditions are only partially met.
- One-Year Contract Renewals if a minimum of three of the conditions are not met.

- Exhibit F-2 is a restatement of the OU policy for authorizing PSAs.

- Exhibit F-3 is a revised application process to include revisions made from oversight activities and increase in office staff and an extended timeline date.

Ms. Linda Hickmott, Student Liaison, asked about the selection process for PSAARC members and whether the student member has a vote. Ms. Melhado replied that there is no formal selection process for the student representative; however, it will be discussed at the next PSAARC meeting. She added that the student does have a vote as a PSAARC member.

Trustee Sharp commended Ms. Melhado for her comprehensive report and asked what the timeline is when a PSA contract is not renewed. Ms. Melhado stated that such contracts would terminate at the end of that PSA's academic year.

Trustee Nicholson asked if other chartering universities are going through a similar assessment process. Ms. Melhado stated that most of them are, but their process is not as thorough as Oakland's. She added that Oakland is the only university that remains in moratorium on chartering new schools.

Chairman Doyle thanked Ms. Melhado for her report and complemented the PSAARC for the development of the assessment process.

C. Report on the Delegation of Authority to Set Fees

Dr. Downing reported that last December the Board of Trustees approved a resolution delegating authority to the President to modify existing fees and/or establish new fees for self-supporting credit courses customized to meet the needs of and offered for off-campus collaborations with businesses, governmental, or non-profit entities. The Board authorization was for a period of one year with a report on the impact and scope of such waivers after that time. A written analysis is attached to the agenda item which includes details regarding enrollment, the amount of fees waived, total tuition, FYES generated, and whether the course was self-supporting. Dr. Downing noted that, in aggregate, the general service fee was waived for 19 courses, which impacted 205 students. There was only one instance where a course was canceled due to a lack of enrollment, and another instance where a course was not self-sufficient. The total amount of tuition that was generated was \$158,787, and the fees waived totaled \$15,384. Dr. Downing stated that since the Board authorization expires as of this date, the agenda includes an action item to extend that authority for a two-month period pending Board discussion. The item will be addressed at the February Board meeting for reauthorization.

Trustee Ann V. Nicholson requested additional information on the expenditures of the courses, and Dr. Downing stated that he will supply that information to the Board prior to the February Board meeting.

Trustee Louis Grech-Cumbo questioned the value of the courses to the university, and Dr. Downing replied that this initiative supplies on-site educational programs or courses that meet particular needs of a specific school district, business, or industry. He added that the ability to waive the fees in those instances places Oakland University on a more even par with other institutions and allows Oakland to reach out to the community and provide programs that advance the educational mission of the institution.

The Board thanked Dr. Downing for his report.

IV. Roll Call

Ms. Susan Gerrits, General Counsel and Secretary to the Board of Trustees, conducted a roll call vote. All Board members were present except Trustees Dennis K. Pawley and Rex E. Schlaybaugh, Jr.

V. Action Items

A. Consent Agenda

Chairman Doyle presented the following recommendations:

- 1. Approval of the Minutes of the Meeting of October 1, 1998**
- 2. Approval of the Minutes of the Closed Meeting of October 1, 1998**
- 3. Approval of the Minutes of the Board Retreat of November 19, 1998**
- 4. University Personnel Actions**

Dr. Downing submitted the following university personnel actions for Board approval:

New Appointments

None

Administrative Appointments

None

Change of Status

Farragher, Edward J., from Professor of Finance, to Professor of Finance and Chairperson, Department of Accounting and Finance, effective November 1, 1998, through August 31, 2001

Kidger, David M., from Instructor in Music, to Assistant Professor of Music, effective December 1, 1998 (\$38,500)

Klemanski, John S., from Professor of Political Science, to Professor of Political Science and Acting Chairperson, Department of Political Science, from August 15, 1998, through August 14, 1999 (This action supersedes the Board action of October 1, 1998, which appointed Mr. Klemanski as Acting Chairperson for the period September 2, 1998, through December 19, 1998)

Marin, Pamela, from Director, Continuing Education, to Director, Continuing Education and Assistant Dean, School of Nursing, effective July 1, 1998 (no salary increase)

Mitchell, Michael A., from Instructor in Music, to Assistant Professor of Music, effective November 1, 1998 (\$39,188)



Pickard, Dawn M., from Associate Professor of Education, to Associate Professor of Education and Associate Dean, School of Education and Human Services, effective September 1, 1998 (\$72,300)

Emeritus Appointment

None

5. Meadow Brook Subdivision Financing Guarantee

6. Recommendation to Accept Gifts and Grants to Oakland University and the Oakland University Foundation for the Periods of August 1 through August 31, 1998, September 1 through September 30, 1998, and October 1 through October 31, 1998

Trustee David T. Fischer, seconded by Trustee Sharp, moved approval of the consent agenda. The motion was unanimously approved by those present.

B. Revision to Charges and Name of Investment Advisory Committee

Chairman Doyle reported that at the last meeting of the Board, there was discussion to expand the role of the Investment Advisory Committee to include review of certain fiscal matters affecting the university. Ms. Susan Gerrits, General Counsel and Secretary to the Board of Trustees, was asked to draft a resolution incorporating those requests. Chairman Doyle presented the following recommendation:

RESOLVED, that the role of the Investment Advisory Committee shall be expanded to include responsibility for review of the following two fiscal matters: university audits, and university budgets and financial reports; and, be it further

RESOLVED, that the name of the Investment Advisory Committee shall be changed to *Investment and Finance Advisory Committee*.

Trustee Nicholson, seconded by Trustee Baskin, moved approval of the recommendation. The motion was unanimously approved by those present.

C. Approval of Request for Two-Month Extension on Delegation of Authority to Set Fees

Dr. Downing noted that based on the success of this initiative thus far, and in keeping with the Board's request that certain items be presented for discussion prior to the meeting in which specific actions are recommended, the university is requesting a two-month extension of the original delegation of authority to set fees to allow this program to continue. The administration will return at the February Board meeting with a request renewing the delegation of authority and responding to questions.

Dr. Downing presented the following recommendation:

RESOLVED, that with respect to fees to be assessed for credit instruction in the circumstances described in the Board agenda of December 4, 1997, the Board's delegation of authority to the President be extended for a two-month period ending February 4, 1999; and, be it further

RESOLVED, that the administration will return at the February Board meeting with a new resolution seeking to extend this delegation of authority.

Trustee Sharp, seconded by Trustee Fischer, moved approval of the recommendation. The motion was unanimously approved by those present.

D. Ratification of New Constitution for the School of Business Administration

Dr. Downing stated that the university is seeking ratification of the new Constitution for the School of Business Administration (SBA). He noted that the constitution was developed by the SBA faculty and approved by the SBA Assembly, the entire SBA faculty, and the University Senate. The primary changes include an update of the administrative title of the Vice President for Academic Affairs and Provost, clarification of the voting rights of the members of the school's assembly, and name changes and updates of the charges to the SBA standing committees. The latter change brings the unit's governance structure more in line with recommendations of the International Association for Management Education, the SBA accrediting body. The new constitution has also been reviewed by the General Counsel.

Dr. Downing submitted the following resolution to the Board for approval:

WHEREAS, the Constitution of the University Senate as authorized by the Board of Trustees provides for certain functions to be assigned to the organized faculties of the Schools and College of Arts and Sciences; and

WHEREAS, the Board of Trustees has acted to approve internal constitutions in order to obtain the input and recommendations of faculty, staff, and students on matters relating to the programs of the university, but has retained unto itself the full authority granted to it by law; now, therefore, be it

RESOLVED, that notwithstanding any provision of the proposed constitution the Board of Trustees reconfirms its legal authority to grant, modify and rescind internal constitutions when the Board 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 authorizes the implementation of the new constitution entitled Constitution of the School of Business Administration, bearing a date of December 3, 1998, which document is enclosed with this agenda item.

(The new SBA Constitution is filed in the Office of the Board of Trustees.)

Trustee Sharp, seconded by Trustee Nicholson, moved approval of the recommendation. The motion was unanimously approved by those present.

E. Approval of Public School Academy Board Member for High Scope Academy

Dr. Downing stated that consistent with the enabling legislation of both the state and the Board of Trustees policy authorizing Oakland University to charter public school academies (PSA), one of the Board's responsibilities is to approve the board of directors members and any changes to the compositions of those memberships. High Scope Academy is seeking approval to replace one of its board members. Dr. Downing noted that all due diligence and background checks have been performed by the university on the nominee.

Dr. Downing submitted the following resolution to the Board for approval:

WHEREAS, the Board of Trustees resolved to charter High Scope Academy on April 2, 1998; and

WHEREAS, the Board of Trustees entered into an Agreement to Organize and Administer a Public School Academy with High Scope Academy on July 17, 1998; and

WHEREAS, the Agreement to Organize incorporates High Scope Academy's Articles of Incorporation which provide for an appropriate method of approval, by the Oakland University Board of Trustees, of persons nominated to its board of directors; and

WHEREAS, High Scope Academy has nominated Hani Alaouie to replace Barbara Winkfield for the unexpired term of a three (3) year term on its board of directors; and

WHEREAS, Hani Alaouie's qualifications have been reviewed by and are acceptable to the university;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Hani Alaouie meets the requirements of the Board and applicable law.
2. The Board hereby approves Hani Alaouie as a member of High Scope Academy's Board of Directors for the unexpired term of a three (3) year term.
3. All resolutions and parts of resolutions in conflict with this resolution shall be and hereby are rescinded to the extent of such conflict.

Trustee Baskin, seconded by Trustee Nicholson, moved approval of the recommendation. Trustee Sharp asked how extensive the background checks are, and Ms. Melhado replied that the individuals have to complete a five-page questionnaire to ensure that there are no conflicts of interest. A thorough report is sent to Pinkerton for criminal background checks. Ms. Melhado also interviews each prospective board member so they have an understanding of their responsibilities.

The motion was unanimously approved by those present.

F. Acceptance of Audited Financial Statements for the Fiscal Year Ended June 30, 1998

Ms. Lynne Schaefer, Vice President for Finance and Administration, stated that the final bound version of the financial statements has been distributed to the trustees at their tables. She noted that there is no difference between the final statements and the previous version provided to the trustees. Ms. Schaefer stated that the public accounting firm of Andrews Hooper and Pavlik was appointed to conduct the audit of the university's financial accounting records and financial statements for the fiscal year ended June 30, 1998. She reported that the firm has been very good to work with this year, bringing a high-level of professionalism and insights into the university's accounting policies. Ms. Schaefer called on Mr. Jeffrey J. Fineis, Principal of Andrews Hooper and Pavlik, to make an audit presentation.

Mr. Fineis thanked the Accounting and Internal Audit staff for their cooperation in conducting the audit. He noted that the book titled "Board of Trustees Meeting," previously mailed to the Board with the preliminary audited financial statements, covers the more significant issues of importance to Board members. Those issues include topics such as accounting policy changes or disagreements with management. Mr. Fineis reported excellent cooperation from Oakland with no disagreements during the audit process. He informed the Board of a required accounting policy change, Government Accounting Standard Board No. 31 (GASB), that resulted in the financial statements being restated for the last two years to reflect adjustments in investment securities based on fair market value. The adjustments resulted in a \$6 million increase for the university. Mr. Fineis stated that under the previous government accounting standards, certain investments were reported at cost or amortized cost rather than fair market value. He noted that the effect in the future could go the other way as market value fluctuates. Mr. Fineis also reported an unqualified auditor's opinion on the financial statements and no material weaknesses in the audit, which is a very positive report. He added that the audit met all deadlines, despite the time-consuming Banner system implementation process.

After a general Board discussion, Ms. Schaefer presented a report reviewing the consolidated financial statements and highlighting the major changes.

Ms. Schaefer submitted the following recommendation for adoption by the Board:

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 Audits of Consolidated Financial Statements for the years ended June 30, 1998, and 1997.
2. Oakland University Report on Audit of Financial Statements and Supplementary Information for the year ended June 30, 1998.

Trustee Fischer, seconded by Trustee Sharp, moved adoption of the recommendation. The motion was unanimously approved by those present.

G. Approval of 1999-2000 Operating Budget Request for Submission to the Executive Office of the State of Michigan

Ms. Schaefer stated that each fall the university is given the opportunity by the state to submit its request for annual operating needs for the following year. The requests are divided into economic and programmatic factors. The university's proposed total expenditure level for FY 1999-2000 is \$105,722,000, which would require an increase in the state appropriation of 24% or \$10,415,000 over the base 1998-99 appropriation. The request includes programmatic needs consisting of four program revisions totaling \$7,425,000. Non-programmatic requests total \$2,990,000, which includes an employee compensation increase and a 3% provision for inflation in non-compensation costs. The state has noted that the university may choose any format for submission of the request and that the request is not required. In order to meet the state's timeline, the university has submitted the request noting that it would not receive Board of Trustees consideration until the December 3, 1998, meeting.

President Russi commented that the written requests assist the university in its budgetary process and lobbying efforts.

Ms. Schaefer submitted the following resolution to the Board for approval:

RESOLVED, that the Board of Trustees supports the submission, by the Vice President for Finance and Administration, of the attached materials 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 1999-2000 fiscal year.

(The 1999-2000 Operating Budget Request materials are filed in the Office of the Board of Trustees.)

Trustee Grech-Cumbo, seconded by Trustee Nicholson, moved approval of the recommendation. The motion was unanimously approved by those present.

H. Capital Outlay Budget Requests for Fiscal Year 2000

Ms. Schaefer stated that the university submits its capital outlay budget request annually to the Michigan Department of Management and Budget. The three priority projects developed for the Oakland University Capital Outlay submission for fiscal year 2000 are listed below:

1.	School of Education	\$26,000,000
2.	Renovate Varner Hall	\$13,554,000
3.	Renovate Dodge Hall	\$ 8,724,000
	Total	<u>\$48,278,000</u>

Ms. Schaefer noted that these three projects were also submitted for fiscal year 1999. The project budgets have been updated from the fiscal year 1999 submission to reflect inflation and minor program modifications.

Ms. Schaefer submitted the following resolution to the Board for approval:

RESOLVED, that the Board of Trustees approve the submission of the Capital Outlay Budget Request for fiscal year 2000, as presented with this recommendation, to the State of Michigan, Department of Management and Budget.

Trustee Sharp, seconded by Trustee Nicholson, moved approval of the recommendation. At Trustee Fischer's request, Ms. Susan M. Aldrich, Assistant Vice President for Capital Planning and Design, explained that the School of Education has been identified as a high priority project because of the school's growth and primary need for general classrooms. The remaining two items were initially identified in response to the state's interest in supporting renovation programs.

The motion was unanimously approved by those present.

I. Approval of Oakland University Katke-Cousins Golf Course and R&S Sharf Golf Course 1999 and 2000 Budgets

Ms. Schaefer stated that during this time of year the golf course budget is brought to the Board for approval in order to publish fees for the upcoming year. Since the university expects to begin work on the R&S Sharf Golf Course, a self-supporting two-year budget and fee schedule is proposed through the construction phase. Ms. Schaefer called on Mr. William M. Rogers, Golf Course Managing Director, to highlight the budget.

Mr. Rogers reported that in 1999 and 2000 the department is expecting revenue over expenditures of \$21,920 and \$66,445, respectively. A \$5 guest fee increase is proposed. A pre-paid golf fee increase is also proposed, which drops the decrease for pre-pay customers from 25% to 17%. Pre-paid golfers will continue to be held to a maximum of 60 rounds of golf. Mr. Rogers explained the greens fee structure for the new R&S Sharf Golf Course, which is expected to open in the fall of 2000 with a projected 4,000 rounds of golf for that season. The department is also requesting a \$100 increase in access fees in 1999, and an additional increase of \$125 in 2000, raising the access fee from \$275 to \$500 in 2000 for President's Club members. The 1999 and 2000 budgets generally assume a 35% increase in expenses. Capital equipment purchases are also budgeted for the Katke-Cousins Golf Course. Mr. Rogers also highlighted allocations for employee salaries for both courses in 1999 and 2000. He added that the golf course major repair and reserve account will reach \$669,810 by December 31, 2000, to be used for departmental operations.

Ms. Linda Hickmott, Student Liaison, referred to the year 2000 R&S Sharf Golf Course Schedule of Fees, asking why information on the golf course greens fees of peer universities with two golf courses was not included with schedule. She stated that it is important to compare OU's \$40 student fee to those institutions. Mr. Rogers replied that such backup research is not generally included with the budget proposal. Ms. Schaefer stated that, in arriving at this recommendation, the university tried to strike a balance between the rates of other universities and those of Oakland University. She noted that the Katke-Cousins Golf Course is one of the top courses in the state and country, and that students will continue to have access to it and the R&S Sharf Golf Course. Ms. Schaefer stated that at Michigan State University, where they have a differential rate between the two courses, there is one course that is perceived to be less attractive to play than the other. The University of Michigan golf courses are organized where the premium course is completely off-limits to students, but they are allowed to play the other course.

Trustee Sharp pointed out that President's Club members currently pay a \$275 access fee to golf, which will increase to \$400 in 1999 and \$500 in 2000. In addition, President's Club members pay a \$1,500 membership fee where faculty, staff, and students do not have to pay any additional fees other than the \$40 greens fee.

Trustee Sharp, seconded by Trustee Fischer, moved approval of the recommendation. The motion was unanimously approved by those present.

J. Authorization to Renew Contract for Custodial Services

Ms. Schaefer stated that on June 4, 1998, the Board authorized a one-year contract with the ARAMARK Corporation for custodial cleaning services in the new Student Recreation and Athletic Center (SRAC), contingent on the administration returning to the Board by December 1998, with a report on the university's experience with the contract. The Board action also provided that no contract extension be granted without Board approval.

Ms. Schaefer reported that the methods used to assess ARAMARK's campus-wide performance included a critical review and evaluation from academic and administrative departments, direct observations of building cleanliness by custodial supervisors from Campus Facilities and Operations, and a self-evaluation of services rendered by ARAMARK. The survey results were favorable and performance expectations are being met. Ms. Schaefer added that overall, ARAMARK is committed to quality custodial services and delivers a solid team effort.

Ms. Schaefer submitted the following resolution to the Board for approval:

RESOLVED, that the university shall renew the contract for cleaning services between Oakland University and ARAMARK, for a one-year period in the amount of \$451,020, as adjusted by the CPI, with the option to renew, at the discretion of the university, for two additional years, provided each annual renewal does not increase the contract price by more than the regional Consumer Price Index; and, be it further

RESOLVED, that the Vice President for Finance and Administration be authorized to execute the renewal of the contract for cleaning services on behalf of the university.

Trustee Nicholson, seconded by Trustee Sharp, moved approval of the recommendation. The motion was unanimously approved by those present.

K. Approval of Amendment to Previous Board Action for Campus Fire Alarm Reporting System

Ms. Schaefer stated that the Campus Fire Alarm Reporting System is a multi-year phased in program, approved by the Board in 1995, to update and replace

fire alarm reporting and detection systems in 21 campus buildings. She noted that four phases have been completed. The fifth phase has been competitively bid at a higher price than originally estimated due to market conditions.

Therefore, an increase in the Board authorization is requested raising it from \$1,990,000 up to \$2.1 million to finish the project.

Ms. Schaefer submitted the following resolution to the Board for approval:

RESOLVED, that the total project cost for the Campus Fire Alarm Reporting System project shall not exceed \$2,100,000.

Trustee Nicholson, seconded by Trustee Sharp, moved approval of the recommendation. The motion was unanimously approved by those present.

L. Approval of Land Use and Development Guidelines

Ms. Schaefer stated that at the October 1, 1998 Board of Trustees meeting and the November 19, 1998, Strategic Planning Retreat, the Board considered the need for updated guidance on land use and development issues confronting the university. The 1989 Campus Development Guidelines were determined to be somewhat dated and the need for a campus master planning process was discussed. In the interim period while the plan is being developed and as various land use and development matters are brought before the Board, there is a need for a consistent set of guidelines by which to make decisions.

Ms. Schaefer submitted the following resolution to the Board for approval:

RESOLVED, that the Board of Trustees approve the following land use and development guidelines:

Land use and development decisions must support and be consistent with the university's mission and strategic goals.

Land use and development decisions must accommodate the long-term projected size and composition of the student population.

Land use and development decisions must consider the needs of ancillary functions.

Land use and development decisions must respect existing physical resources. These resources include:

- the National Register Historic District that encompasses the Dodge/Wilson estate buildings on the east campus and
- the wetlands located primarily adjacent to the faculty/staff subdivision and in the southern part of the campus.

Land use and development decisions must be consistent with the defined image of the campus.

Based on questions raised by Trustee Baskin, there was a thorough discussion on the significance of setting land use and development guidelines while a new campus master planning process is conducted. Ms. Hickmott stressed the importance of involving the campus community in the campus master planning process, similar to what occurred during the "Creating the Future" initiative. President Russi and Ms. Schaefer stated that the process of consultation will be extensive and broad-based. Trustee Baskin requested that additional language be added to the recommendation stating that the entire university community will be included in the campus master planning process. The following language was added to the recommendation:

The master planning process, to be presented to the Board of Trustees at the February 1999 Board of Trustees meeting, shall involve a process of broad-based consultation with campus constituencies.

Trustee Sharp supported the amendment. The amended motion was unanimously approved by those present.

The original motion, as amended, was unanimously approved by those present.

M. Authorization to Develop Proposal for a Multi-Use Complex

President Russi stated that three special initiatives, intercollegiate hockey, a performing arts center, and a conference center, have been presented to Oakland University as opportunities to contribute to the growth and development of the campus consistent with the mission, vision, and strategic goals. The university is proposing that all three facilities be joined at one site on campus as a multi-purpose complex. A conference center with hotel might provide customers to the performing arts center, Meadow Brook Theatre and Art Gallery, and the ice arena and vice versa. Conferees and hotel patrons would have access to performing arts, the theatre and art gallery, the golf courses, the music

festival, campus lectures, student performances and exhibitions, and Meadow Brook Hall.

President Russi submitted the following resolution to the Board for approval:

RESOLVED, that the Board of Trustees directs the President to review further the concept of a multi-purpose complex on the campus of Oakland University as described in this agendum item; and, be it further

RESOLVED, that as part of the review process, the President shall explore various financing options as well as opportunities for partnering with one or more private and/or public partners; and, be it further

RESOLVED, that as part of the review process, the President shall engage in a process of broad-based consultation with campus constituencies, including the University Senate and the Student Congress; and, be it further

RESOLVED, that the President shall submit a report to the Board of Trustees for review and approval at the April 1999 Board of Trustees meeting.

Trustee Sharp, seconded by Trustee Baskin, moved approval of the recommendation. Trustee Baskin requested that the last Resolved clause be modified by deleting the words "and approval," since it appears mandatory for the Board to approve any report that is submitted. Trustee Fischer supported the amendment. The amended motion was unanimously approved by those present.

The original motion, as amended, was unanimously approved by those present.

Trustee Sharp requested that the report indicate the cost to the students of the operation and maintenance of the facility. Trustee Nicholson stated that it would also be helpful to understand the real benefits to the university, in specific terms, not just through broad statements.

Trustee Fischer requested periodic updates during the review process. President Russi replied that he would be happy to respond to the trustees' requests.

VI. Discussion of February 4, 1999, Board of Trustees Meeting Agenda

Chairman Doyle noted that a revised February 4, 1999, agenda was distributed to the trustees at their tables. The Board reviewed the agenda and made no changes.

VII. Other Items that May Come Before the Board

President Russi stated that, given the decision to build a second golf course and the events that have occurred in the last several weeks concerning that issue, he has asked Interim Vice President for Academic Affairs, David Downing, and Vice President for Finance and Administration, Lynne Schaefer, and Vice President for University Relations, David Disend, to update the Board on recent developments.

Dr. Downing highlighted the following events that have transpired since the June 4, 1998, Board approval of the agreement between Oakland University and the OU Foundation to construct the R&S Golf Course:

- In July 1998, the golf course architect was hired.
- In August and September, a detailed survey was conducted including identification of campus wetland, meadow, and woodland areas with a "minimalist philosophy" in terms of the net impact on the overall area.
- A number of concerns were expressed about the general environmental and academic impact of the golf course.
- In October the project engineers and architects developed proposed routing plans for the golf course, resulting in additional surveys that generated further campus community concerns.
- The proposed routing was discussed with the Campus Environment and Development Committee (CDEC).
- In November, a general meeting was held with faculty from the Department of Biological Sciences (DBS), the Dean of the College of Arts & Sciences, Finance and Administration representatives, Golf Course Department representatives, and environmental and architectural consultants.
- Other meetings were held with the CDEC, DBS faculty, and Senate Steering Committee to address proposed routing concerns and ways to minimize the impact of the new course.

Dr. Downing noted that the golf course concerns can be characterized as environmental, academic (scholarship, teaching, and research), and recreational.

Ms. Schaefer reported that many valuable meetings have been held with individuals who have expressed concerns about the golf course. She presented the following overview of the design process:

- The preliminary design was created with the goal of maintaining as much of the area as possible in its natural state.

- Contractor access will be permitted in a manner that will not disturb the natural areas.
- The actual design encompasses approximately 280 acres of land, with only 95 acres serving as maintainable land.
- Approximately 35 acres of woodlands will be cleared, and the architect will identify specimen trees too valuable to remove.
- Another 35 acres of scrub will be cleared, but the wetlands will be left virtually undisturbed.
- Two bridges will cross the wetlands, but no piles will be placed in the stream bed.
- All of the required paperwork has been submitted to the Department of Environmental Quality (DEQ).
- The consultant reports that the project is the least environmentally impacting golf course he has ever reviewed.
- During University Senate consultation, it was determined that two hole layouts have an impact on DBS teaching and research, and alternative routings are being developed.
- Recreational users of trails in that area have raised concerns, and the network of trails will be upgraded and expanded from 20,000 feet to 30,000 feet.

Mr. Disend reported the following information on the Oakland University Foundation (OUF) and the President's Club (PC):

- The OUF was created as a formal vehicle for civic leaders to become involved with the university in a volunteer role.
The OUF is a 501(c)(3) organization that can have up to 30 non-compensated directors. ●
A third of the current directors are Oakland University alumni.
Since its inception, the OUF has raised over \$52 million in support of university programs.
The PC was established in 1966 as a high-end annual giving program of the OUF.
PC members are considered friends of the university and allowed to access its facilities, including the Katke-Cousins Golf Course, based on applicable fees that generate revenue to the university.
Since its inception, the PC has generated over \$40 million in gifts.
Two-thirds of the PC members report that they initially became involved with the university because of their interest in the golf course.
Approximately \$27 million in gifts have been generated from PC members initially involved because of their interest in the golf course.

- Gifts that are designated to a particular unit or program of the university are deposited directly into the relevant university account.
- The OUF has raised \$12 million in 40 years in unrestricted funds mostly through the PC.

The Board thanked Dr. Downing, Ms. Schaefer, and Mr. Disend for their reports. Chairman Doyle called on the following individuals who had requested to address the Board on the golf course issue:

Susan Wood: (Associate Professor of Art & Art History) Dr. Wood stated that, although she understood the need to generate revenue for the university, she believed that the nature areas in question could also serve as a money-making asset. She stated that surveys have indicated that bird watching is the second most popular hobby in the country. Bird watchers tend to be older affluent people who have a lot of ecological concerns and would be happy to contribute funds to preserve natural areas. Dr. Wood stated that it would be easy to get mailing lists from organizations such as the

Audubon Society, the Seven Ponds Nature Center, or the Nature Conservancy to determine how many of the members are OU alumni. She also reported that a number of grants are available for the preservation of historic environments. For instance, the National Trust for Historic Preservation offers grants up to \$25,000 for such causes. Dr. Wood queried, "What is the Dodge estate and the forests on it if not a historic environment?" She added that Oakland has a resource that, if destroyed, cannot be replaced.

Zachary Love: (Student) Mr. Love questioned whether any consideration has been given to what the plans would be after the new golf course reaches capacity. He also asked why the 1996 survey was only passed out to 40 faculty and students, and he expressed concern that an amendment was approved by the Board (too late for the golf course) to include broad-based university consultation in future land use and development decisions. Mr. Love was also concerned about how long the 2% tuition increase would be postponed by the addition of a new golf course. He noted that the golf course also raises environmental and research concerns that need to be addressed.

Michael Riley: (AAUP President/Professor of Biomedical Sciences) Dr. Riley stated that the AAUP appreciates the generosity of Mr. and Mrs. Sharf and also the contributions that Mr. Sharf has made to this university while he was a member of the Board. However, the AAUP condemns the Russi administration's habit of ignoring the contractually guaranteed and Board-approved constitutional processes which require

that faculty have the right to share in the university governance by participating directly in the formation and recommendation of educational policy. Specifically, in the case of the proposed golf course, Dr. Riley stated that the administration has violated the constitution of the University Senate which states that the Senate has the right to be consulted on all matters of academic importance. This violation has denied the faculty its right to be consulted and has led to the current controversy which divides the campus. Dr. Riley reported that in July of 1997, President Russi was informed of the DBS concerns that the golf course would have a devastating effect on areas of international research and the teaching of 350 students a year in 10 different biology courses. He referred to a 1990 University Senate resolution urging protection of that area of the natural campus or the entire southwest corner. Dr. Riley stated that President Russi's response to the DBS letter was that "any plans to move forward with a golf course will first be reviewed by the CDEC." Despite that assurance, Dr. Riley stated that the CDEC was never given sufficient information to evaluate the full impact of the proposed golf course on the university. He also stated that the Senate has never been approached on this issue. Dr. Riley proposed that a faculty representative be appointed to the Board to facilitate shared governance and open communication. He stated that although he supported the Board's land use and development action to involve the campus community in future land use discussions, he asked that the Board postpone its June decision on the golf course in order to involve the campus in discussions on that issue.

Sandra DeRosa: (Student) Ms. DeRosa presented the Board with petitions on the golf course. She stated that she wishes to voice student body opinions on the academic and recreational impact the golf course will have on the institution. Ms. De Rosa stressed that development of a new golf course will limit student participation and enrollment and diminish the "quality academic, programs, research, and exceptional student life experience" that OU proclaims as its primary missions. She concluded by stating that it is hoped that an additional goal of the golf course development would be to increase revenue without decreasing student involvement. She stated that, notwithstanding total elimination of the proposed golf course, the relocation of holes 10 and 12 is a justifiable request that should be seriously considered.

Ryan Cheney: (Student) Mr. Cheney commented on the apparent support of the golf course project by the Board of Trustees and the administration and lack of support for the students' opinions on the project. He noted that a flyer on the golf course was recently distributed to the students months after the Board approved the project. Mr. Cheney stressed the importance of open communication and the effect such issues have on the university's future. He questioned the need for a second golf course and commented that part of the OU experience is the aesthetic quality of having natural undeveloped areas surrounding the campus.

Robert Williamson: (Professor Emeritus Physics) Dr. Williamson stated that the values of the university should be those that are shared with the students and the community. He urged the Board and administration to respect and protect the beautiful land donated by the Wilsons by reconsidering the R&S Sharf Golf Course project.

Philip Clampitt: (Special Lecturer Biological Sciences) Dr. Clampitt complemented Ms. Schaefer on her proposal for land use and development guidelines, but stressed the need to reconsider the golf course under those guidelines. He added that he believes the golf course plans represent much too limited a vision of what Oakland University can and should be.

Benjamin Hoogterp: (Student) Mr. Hoogterp stated that education is more than what one learns in books. He noted that the woods where the golf course will be developed are a valuable recreational resource for the community.

Laura Panek: (Student) Ms. Panek stated that she is a DBS graduate student working on thesis research on the behavior of social paper wasps that live in the area targeted for the golf course. She noted that Oakland University is one of the leading sites for research in social insects, and that the paper wasp has been used extensively as a model system for understanding sociality in animals. Ms. Panek stated that her research has resulted in at least one and potentially three publications in international scientific journals. To date, she has only finished one area of her thesis research and needs another summer to complete the other three areas of her research. Unfortunately, the site for her research is located where the 10th hole is to be built, and the wasps forage in the area of the 12th hole. Ms. Panek stated that if holes 10 and 12 are built as planned, she will be unable to complete her thesis in which she has invested over 300 hours of labor. Ms. Panek also raised concern over the use of pesticides, herbicides, and fertilizers for the new golf course, and recommended that a chemical ecologist be consulted to determine the extent of damage caused by those chemicals.

Andy McCloskey: (Student) Mr. McCloskey commented that penetration and capture analyses should be conducted to project the future of the new golf course. He questioned the need for another golf course with all of the new golf courses coming on line in Oakland and Macomb Counties.

Robin Coleman: (Student) Ms. Coleman stated that Oakland University's natural setting is part of the reason why she decided to enroll here. It represented to her that this institution respects nature as an enriching and fulfilling experience. She urged the Board to reconsider their action as the result of that action will be to destroy that experience for many people.

Joshua Simon: (Student) Mr. Simon commented that he transferred to Oakland because of its small community atmosphere, extraordinary Music Department, and access to acres of natural campus beauty. He stressed the importance of preserving the university's land and ecosystems and encouraged the Board to reconsider their decision to construct a second golf course.

Jeffrey Stoffer: (Student) Mr. Stoffer commented on the environmental importance of protecting the wildlife and land where the golf course will be developed.

Stephanie Shaw: (Student) Ms. Shaw expressed surprise at not being informed earlier on the proposal to build a second golf course. She noted that she came to Oakland University because of the quality education it offers, but questioned the value of that education when educational products are being destroyed to bring in a little revenue to the institution.

Caitlin Burke: (Student) Ms. Burke relayed concern about the preservation of the natural area where the second golf course will be developed, specifically the impact it will have on the elimination of significant research. She noted that when the pressures of a hectic student life seem to be unbearable, a walk through the natural beauty of that area provides a "haven for a tired soul and mind." Ms. Burke commented that she understands that money raised from the golf course may possibly fund the academic needs of the institution, but added that one thing this university has taught her is that "field experience is priceless."

Clarence Bennett: (Electronics Engineer - Physics) Mr. Bennett commented on a statement made at the previous day's open forum that the golf course would "protect the campus from commercial or industrial development." He stated that he viewed the property owner not the developer, in such instances, as the enemy, since the developer will always find other land to develop.

Jane Giblin: (Wife of Professor Frank Giblin) Ms. Giblin stated that she supports the community's appreciation of Oakland's wild habitat. She expressed pride in her association with the institution. Ms. Giblin commented on the lack of due process in this instance, and apologized to the students who spoke so caringly about the campus and the university. She urged the Board to reconsider their decision.

Chairman Doyle then called on the following two individuals who had asked to address the Board on separate matters:

Adrienne Brant James: (PSA Representative) Ms. James stated that the Board was provided a statement from her on their June decision to revoke the charter school contract with Turtle Island Learning Circle, and she asked the Board for a response to her concerns. Ms. James then focused her comments in support of the requests for board reconsideration on the new golf course.

Lynnette Mitan: (Student) Ms. Mitan addressed the Board on alleged misguidance she received from her counselor, Ms. Jill Walters. She stated that Ms. Walters mistakenly informed her that she did not need to complete a language course in order to receive her Human Resources degree. Ms. Mitan noted that after she received notice of denial of her degree, she filed a formal petition with the General Education Committee (GEC), but was informed by Dr. Wallis Andersen that counseling discrepancies were Dean Mary Otto's jurisdiction. Dr. Andersen also informed Ms. Mitan that there is no appeal process that she was aware of and suggested that even if there was, the answer would probably be the same. Ms. Mitan stated that after numerous unsuccessful attempts to contact key people about her dilemma, she decided to approach the Board and ask for relief. She added that she has received letters of recommendation of the highest regard from her professors and Ford Motor Company World Headquarters directors, where she served in an undergraduate internship.

Chairman Doyle thanked Ms. Mitan and stated that the Board will respond to her prior to the holiday break. Chairman Doyle then called on the final speaker, who had asked to address the Board on the golf course issue.

Mark Barry: (Student) Mr. Barry expressed environmental concerns with the land where the golf course will be developed. He questioned why these discussions were not conducted a year ago in order to allow time to explore alternatives. Mr. Barry viewed the site as more than a lab setting for conducting field experiments, more than a place to walk and recreate, and more than a parcel waiting to be utilized and developed into a money generating project. He saw it as a "small gem" or a "gardener's oasis" that Oakland has wisely cared for and protected for many years.

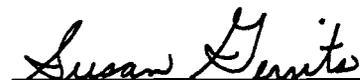
Chairman Doyle thanked everyone for attending the meeting and expressed the Board's appreciation of their comments. He stated that he is very pleased to see that the administration is working to address the concerns regarding the 10th and 12th holes. Chairman Doyle added that the Board will respond to each person's concerns.

VIII. Adjournment

Trustee Sharp, seconded by Trustee Baskin, moved adjournment of the meeting. The motion was unanimously approved by those present. The meeting adjourned at 5:45 p.m.

Submitted,

Approved,



Susan Gerrits
General Counsel and
Secretary to the Board of Trustees

David J. Doyle
Chairman