

**Minutes of the Formal Meeting
of the
Oakland University Board of Trustees
December 5, 2001**

Present: Chair Ann V. Nicholson; Trustees Henry Baskin, Penny M. Crissman, David J. Doyle, Louis Grech-Cumbo, and David T. Fischer

Absent: Trustees Linda S. Hotchkiss and Rex E. Schlaybaugh, Jr.

Also Present: President Gary D. Russi; Vice Presidents Susan Goepp, Lynne C. Schaefer and Mary Beth Snyder; Interim Vice President Virinder K. Moudgil; General Counsel and Secretary to the Board of Trustees Victor A. Zambardi and Assistant Rhonda G. Saunders; and Student Liaisons Adam L. Kochenderfer and Kimberly A. Langley

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. Roll Call

Mr. Victor A. Zambardi, General Counsel and Secretary to the Board of Trustees, conducted a roll call. All of the Board members were present except Trustees David T. Fischer, Linda S. Hotchkiss and Rex E. Schlaybaugh, Jr. Trustee Fischer joined the meeting at the time noted in the minutes.

III. President's Report

President Gary D. Russi reported the following information:

- Ms. Linda Switzer and Ms. Annie Dunlop were recognized as the October and November Employees of the Month, respectively.
- Dr. Janice G. Schimmelman, Chair and Professor of Art and Art History, was recognized for supporting and advancing the curriculum in both art history and studio art. She is a well-respected scholar in her field of American art, and her

work proves that the early Americans were exposed to the literature of art and architecture. Dr. Schimmelman's work has been financially supported by Oakland University, by three National Endowment for the Humanities stipends, and by the Library Company and Historical Society of Pennsylvania. Her recent research in 19th Century American photography resulted in the text for a book titled The Iron Plate in American Photography, 1853-1880, and she is currently preparing a concurrent book on American photographic patents 1842-1880.

Dr. Schimmelman's work was enthusiastically received by fellow collectors and photo historians through a paper she presented last year at the George Eastman House in Rochester, New York. In honor of her substantial contributions to Oakland University and the scholarship of American art, she was named the first recipient of the Paul and Doris Travis Professorship in Art History.

- Dr. Sitaramayya Ari, Professor of Biomedical Sciences in the Eye Research Institute, was recognized for his research interest in fundamental processes in retina that convert the absorption of light into a biochemical and electrical signal that can be transmitted to the brain. His recent research is focused on understanding the changes brought about in the retinal network when a person moves from a dark to a brightly-lit environment. Dr. Ari's research has been supported by the National Eye Institute continuously since 1987. His most recent grant is for \$1.4 million, which runs through 2004. During his career at Oakland University, Dr. Ari has published 25 research papers in peer reviewed journals and presented his work at numerous national and international conferences.
- Mr. Adam Garcia was introduced as the new Director of Police and Materials Management. He comes to Oakland University from the University of Nevada at Reno where he served as Chief of Police. Mr. Garcia previously served for 15 years with the City of Saginaw Police Department, 3 years as the Centerline Chief of Police, and as an Oakland University police officer.

Chair Nicholson thanked President Russi for his report and congratulated the honorees for their accomplishments and commendable service to the university and welcomed Mr. Garcia to Oakland University.

Trustee Fischer joined the meeting at 2:23 p.m.

V. Action Items

C. Acceptance of Audited Financial Statements for the Fiscal Year Ended June 30, 2001

Chair Nicholson rearranged the agenda to address Acceptance of Audited Financial Statements for the Fiscal Year Ended June 30, 2001 as the first action item. She noted that Mr. Jeff Fineis, Independent Review Partner, Andrews Hooper & Pavlik, P.L.C., was present to answer questions.

Ms. Lynne C. Schaefer, Vice President for Finance and Administration, stated that the Financial Statements were presented in detail at the November Working Session meeting. The auditors from Andrews Hooper & Pavlik made a detailed presentation about the new format and the specific information included in the Financial Statements.

Trustee Fischer stated that Andrews Hooper and Pavlik were appointed by the Board of Trustees on February 5, 1998 to conduct annual audits of the university's financial accounting records and financial statements.

Trustee Fischer moved approval of the following resolution:

RESOLVED, that the Board of Trustees accept the Annual Financial Report for the year ended June 30, 2001, which was audited by the public accounting firm of Andrews Hooper and Pavlik, P.L.C.

Trustee David J. Doyle seconded the motion.

Trustee Henry Baskin asked Mr. Fineis to explain the net operating loss of \$55 million listed on page 11 of the report. Mr. Fineis replied that with the new GASB pronouncements, the operating loss is offset by the state appropriations of \$52.9 million, which show up on the next line in the non-operating revenue section on page 11. He added that all universities who have adopted the new GASB pronouncements will show an operating loss on that line. Institutions that would not have adopted the GASB pronouncements would be ones that chose not to early adopt or ones that were not required to this year. Oakland University was required to adopt this year because it is part of the State of Michigan and the State of Michigan adopted early.

The motion was unanimously approved by those present.

IV. Capital Outlay Budget Request Fiscal Year 2003 5-Year Plan Report

Chair Nicholson stated that at the November Working Session the Board requested that the two Capital Outlay Project reports be presented at the December Formal Meeting.

Ms. Lynne C. Schaefer, Vice President for Finance and Administration, explained the Capital Outlay submission process, noting that the state deadline was in mid-November and an updated draft version of last year's Capital Outlay Request was submitted to the state.

Chair Nicholson thanked Ms. Schaefer and asked Dr. Moudgil to introduce the two informational Capital Outlay presentations. Dr. Moudgil stated that Dr. David J. Downing, Dean of the College of Arts and Sciences (CAS), would report on a proposed Performing Arts Complex (PAC), and Dr. Pieter A. Frick, Dean of the School of Engineering and Computer Science (SECS), would report on a proposed Automotive Transportation Facility (ATF). He noted that the presentations would be limited to 45 minutes each, including time for questions and answers. Prior to the reports, Dr. Moudgil introduced Dr. Frick as the new Dean of SECS. He noted that Dr. Frick has served as the Dean of San Diego State University's College of Engineering and the Dean of the College of Engineering and Applied Science at the University of Colorado at Colorado Springs. His research is widely published in professional journals and he holds a Ph.D. and D.I.C. in Controlled Systems from London University. Dr. Moudgil added that he believes Dr. Frick's arrival at Oakland University will enhance the academic programs of the SECS and strengthen ties to industry and collaborations with the surrounding community.

Proposal for the Creation of an Automotive Transportation Facility

Dr. Frick introduced Dr. Robert T. Lentz, Director of the Advance Programs for General Dynamics, and Chair of the SECS Advisory Board. Dr. Lentz stated that on behalf of the SECS Advisory Board, he fully supports and endorses the ATF proposal. He stated that he has served on the Advisory Board for 10 years and that he and Mr. Bernard Robertson, Vice President for Engineering at Daimler-Chrysler, served co-chaired the SECS Task Force on Creating the Future. Dr. Lentz stated that the Advisory Board also consists of representatives from General Motors, Daimler/Chrysler, Ford Motor Company, and a number of the major automotive suppliers. He commented that they believe their involvement with the SECS is for the betterment of the community, industry, and families in the surrounding area. Dr. Lentz stated that although they have tried to get a good cross-section of industry on the Advisory Board, by the nature of the area, it is automotive dominated, which is the backbone of the local economy, driven by good products and strong engineering. Since his involvement, Dr. Lentz has

noted an increase in the number of employees who are Oakland University graduates in General Dynamic's Engineering and Management Department.

Dr. Lentz stated that an ATF would serve to sustain the SECS enrollment growth and production of a quality education. He noted that a good indicator of that growth is evidenced in donations and supporting research activities, which contribute to that quality education through increased technology. Dr. Lentz concluded by commenting that a new ATF would offer an opportunity for alumni in industry and key management positions to identify with as Oakland University graduates.

Dr. Frick thanked Dr. Lentz for his comments and presented the following highlights of the ATF proposal:

- ATF Proposal Overview – Proposal: To create a new facility to support interdisciplinary student education, faculty development, automotive research, and community outreach: The proposed facility would provide the opportunity to house, in one central location, most of the SECS automotive and automotive-related programs. There is no intention of offering automotive technology and/or motor mechanics in a trade school sense. SECS is committed to a core of engineering discipline related issues that by their components add to significant areas in the present and future automotive business.
- ATF Function: An ATF would allow the SECS to put key elements of the three engineering departments together along with key elements of other related university disciplines.
- ATF Student Needs – Career Preparation U.S. Bureau of Labor Statistics for Employment 1998-2008: As an engineering school, it has become apparent that recruitment begins with the best talent in grade and middle schools via a continuous process of assessing students' aptitudes in both mathematics and mechanical arts. The purpose of an undergraduate engineering education is to provide the undergraduate as broad a background as possible, particularly since this individual will have to retrain themselves from three to four times in the next 30 years of their profession. Although 95% of SECS undergraduates stay in the Michigan area, the other 5% of students need a broader background to operate in states such as California or Washington D.C. There are very few academic disciplines that can claim 100% employment of its graduates in their area of specialization.

- Oakland University Mission, Vision, and Strategies: SECS and the ATF proposal are in line with particularly Strategy 5 of the Strategic Plan of 1995-2005, which states that: "Oakland views community outreach as an integral component of its activities, and will expand its efforts to serve the community consistent with the university's mission and vision." The Creating the Future initiative provided this very necessary link with SECS corporate and industrial partners by stating that "Oakland should significantly enhance its working relationship with its corporate neighbors."
- ATF Industry and Community Needs: SECS' continuous interaction with the community, through a number of advisory boards, is really important for SECS to make a contribution. The SECS, and Oakland University in general, have a similar opportunity in the next century as the Technical University of Auckin and the Technical University in Menhen did after World War II in connection with automotive business innovative techniques in West Germany.
- Other Academic Units – Math, Business, Health and Education: In the interest of time and efficiency, SECS is considering offering curriculum intervention and cost material in a "just in time" fashion, which would allow students to learn and apply certain math, business, health, and education curricula as it is needed.
- ATF SECS Mission Statement:

To provide high-quality undergraduate/graduate programs of instruction in engineering and computer science to prepare graduates for careers in the coming decades.

To advance the knowledge through basic and applied research in relevant branches of engineering and computer science.

To provide service to both the engineering profession and the public of the State of Michigan.
- ATF SECS: SECS consists of three departments -- Electrical and Systems Engineering, Mechanical Engineering, and Computer Science. The programs are operated both on main campus and at the Macomb Center. The Center for Robotics and Advanced Automation has operated for about 15 years, making a significant contribution to the industry. The more recent Product Development and Manufacturing Center (PDMC) has also been a very successful program.

- ATF SECS Enrollment: There are approximately 2,100 SECS students, with 3,000 students projected by the year 2009, contingent on a number of issues including appropriate classroom accommodations.
- ATF SECS Research Expenditures: SECS has experienced a spectacular growth in funded research over the last five years, from \$1.5 million to \$4.4 million.
- ATF SECS Future Challenges: SECS classrooms are currently spread over four buildings, occupying none of them fully. The ATF would greatly add to SECS visibility and to establishing a greater sense of identity within the community.
- ATF Competitive Position: Oakland University is located in one of the largest industrial bases in the world, and the university needs to take advantage of that opportunity. One of the first steps in a direct tie to the automotive industry is through the PDMC. At least 95% of the SECS student body works for one of the “Big 3” or related companies at this time. However, there is no shortage of competitors in the area, including third-rate distance education programs offered through poor infrastructures. While SECS has every intention of moving in that direction, it has to be a quality program.
- ATF Operating Model – PDMC: The PDMC has been developed over the last couple of years as a direct interface with the automotive industry.

Dr. Frick called on Dr. Patrick Dessert, PDMC Director and Assistant Professor of Engineering, to make a presentation on the PDMC.

- The PDMC Operating Model: The PDMC mission is threefold:
 - 1) Act as a catalyst for the advancement of the automotive domain.
 - 2) Establish an internationally recognized entity capable of providing world-class education, research, and technology application in all areas of automotive production.
 - 3) Define the next generation of engineering education through innovative industry/university relationships.

- PDMC Partnership Model: The PDMC is partnered with Ford Motor Company and DaimlerChrysler, who generously contribute millions of dollars of hardware and software to the global automotive industry.
- PDMC Activities Model: The PDMC “Automotive 2020” outreach program serves to try to build the automotive engineering community of the year 2020. All of the PDMC activities are aimed at trying to make a difference; however, serving as a business incubator for helping business development in the area and areas that are sorely needed is difficult due to a lack of facilities.
- PDMC Funding Model: The PDMC is self-funded and SECS provides monetary and reputational support.
- PDMC Economic Projections: Currently, the PDMC has a \$9.75 million proposal in the Senate going through mark up in the Department of Defense, and an \$11.66 million proposal as part of the Senate Economic Stimulus Package. The PDMC started with a \$15,000 budget in 1997, and it now has close a to \$20 million budget. This successful model will insure that a new ATF will also be successful.
- ATF Outreach Area – Classrooms: With an ATF, the PDMC outreach will include degreed student classrooms to perform better on-site training. Over 1,400 automotive professionals have been trained through the PDMC and there is an increased opportunity to train more professionals in the future with the proper facility.
- PDMC Automotive 2020: Automotive 2020 is a PDMC activity to address every level from elementary school students to automotive executives that would be present in the year 2020 to help power the automotive industry, with activities engaged at every level.
- PDMC Automotive 2020 Grade School and High School Programs: At the low level, the PDMC hosts a grade school program for inner city children from Detroit, Pontiac, and Flint to generate excitement about engineering and about Oakland University. The PDMC also hosts a high school co-op program and projects that 50 high school students will connect with the university by the year 2003.
- PDMC Automotive 2020 Continuing Education for Engineers and Management: The PDMC supports Oakland University students, but could offer more support with the proper facility. Over 4,200 students

have been trained since 1997 through one conference room in one building, so there is a large market that can be captured in the future.

- PDMC Results – Established Identity – External Recognition: An identity has been established for the PDMC as well as Oakland University via the media, radio, and television over the last two years, including its presence at various auto shows such as the International North American Auto Show.
- SECS ATF Operating Model – Building Components: The ATF operating model building components could include office space, automotive facilities, executive training rooms, an auditorium for assemblies, and an elementary and high school outreach area.
- ATF Cost Proposal: PRS Construction reviewed and projected the ATF cost proposal of \$49 million.
- ATF Expected Benefits Economic: From an economic standpoint, more than \$30 million of research funding is projected by the year 2007 for two major projects that will quickly hit a classroom capacity limit.
- ATF Expected Benefits – OU Students: The PDMC creates an atmosphere where students take the theory of the classroom out into the reality of the automotive world. The ATF would attract attention in the surrounding area by providing greater value for the students and increasing recognition of the Oakland University degree.
- ATF Expected Benefits – Community: The community will benefit through providing convenient training, successful access to new “thought-ware”, and funding opportunities to support industry development and testing. The ATF will clearly support the community through an increase in tax base, which is particularly relevant this year as the auto industry and state allocations go through a bad 10 months.
- ATF Expected Benefits – University: Based on the PDMC demonstrated strengths, the ATF would be doable and sufficiently connected with industry for financial support.
- ATF Expected Benefits – University: The ATF is clearly in line with the university’s mission and strategies and it has the ability to demonstrate the commitment behind the vision.

- ATF Expected Benefits – SECS: The ATF will provide space to the SECS to meet the significantly growing marketplace and cynergize efforts by pulling people together in geographically removed activities.
- ATF Selection Criteria Gap Analysis: The ATF selection criteria gap analysis was articulated and SECS believes it responded in every way to the criteria for decision-making. That criteria places SECS in a position to make a significant difference for the community, the university, the industry, and especially the children in Michigan.

Trustee Louis Grech-Cumbo asked if this model is being used by other institutions, and Mr. Dessert replied that, as far as we knows, it is not and added that it was one of the attractions for working with Mississippi State University and the University of South Carolina because they liked a “win-win” model that everyone can get behind and benefit from.

Trustee Baskin congratulated Dr. Frick and his team for their comprehensive ATF report. He asked Dr. Frick if the Board chooses not to go in this direction for another two or three years, will SECS continue to grow and produce a quality education for its students. Dr. Frick replied that with the increased enrollment, lack of space will definitely play a role in producing a quality education. Trustee Baskin also asked about the availability of industry involvement in the construction of an ATF, and Dr. Frick and Dr. Dessert responded that they are confident that the project could generate a 25% cost match.

Trustee Fischer inquired about how many students are in the programs today and how many will be in the enhanced programs. Dr. Frick replied that there are currently 2,078 students, with 2,985 students projected by 2009 based on U.S. Department of Labor statistics.

Trustee Grech-Cumbo asked about the rate of employment for engineers, and Dr. Frick responded that the employment rate was 99% during the last two years, with more engineers imported into the U.S.

Trustee Baskin inquired whether the ATF space utilization could be reconfigured to make it more cost-effective. Dr. Frick replied that the proposed 50,000 square foot facility would only provide half the needed space within the next 10 years.

Capital Outlay Project Performing Arts Complex Presentation

Dr. Moudgil asked Dr. Downing to make his presentation at this time. Dr. Downing called on Mr. Richard Rassel, Chairman and CEO Butzel Long, and Vice Chair of the CAS Advisory Board, to comment on the proposed PAC.

Mr. Rassel stated that Oakland University has strong performing arts programs with no performing arts center and great strengths with inadequate facilities. He noted that high schools in the area have better facilities than Oakland's, which impact the balance of student activities. Mr. Rassel stated that the community desperately needs a cultural center and that the PAC proposal speaks to those internal and external needs. He commented on how the CAS performing arts programs are top quality and how they would further exceed other external programs with adequate facilities. Mr. Rassel commented that a PAC would draw additional people to the campus, making it a university of distinction. He noted how a PAC would also mirror the same impact on the community that the university experienced with the new Athletic and Recreation Center and the move to Division I athletics. Mr. Rassel added that the PAC would be a destination point for people in the surrounding area and stressed the CAS Advisory Board's support of such a facility.

Dr. Downing presented the following highlights of the PAC proposal:

- The Vision: "For the coming decade, Oakland University will work to establish national recognition among institutions of higher learning for the exceptional quality of its undergraduate experience . . . We will be a university committed to every student's personal and professional growth with a campus that is alive with cultural, athletic and other activities of student life that are crucial to the development of the whole person."
- 2010 University Profile: Selected Highlights: The key elements of the 2010 University Profile are growth – measured and selective; increasing quality of incoming students; integration of liberal and professional studies; visionary general education; recognized for collaborative relationships; and recognized for community outreach, including performing arts and athletics.
- A University of Distinction: There has been a 278% increase in CAS enrollment growth since 1995, and a 68% increase or 742 more students is anticipated by the year 2005. CAS has exceptional programs with very poor facilities.

The performing arts permeate the foundation of a strong liberal arts education, promoting innovative thinking, problem-solving, collaboration and team building, empathy, poise, self-awareness, and aesthetic awareness.

The CAS currently lacks a highly visible, inviting location where students and the community can meet and gather in an atmosphere conducive to building awareness, appreciation, and involvement in the arts.

A new PAC will help provide an intellectually rich, vibrant campus life and will be a forum where all students can meet, hear distinguished speakers, enjoy performances, and debate ideas. The PAC would also help anchor the new general education program, providing a spectrum of the identified critical learning skills (e.g., art as interpretation of life and humanistic traditions).

Dr. Downing called on Ms. Jocelyn Fekel and Mr. Travis Walter, students majoring in Music, Theatre and Dance, to comment on the PAC proposal. They stated that the department lacks the proper facilities along with tools and even desks to function properly. They also stated that excellent performing arts students are attracted to Oakland University based on the reputation and strengths of the program; however, many of them go elsewhere once they experience the poor facilities.

- CAS Distinguishing Characteristic: With a PAC the CAS would offer an exemplary undergraduate education, preparing the students for life, work, and leadership, accomplished through the genuine integration of the arts, letters, and sciences. As one of the primary tactics to achieve this goal, the CAS is committed to providing all students at the university an understanding and appreciation of how culture and the arts enrich and inform all aspects of human endeavor.
- Academic Considerations: Implementation of the CAS distinguishing characteristic is based on the acknowledged premise that learning through the arts, as well as about the arts, is a critical way to understand life, appreciate diversity, and to improve analytical and cognitive skills. Culture and the arts will be highlighted and integrated into ongoing programs and celebrations across the curriculum, permeating the undergraduate experience for all of our students. Complementing these cross-curricular initiatives would be a variety of coordinated season programming opportunities on comprehensive educational themes, including musical performances, theatrical performances, and film festivals. A new PAC

would provide the necessary facilities to enable the CAS to fully implement this distinguishing characteristic.

Majors in the performing arts areas have grown from 171 in Fall 1995 to 476 in the current Fall semester. This 278% increase has been matched by a corresponding increase in the quality and talent of our students. Growth in music graduate programs also has been substantial, reflecting a 311% increase over the same period. Lack of facilities has hampered the development of an MFA in theatre and a PAC would greatly increase those graduate enrollments.

Graduates of the performing arts programs are gaining admission to some of the most prestigious graduate programs in the country and are entering the workplace as performers, educators, and theatrical technicians in ever-increasing numbers. The Department of Labor's Occupational Outlook Report continues to predict above average growth in the areas of music, theatre, and dance.

The current situation in the arts at Oakland University is analogous to that which confronted athletics several years ago: operating excellent programs in less than ideal facilities. As happened with athletics, a new and vibrant PAC will immediately and positively change the landscape of the arts at Oakland and will significantly contribute to an exceptional undergraduate experience. The CAS success and ability to recruit the most promising students and top faculty both regionally and nationally has been greatly hampered due to lack of performance, rehearsal, and classroom space.

A PAC will facilitate the integration of Meadow Brook Theatre fully into the academic mission of the university, enhancing its already strong reputation in the community and providing additional opportunities for the students and for the theatre itself.

A PAC will also impact many more students than just those in the performing arts. Over 1,500 students take courses in the performing arts areas annually. Last summer there were 170 grade and middle school students who participated in Youth Arts Camps. Almost 11,000 students and members of the community attended those performances offered by the Music, Theatre, and Dance department, and 96,000 students and members of the community attended Meadow Brook Theatre performances during the course of the last year.

Dr. Downing called on Ms. Debra Wicks, Interim Artistic Director for Meadow Brook Theatre, to comment on the integration of Meadow Brook Theatre into the academic mission of the institution. Ms. Wicks highlighted the following four opportunities:

1. Enhanced quality of productions and programming.
 2. Integration of artists and a stimulation that the undergraduate students can bring to professional theatre artists.
 3. Reduction in extra Meadow Brook Theatre labor and overtime costs.
 4. Opportunity for extensive fund raising with a new facility.
- Fundraising Potential: A PAC would enable the institution to attract 25% in matching gifts. The CAS Advisory Board is extraordinarily strong in its support of this proposal, and a pool of donors has already been identified to support the project. Assuming that the PAC is a \$50 million project, CAS would have to raise \$12.5 million. The only endowment in the CAS is the Travis Professorships through the generous gift of Paul and Doris Travis. While there is strong support for such a project currently, there is also an acute sense among many of the potential donors that this is the right time to move the project forward.
 - Community Endorsements:

“We strongly endorse a performing arts center at Oakland University. We truly believe that for the performing arts to thrive at this university, there needs to be a performing arts center that will provide state-of-the-art performing and rehearsal space for our students. Moreover, we know that the community will be behind this project as well. It is our intention to contribute significantly to the project if it is approved by the state to help meet the match that will be needed.” Audrey and Irving Rose

“I strongly support the proposal to build a performing arts center at Oakland University. I have great admiration for the department and students and the wonderful growth it has shown over the last several years. However . . . without new facilities, the program will not be able to sustain itself or fulfill its great potential. I also believe that the performing arts center will benefit other students as it could be used for a wide range of other artistic and cultural programs. I would also like to say that I

pledge to support the center in whatever way I can should it be approved for state funding.” Maggie Allesse

“The arts contribute to the economic vitality of our communities. The arts help us to understand other cultures in the worldwide markets we serve. The arts make our communities desirable places to live, enabling us to attract and retain quality people our businesses need to survive and grow.” John Ong, Chairman Emeritus of BF Goodrich

- Contributions: Transcending this, the heightened visibility and reputation in the community will have an effect on fundraising implications across the entire campus because of the increased respect in the community.
- Advantages, Uniqueness and Community Outreach: It is believed that no other institution has the rich potential for dynamic and innovative partnerships with professional companies such as Meadow Brook Theatre and the Eisenhower Dance Ensemble. Oakland University has a unique potential to become one of the only theatre programs in the nation where undergraduate students have an opportunity to interact with members of a professional repertory theatre company, and a parallel opportunity is already ongoing with the Eisenhower Dance Ensemble.

Oakland County is one of the most dynamic and international counties in the nation, with residents and corporations known for their enthusiastic support of performing arts. Over 50% of the private support for the Michigan Opera Theatre comes from Oakland County, and similar figures are true for the Detroit Symphony Orchestra.

- Diversity: The PAC and the arts themselves would provide unparalleled opportunities for moving forward in terms of appreciation of diversity among people in the arts, with the promotion of mutual respect and understanding among people of varying backgrounds and cultures.
- Renovations: A combination of new facilities and renovations to Varner Hall is proposed with the conversion of existing space in Varner Hall. The Studio Theatre, for example, would be an excellent laboratory theatre, and the current recital hall with attention paid to acoustics, could become a performance hall for ensembles and smaller productions which help scale down the cost of the project and save money.
- Downsides: This is an incredible opportunity to enhance the visibility and stature of Oakland University in the community. CAS will not be able to

continue to support growth in an area of academic excellence without additional facilities, the ability to capitalize on its potential in the academic and performing arts world, and significant fundraising opportunities.

Dr. Downing called on Dr. Michael Gillespie, Associate Professor of Theatre, at this time. Dr. Gillespie made the following comments:

In Trinidad, when the British took their drums away, the descendents of Africans began to beat out rhythms on anything that came to hand – pie tins, brake drums, oil drums -- and over decades these resourceful people managed to turn these instruments into a truly profound source of modern music – the Trinidad and Steel Drum Ensemble. This was the story told excitingly recently by our very own steel drum band in Varner Hall. Two weeks later, from this same stage 130 beaming students performed inspired by Professor Michael Mitchell's chorale direction of the Pied Piper, and a wide-ranging repertoire of songs, including a touching lament from the Venezuelan rain forest entitled The Earth is Tired. Not long ago, the massive and mesmerizing student actor, Esau Pritchett, strolled on stage accompanied by Oakland University's African Drum Ensemble to portray Obin in a true to life story that took place in Nigeria in 1943 about an African chief who was going through a ritual suicide. He's a wonderful student actor off in New York pursuing his dream of a career as an actor. Not long ago three gloriously gifted young singers had the rare experience of working side by side on stage at Oakland with a professional acting company, in a joint Meadow Brook Theatre and MTD production. Where are these students now? One of them is among four students nationwide chosen in one year to be a part of the very distinguished Philadelphia's Academy of Vocal Arts. One is pursuing her doctorate in vocal performance at the most distinguished music school in the country, arguably, Indiana University. And the third is a member of the Company of Opera Arizona. And just last weekend I had the pleasure of going to the Seligman Center for the Performing Arts at Detroit Country Day where the Eisenhower Dance Ensemble professionals joined in a performance with the students of the Oakland Dance Theatre Repertoire, and the younger students from the Eisenhower School of Dance. The Oakland University lighting instruments and the size of the stage were not sufficient enough to incorporate this ensemble to create the wonderful magical effects created by our very own Professor Carole Knox. All the marvelous teaching and performance activities of the arts deserve a better home at Oakland. Places in institutions are remembered and defined by their public gathering spaces. Meadow Brook Hall and the Meadow Brook Pavilion linger in the mind after you have left them. The new arena and the wonderful Rec Center with its walls of glass dominating the playing fields are really places that you want to gather and to share with others. Wilson Hall and Varner Hall have none of that allure. Oakland University is an

institution coming of age and she deserves an architectural and artistic jewel – a PAC that will honor, nurture, and encourage future artists, arts educators, and leaders and will enrich the lives of literally hundreds of thousands of students, faculty, staff, alumni, community members, and visitors for generations to come.

Chair Nicholson thanked Dr. Downing and Dr. Frick for their excellent presentations, noting that the Board is as excited as the university community is about the potential of these two projects.

Trustee Penny M. Crissman commented that it is her belief that the PAC project has been on the priority list for a number of years, and that she believes it has been neglected. She stated that, in her opinion, it really needs to take priority because of the unique undergraduate experience that it offers. She noted the importance of continuing Matilda Wilson's vision for the university. Trustee Crissman expressed her support for the ATF proposal also, stressing the need for engineering students to experience a cross-education in culture and the performing arts.

Trustee Baskin asked if the 2005 growth chart projection is based on a PAC, and Dr. Downing replied that it is not based on a PAC but that it is a simple linear regression in terms of the past patterns of growth since the Fall of 1997 which is not embellished with the additional graduate programs that a PAC would accommodate. He added that the performing arts are at a point now where they are virtually saturated.

Trustee Baskin inquired if the program will eventually be lost if the PAC is not constructed. Dr. Downing responded that the university is certainly in danger of that happening since excellent students are going elsewhere to complete their performing arts education. He added that certainly the quality and spirit of the faculty is extraordinarily strong and that the programs that they offer are tremendous.

Trustee David J. Doyle stated that the concern he has about both programs right now is that it appears that the CAS is beyond capacity in the Music, Theatre, and Dance department if rehearsals are conducted in hallways and that the SECS is close to bursting at the seams in terms of lab space. He commented that with the state nearing the limit on bonding capacity at \$75 million, he would be shocked if any Capital Outlay Projects are approved for any university over the course of the next couple of years. Trustee Doyle asked what can be done short term for both the SECS and the CAS, since even if the university were lucky enough to have one of these proposals approved a year or two from now, it would obviously be a long way from occupying new space. He added that he does not agree with the assessment that choosing one of these proposals will determine the direction of the university for the next 10 years.

Dr. Downing stated that in terms of the PAC, one of the things that CAS has done, which has been supported by President Russi and Provost Moudgil, is to try to do some renovations within the existing context of Varner Hall and indeed the allocation of some additional space in Vandenberg to help address some of the more serious shortages. He stressed the CAS potential for private fund raising and being able to phase in the project if there is a clear statement from the Board that this was a direction that the institution supported.

Trustee Baskin commented that he believes it becomes a Board function and responsibility to send a message out there to the community that this is what the Board wants to do, given the fact that the university cannot get state funding assistance at the present time.

Trustee Doyle reiterated his concern that, by selecting one proposal over the other, he does not want to send the message that the Board is selecting one direction for the university and that the Board has now determined that one is less important than the other. He added that obviously if the university had the resources it would be doing both of these projects as well as some other projects that are needed.

Trustee Fischer stated that last year these Capital Outlay Projects were interpreted in that manner knowing that the university was not going to get the funding for the new building. He expressed his support for both proposals, even though one has to be submitted as a priority.

Chair Nicholson again thanked Dr. Frick and Dr. Downing for their excellent reports. She stated that clearly the Board has some thinking to do and that further information will be provided to the Board on these proposals from other sources.

A. Consent Agenda

Chair Nicholson moved approval of the following recommendations:

1. Approval of the Minutes of the Formal Meeting of October 3, 2001

2. Approval of University Personnel Actions

New Appointment

Chintala, Shravan K., Assistant Professor of Biomedical Sciences, Eye Research Institute (\$65,000) (new appointment filling a vacant authorized position) effective October 1, 2001.

Faculty Reappointment

Liu, Qingchong J., Assistant Professor of Engineering. Reappointment (probationary) to second, two-year probationary term as Assistant Professor, effective August 15, 2002 through August 14, 2004.

Change of Status

Aigbedo, Henry O., Visiting Assistant Professor of Productions & Operations Management, School of Business Administration to Assistant Professor of Productions & Operations Management, School of Business Administration, effective August 15, 2001.

Bhatt, Bhushan L, Professor of Engineering and Interim Dean, School of Engineering and Computer Science to Professor of Engineering and Associate Dean, School of Engineering and Computer Science, effective October 15, 2001.

Latcha, Michael L., Associate Professor of Engineering and Acting Associate Dean, School of Engineering and Computer Science to Associate Professor of Engineering, School of Engineering and Computer Science, effective November 15, 2001.

Lu, Lunjin, Visiting Assistant Professor of Engineering, School of Engineering and Computer Science to Assistant Professor of Engineering, School of Engineering and Computer Science, effective August 15, 2001.

Corrections

Yang, Lianxiang, Associate Professor of Engineering without tenure, effective October 22, 2001 (\$72,000) (new appointment filling a vacant authorized position) (originally reported as effective August 15, 2001).

3. Approval of Recommendation of Final Undergraduate and Graduate School Reports dated August 18, 2001

(A copy of the Final Undergraduate and Graduate School Reports dated August 18, 2001 is on file in the Board of Trustees Office.)

4. Approval of Public School Academy Board Members for Star International Academy, Academy of Michigan, Nsoroma Institute, Detroit Edison Public School Academy, Weston Technical Academy, Summit Academy North and Dove Academy

WHEREAS, the Board of Directors of **Star International Academy** has nominated Mohammed Yazbek to fill the vacancy on the board created by term expiration; and

WHEREAS, the Board of Directors of **Academy of Michigan** has nominated Sandra J. Carter to fill the vacancy on the board created by term expiration, and nominated W. Frances Perry and Mauricio Mickam for renewal on the board; and

WHEREAS, the Board of Directors of **Nsoroma Institute** has nominated Dahia Ibo Shabaka to fill the vacancy on the board created by term expiration; and

WHEREAS, the Board of Directors of **Detroit Edison Public School Academy** has nominated Althea Bell and Helen Monroe for renewal on the board; and

WHEREAS, the Board of Directors of **Weston Technical Academy** has nominated Arthur R. Voisin for renewal on the board; and

WHEREAS, the Board of Directors of **Summit Academy North** has nominated Janett K. Eno for renewal on the board; and

WHEREAS, the Board of Directors of **Dove Academy** has nominated Mary S. Voisin and Jesse Ogletree, Jr. for renewal on the board;

NOW, THEREFORE BE IT RESOLVED AS FOLLOWS:

1. Mohammed Yazbek, Sandra J. Carter, W. Frances Perry, Mauricio Mickam, Dahia Ibo Shabaka, Althea Bell, Helen Monroe, Arthur R. Voisin, Janett K. Eno, Mary S. Voisin and Jessie Ogletree, Jr. meet the criteria established by the Board and applicable law.
2. The Board hereby approves the appointment of Mohammed Yazbek as a member of the Board of Directors for Star International Academy for a one-year term from December 5, 2001 to December 4, 2002.

3. The Board hereby approves the appointment of Sandra J. Carter as a member of the Board of Directors for Academy of Michigan for a one-year term from December 5, 2001 to December 4, 2002; and the renewal of W. Frances Perry and Mauricio Mickam as members of the Board of Directors for Academy of Michigan for three-year terms from December 5, 2001 to December 4, 2004.

4. The Board hereby approves the appointment of Dahia Ibo Shabaka as a member of the Board of Directors for Nsoroma Institute for a three-year term from December 5, 2001 to December 4, 2004.

5. The Board hereby approves the renewal of Althea Bell, for a one-year term from December 5, 2001 to December 4, 2002, and Helen Monroe, for a three-year term from December 5, 2001 to December 4, 2004, as members of the Board of Directors for Detroit Edison Public School Academy.

6. The Board hereby approves the renewal of Arthur R. Voisin as a member of the Board of Directors for Weston Technical Academy for a three-year term from December 5, 2001 to December 4, 2004.

7. The Board hereby approves the renewal of Janett K. Eno as a member of the Board of Directors for Summit Academy North for a one-year term from December 5, 2001 to December 4, 2002.

8. The Board hereby approves the renewal of Mary S. Voisin and Jessie Ogletree, Jr. as members of the Board of Directors for Dove Academy for three-year terms from December 5, 2001 to December 4, 2004.

9. All resolutions and parts of resolutions in conflict with this resolution shall be and hereby are rescinded to the extent of such conflict.

5. Approval of Meadow Brook Subdivision Financing Guarantee

(A copy of the Meadow Brook Subdivision Financing Guarantee is on file in the Board of Trustees Office.)

6. Recommendation to Accept Gifts to Oakland University and the Oakland University Foundation for the Period of September 1 through September 30, 2001, and to Accept Grants and Contracts to Oakland University for the Period September 16, 2001 through October 31, 2001

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

Trustee Louis Grech-Cumbo seconded the motion. The motion was unanimously approved by those present.

B. Approval of Resolution Honoring Robert N. Cooper

Chair Nicholson stated that Trustee Cooper has moved to Florida, which prompted his resignation from the Oakland University Board of Trustees effective September 30, 2001. She noted that this resolution commends Trustee Cooper for his service to the university and is submitted for the Board's consideration and approval. Chair Nicholson moved approval of the following resolution:

WHEREAS, Trustee Robert N. Cooper was appointed to the Oakland University Board of Trustees on April 23, 1999 by Governor John Engler; and

WHEREAS, Trustee Cooper resigned his office as Trustee effective September 30, 2001, necessitated by his change of residence to Florida; and

WHEREAS, the Board of Trustees wishes to recognize Trustee Cooper's service to Oakland University with dedication and distinction; and

WHEREAS, Trustee Cooper served as a member of the Ad Hoc Capital Campaign Committee; a member of the Ad Hoc Electrical Power Upgrade Committee; and a member of the Ad Hoc Budget Committee, contributing his knowledge and insight; and

WHEREAS, Trustee Cooper volunteered his services and always accepted appointments and assignments willingly on behalf of the university; and

WHEREAS, Trustee Cooper has provided outstanding leadership through sharing innovative and effective strategies for improving fiscal responsibility in an era of diminishing resources; and

WHEREAS, Trustee Cooper continuously sought to develop ways for the university to lessen the financial burden placed upon students; and

WHEREAS, Trustee Cooper supported the Oakland University Trustees Academic Success Fund which fosters cultural dialogue and training among diverse groups of students to prepare them for employment in an increasingly multicultural world; and

WHEREAS, Trustee Cooper supported minority and women vendor expenditure efforts by the university; and

WHEREAS, Trustee Cooper has promoted Oakland University, his alma mater, whenever the opportunity arose, which improved community volunteerism; and

WHEREAS, Trustee Cooper and his wife, Marcia, have generously donated gifts to Oakland University and encouraged other corporations and individuals to contribute to the university; and

WHEREAS, Trustee Cooper expended many hours fulfilling his responsibilities on behalf of Oakland University; and

WHEREAS, the Board of Trustees, President Gary D. Russi, and the entire university community are grateful to Trustee Cooper for his devoted service and wise counsel; now, therefore, be it

RESOLVED, that the Board of Trustees publicly expresses its deep appreciation to Trustee Robert N. Cooper; and, be it further

RESOLVED, that Trustee Cooper be designated as Trustee Emeritus with all the attendant rights and privileges of this position; and, be it further

RESOLVED, that a copy of this resolution be provided to Trustee Cooper to convey the esteem in which he is held by the Board of Trustees, the President, and the university community; and, be it further

RESOLVED, that the Board of Trustees extend to Trustee Cooper and his wife, Marcia, their best wishes for happiness and the hope that they will continue their association with the university.

Trustee Penny M. Crissman seconded the motion. The motion was unanimously approved by those present.

Approval of President's Salary and Deferred Compensation

Trustee Fischer stated that he is honored to present this recommendation, having known Dr. Russi for some time. He commented that the Board has had the opportunity to work closely with Dr. Russi over the past several years as he led Oakland University into regional prominence, and his empowerment of the talented faculty and staff has produced significant accomplishments for the benefit of the students and the community. Trustee Fischer noted that during that time, Oakland University's academic program has become second to none; campus life has been greatly enhanced; partnerships have been used creatively to add new programs and to strengthen existing programs; and local, regional, and national visibility has contributed significantly to Oakland's growth and reputation.

Trustee Fischer moved approval of the following resolution:

RESOLVED, that the Board of Trustees approves a 2000-2001 salary for President Gary D. Russi of \$185,000 plus deferred compensation of \$25,000, retroactive to July 1, 2000; and, be it further

RESOLVED, that the Board of Trustees approves a 2001-2002 salary for President Gary D. Russi of \$196,630 plus deferred compensation of \$25,000, retroactive to July 1, 2001; and, be it further

RESOLVED, that the Chair of the Board of Trustees be authorized to revise President Russi's employment agreement as the Board of Trustees may deem necessary or appropriate; and, be it further

RESOLVED, that the Chair of the Board of Trustees be authorized to enter into an agreement with President Russi that will provide for deferred compensation through 2005-2006; and, be it further

RESOLVED, that any revisions to President Russi's employment agreement, and the deferred compensation 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 the legal standards and policies of the Board of Trustees.

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

D. Approval of Schematic Design, Authorization to Complete Design Documents and Approval to Solicit Bids and Contract for Construction of a Parking Structure

Ms. Schaefer stated that at the last Board meeting there was a lengthy discussion regarding the efforts of the university to determine parking space demand over the next 20 years, and the shorter-term demand projected by Walker Parking Consultants to 2005 of 635 spaces. Ms. Schaefer noted that based on experience with parking this semester due to increased enrollment, along with the many comments and complaints received, demand for parking

spaces appears to be increasing much more rapidly than the Walker study estimated. Enrollment growth and newly constructed facilities are causing the parking demand to reach a crisis point. Ms. Schaefer added that it is recommended that the parking structure project continue immediately into the final design, competitive bid, and construction phase to enable completion prior to Winter of 2002.

Ms. Schaefer stated that funding for the parking structure is proposed through the bond proceeds from the August 2001 bond issuance with repayment of those bonds through revenues generated in the increase in the general service fee. She noted that the Board previously approved a \$15 increase in the Fall semester, and that the university plans to ask for another \$3 increase next Fall to fully fund the cost of the debt service and operating costs for the parking structure.

Chair Nicholson moved approval of the following resolution:

RESOLVED, that the Vice President for Finance and Administration be authorized to proceed with the completion of design consistent with the project scope, budget, and schematic design as presented to the Board; to solicit competitive bids from qualified contractors; and to execute a contract to construct the Parking Structure; and, be it further

RESOLVED, that the contract for construction services 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 the legal standards and policies of the Board of Trustees; 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 total project including design, construction and project management shall not exceed \$6,000,000.

Trustee Fischer seconded the motion.

Chair Nicholson called on Mr. Derek Dickow, Student Congress President, who requested to address the Board on this issue. Mr. Dickow stated that two weeks ago, when Vice President Schaefer and Mr. Rusty Postlewaite attended a Student Congress meeting to report on the parking structure, the students raised some issues and concerns which are addressed in Student Congress Resolution 02-02 as follows:

WHEREAS, the mission statement of the Oakland University Student Congress is to meet the needs and address the concerns of our fellow students,

WHEREAS, the proposal of a new parking structure has been presented to the Board of Trustees and the Oakland University Student Congress,

WHEREAS, the Oakland University Student Congress supports the building of a parking structure on campus,

WHEREAS, the Oakland University Student Congress has serious concerns regarding the proposed design of the parking structure, specifically the adequacy of safety and security measures as well as the ability to communicate parking availability to the student body,

WHEREAS, another serious concern of the Oakland University Student Congress is to provide adequate accessibility outside and inside of the parking structure by all students, particularly students with disabilities,

LET IT BE RESOLVED, that the Oakland University Student Congress, requests that safety and security be of the utmost priority for those designing the parking structure, through the use of the most effective, highest quality surveillance equipment that is available,

LET IT ALSO BE RESOLVED, that the Oakland University Student Congress requests that a system be provided to monitor and communicate parking availability in the parking structure,

LET IT FURTHER BE RESOLVED, that this resolution be delivered to the Board of Trustees, Office of the President, Office of the Vice President of Finance and Administration, Vice President of Students Affairs, Campus Task Force for Parking, Oakland University Police Department, the Oakland Post, WXOU.

Mr. Dickow stressed student support for more parking spaces through the construction of a parking structure, but he stated that the students are not sure a parking structure will alleviate all of the parking problems experienced in Parking Lot P-1, the most heavily centralized parking lot available for students. Mr. Dickow stated that a major concern of the students regarding the parking structure is not knowing if it is full and wasting time driving up and down the three levels when it is at full capacity. He proposed that an electronic sign be installed to indicate "full" or "vacant" status of the structure. Mr. Dickow also reported the students concerns about proper lighting of the surrounding sidewalks and the use of "highest quality" or color monitor surveillance equipment versus black and white monitor surveillance equipment for the best safety measures.

Chair Nicholson thanked Mr. Dickow for his report, and Ms. Schaefer stated that the concerns Mr. Dickow raised, as well as concerns from the Oakland University Police Department and other campus constituents, will be considered during the final design phase of the parking structure based on available funding. The Board expressed their support for quality surveillance equipment and monitoring of parking capacity for the parking structure based on available funding.

Trustee Grech-Cumbo stated that at the October 3, 2001 meeting the Board requested a debt reduction report on "cost neutral" projects, such as the parking structure, funded from the bond proceeds that will be repaid from other sources such as student fees. Ms. Schaefer apologized that the report was just faxed to the Board, and offered to review to review it with Trustee Grech-Cumbo after the meeting.

The motion was unanimously approved by those present.

E. Approval of Easements in Connection with the Student Apartments

1. Water Meter Easement

Trustee Crissman stated that a new water service to the university is being installed at the north end of the main campus to serve the new Student Apartments and to increase the water pressure/flow in the north part of the campus. She noted that as part of the service installation, an

underground vault will be constructed to house the main water meter, valves and associated piping. Trustee Crissman stated that after completion, ownership of the vault and mechanical equipment will be transferred to the City of Auburn Hills for operation and maintenance, and to facilitate that operation and maintenance, the university needs to grant an access easement to the City of Auburn Hills.

Trustee Crissman moved approval of the following resolution:

RESOLVED, that the Vice President for Finance and Administration be authorized to finalize negotiations with the City of Auburn Hills in the interest of granting an easement in connection with a new 12" water service at Walton Boulevard; and, be it further

RESOLVED, that the easement 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 Baskin seconded the motion. The motion was unanimously approved by those present.

2. Amendment to Right of Way Agreement – Relocation of Easement

Trustee Crissman stated that during the current construction of the new Student Apartment project, excavation for the storm water detention basin revealed that utility lines previously installed in 1980 for the Married Housing project need to be immediately relocated to avoid a delay for the Student Apartment contractor resulting in cost and delayed construction completion. Trustee Crissman added that re-routing of the utilities will require the existing Right of Way Agreement to be amended, revising the legal description to reflect the new routing location.

Trustee Crissman moved approval of the following resolution:

RESOLVED, that the Vice President for Finance and Administration be authorized to amend the Right of Way Agreement to accommodate re-routing of the existing utilities, and be it further

RESOLVED, that the amended Right of Way 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 the legal standards and policies of the Board of Trustees.

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

F. Approval of Golf and Learning Center Operating Budget for Fiscal Years Ending December 31, 2002, December 31, 2003 and December 31, 2004

Trustee Baskin stated that this proposal is for the Golf and Learning Center budgets for 2002, 2003 and 2004. He stressed the importance of understanding that the Board is being asked to approve the budget for the year ending December 31, 2002, and to tentatively approve the budgets for the years ending December 31, 2003 and December 31, 2004. Trustee Baskin commented that Mr. Bill Rogers and his staff have done a good job operating the Golf and Learning Center in a competitive market, given the weather conditions and the number of golf courses in this area. He noted that the year 2001 had a minimal profit, but that the proposed budget for 2002 shows a more significant profit.

Trustee Baskin moved approval of the following resolution:

WHEREAS, the fiscal year for the Oakland University Golf and Learning Center runs from January 1 through December 31; and

WHEREAS, the university administration believes it is prudent to establish a three-year budget to appropriately and separately monitor the budget of the Oakland University Golf and Learning Center; now, therefore, be it

RESOLVED, that the Board of Trustees accepts the Oakland University Golf and Learning Center budget for the year ending December 31, 2002, with budgeted operating expenditures of \$2,459,400, and capital improvement expenditures of \$187,546, and tentatively approves the budgets for the years ending December 31, 2003 and 2004, with budgeted operating expenditures of \$2,531,561 and \$2,606,303, respectively, and capital improvement expenditures of \$100,000 and \$150,000 respectively; and, be it further

RESOLVED, that any expenditure level in excess of the approved amount that is not funded by a direct revenue increase must have the prior approval of the President or his designee and any such amounts shall be reported on a periodic basis to the Board of Trustees.

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

G. Approval of Naming Opportunities and Amounts for the New School of Education and Human Services Building

Trustee Doyle stated that this proposal requests the Board to approve minimum naming gift opportunities for the new School of Education and Human Services building. He noted that Attachment A includes the exact amounts for the naming opportunities, which range from \$4 million for the naming of the building to \$10,000 for naming of the staff offices. Trustee Doyle added that the proposed naming opportunities are in compliance with the Board's policy for Recognition of Donors, and that the gifts are subject to the final approval of the Board.

Trustee Doyle moved approval of the following resolution:

RESOLVED, that the Board of Trustees approves and adopts the School of Education and Human Services Building Naming Opportunities, dated December 5, 2001 attached hereto as Attachment A, to take effect immediately. (Attachment A is on file in the Board of Trustees Office.)

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

H. Approval of State Building Authority Agreements for Financing the School of Education and Human Services Building

Trustee Grech-Cumbo stated that construction of the School of Education and Human Services building is underway with 75% of the \$31.5 million project cost financed by the State Building Authority and 25% financed by the university using proceeds from the General Revenue Bonds, Series 2001, that were issued on August 17, 2001. He noted that the legal documents comply with the State Building Authority Act and that they have been reviewed and approved by the Michigan Attorney General's office and the university's General Counsel.

Trustee Grech-Cumbo moved approval of the following resolution:

A RESOLUTION of the Board of Trustees of Oakland University (i) approving (a) a form of construction and completion assurance agreement (the "Construction Agreement"), by and among the State Building Authority (the "Authority"), the State of Michigan (the "State") and Oakland University, a Michigan constitutional body corporate (the "Educational Institution"), providing for the rights, duties and obligations of the Authority, the State and the Educational Institution with respect to the Educational Institution's School of Education and Human Services Building and the site therefor (the "Facility") during the construction, renovation and/or equipping of the Facility and prior to the conveyance of the Facility to the Authority, (b) the

conveyance of the Facility to the Authority, (c) a lease (the "Lease"), by and among the Authority, the Educational Institution and the State, for the purpose of leasing the Facility to the State and the Educational Institution and (d) an easement agreement (the "Easement Agreement") between the Authority and the Educational Institution in connection with the entering into of the Lease, and (ii) providing for other matters related thereto.

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

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

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

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

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

WHEREAS, the acquisition of the Facility by the Authority for use by and lease to the Educational Institution and the State is necessary in order for the State and the Educational Institution to carry out necessary governmental functions and

to provide necessary services to the people of the State as mandated or permitted by constitution and law, and the use of Act 183 to accomplish such acquisition represents the most practical means to that end at the lowest cost to the State and the Educational Institution; and

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

WHEREAS, (i) the Authority will require an easement from a public road to the Facility over real property owned by the Educational Institution so that the Authority has access to the Facility and (ii) the Educational Institution will require for its use certain easements through the Facility, then in order to meet such requirements, it will be necessary for authorized officers of The Educational Institution to approve Easement Agreements to provide for such easements;

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

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

bills of sale to accomplish such conveyance in such form as may be from time to time approved by such officers.

4. The Educational Institution hereby authorizes and approves the Lease in substantially the form attached as Exhibit C, and either the then seated President or Vice President for Finance and Administration of the Educational Institution is hereby authorized and directed to execute and deliver the Lease in accordance with the Construction Agreement and in substantially the form attached as Exhibit C for and on behalf of the Educational Institution and such officers are hereby designated as authorized officers of the Educational Institution for purposes of Section 7 of Act 183. Such officers are hereby authorized to approve such changes in and modifications to the Lease as do not materially alter the substance and intent thereof as expressed in the Lease and the request for action submitted to the Board of Trustees in connection therewith; provided such officers are not hereby authorized to approve a change in the Lease with respect to the range of rental, the description of the Facility or the material financial obligations of the Educational Institution contained in the Lease approved herein. The Educational Institution hereby determines that the maximum rental in the amount described below is reasonable and the authorized officers are hereby authorized to approve in the Lease, as executed, rental in annual amounts determined by the final appraisal of "True Rental," but not exceeding \$2,490,000 in any 12-month period and a lease term of not exceeding 40 years.
5. In connection with the entering into of the Lease, either the then seated President of the Educational Institution or the then seated Vice President for Finance and Administration of the Educational Institution is hereby authorized and directed, in his or her discretion, to execute and deliver one or more documents to establish (i) an easement for nonexclusive access by the Authority between the Facility and a public road over real property owned by the Educational Institution, and/or (ii) an easement for the Educational Institution to install, operate, maintain, repair and replace Educational Institution utility lines through the Facility, together with an obligation to maintain and repair such Educational Institution utility lines.
6. The then seated President and Vice President for Finance and Administration of the Educational Institution are hereby severally or jointly authorized and directed to take or cause to be taken all other actions, including, without limitation, making requests of and approving requests from the Authority and the State and signing certificates, documents or other instruments, each on behalf of the Educational Institution, as they deem necessary or desirable under the circumstances to accomplish the purposes of the transactions authorized in this Resolution.

7. The Educational Institution further confirms its obligations to perform the duties and obligations specified in the Construction Agreement (only upon its execution by authorized officers of the Educational Institution) and the Lease (only upon its execution by authorized officers of the Educational Institution) and acknowledges that such obligations do not depend upon passage of title to the Facility to the Educational Institution without consideration upon termination of the Lease. The Educational Institution hereby recognizes that it would execute and deliver the Lease even if title to the Facility would not pass upon termination of the Lease.
8. The Educational Institution recognizes that the Authority shall pay for costs of the Facility in an amount not in excess of \$23,624,800.
9. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.
10. This Resolution shall be effective immediately upon its adoption.

(Exhibits A, B, and C are on file in the Board of Trustees Office.)

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

I. Approval of FY 2002-03 Operating Budget Request for Submission to the Department of Management and Budget of the State of Michigan

Trustee Fischer stated that this request is for approval of the fiscal year 2002-2003 operating budget. He noted that each fall the university is given the opportunity by the state to submit its request for annual operating needs for the following year. Trustee Fischer stated that the required Operating Budget Request includes a narrative summary statement and a schedule of the major elements of the request. He added that the economic factors total \$4,375,000 or 8.4% of the current state appropriation, and provide 3% for inflationary increases in non-compensation costs and estimated compensation requirements. Trustee Fischer highlighted the following programmatic requests:

1. Full Per FYES Target Funding at \$3,090,000.
2. Work Learn Center at 550,000.
3. Technology Enhancements at \$2,500,000.

4. Diversity Student Scholarships at \$500,000.
5. Enhancement of Services to Students with Disabilities at \$200,000.

Trustee Fischer 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 FY 2002 - 2003 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 2002 - 2003 fiscal year.

(The Oakland University FY 2002-2003 Operating Budget Request is on file in the Board of Trustees Office.)

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

VI. Discussion of February 6, 2002 Board of Trustees Formal Meeting Agenda

Chair Nicholson stated that if any Board member has changes or questions regarding the February 6, 2002 Board agenda, please contact the Secretary to the Board of Trustees.

VII. Other Items that May Come Before the Board

Ms. Kimberly A. Langlely, Student Liaison, asked about the status of the proposed Oakland Center expansion, and Dr. Snyder replied that an informal food service report will be presented at the February Board meeting and a recommendation on the food service operator and Oakland Center expansion will be presented at the March and April Board meetings.

VIII. Adjournment

Chair Nicholson adjourned the meeting at 4:55 p.m.

Submitted,

Approved,

Victor A. Zambardi
Secretary to the Board of Trustees

Ann V. Nicholson
Chair, Board of Trustees

