

**Minutes of the Special Formal Meeting  
of the  
Oakland University Board of Trustees  
March 2, 2005**

**Present:** Chair Penny M. Crissman; Vice Chair Dennis K. Pawley; Trustees Henry Baskin, David J. Doyle, Jacqueline S. Long, and Ann V. Nicholson

**Absent:** Trustees David T. Fischer and Rex E. Schlaybaugh, Jr.

**Also Present:** President Gary D. Russi; Vice Presidents Susan Davies Goepp, Virinder K. Moudgil, and Mary Beth Snyder; General Counsel and Secretary to the Board of Trustees Victor A. Zambardi and Assistant Rhonda G. Saunders; Associate Vice President Steve W. Roberts; Internal Audit Director David P. Vartanian; and Student Liaisons David Lauber and Stefanie Marshall

**I. Call to Order**

Chair Penny M. Crissman called the meeting to order at 2:04 p.m. in the Auditorium of 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 and Rex E. Schlaybaugh, Jr. Trustee Henry Baskin was present via teleconference.

**III. Action Items**

**A. Approval of Credit Union ONE Lease for Exclusive On-Campus Branch and Automated Teller Machine Locations and SpiritCard Plus Card Agreement**

Dr. Mary Beth Snyder, Vice President for Student Affairs, stated that at the November Working Session she informed the Board of Trustees that the University was engaged in discussions with Credit Union ONE (CU ONE) to provide a campus identification (I.D.) card program that includes debit card banking services and electronic disbursement of payroll and student financial aid. She noted that the financial and program terms reported at that meeting remain the same, and the Board is being asked

to approve the final contract between the University and CU ONE that includes those terms and conditions.

Dr. Snyder presented the following recommendation for Board approval:

WHEREAS, the University wishes to maintain a single picture identification card called the SpiritCard with expanded services including debit card banking and the capability to electronically distribute payroll and financial aid refunds; and

WHEREAS, the University desires to enter into an exclusive lease agreement with CU ONE for an on-campus branch and automated teller machine locations, and into an agreement for a SpiritCard Plus Card program; and

WHEREAS, CU ONE has offered Oakland University rental payments for four automated teller machines and a branch location and royalties for the use of the University's trademarks, service marks and mailing list; now, therefore, be it

RESOLVED, that the Vice President for Student Affairs is authorized to execute the attached Credit Union ONE Lease for Exclusive On-Campus Branch and Automated Teller Machine Locations and SpiritCard Plus Card Agreement on behalf of the University.

(A copy of the Credit Union ONE Lease for Exclusive On-Campus Branch and Automated Teller Machine Locations and SpiritCard Plus Card Agreement is on file in the Board of Trustees Office.)

Trustee Baskin inquired how the addition of CU ONE on campus impacts the status of the Michigan State University Federal Credit Union (MSUFCU). Dr. Snyder replied that MSUFCU has the choice to keep its ATM machine on campus for a year, and it is free to market its services on campus except during orientations for students and employees.

Trustee David J. Doyle asked about the timing of implementation and how it will affect students. Dr. Snyder responded that, within a month of execution of the agreement, CU ONE's ATM machines will be placed on campus. She added that students will not be required to get a new I.D. card right away, and all replacements will be offered at no charge to the students.

Trustee Baskin asked whether CU ONE will give the University other benefits similar to those that MSUFCU has provided over the years, and Dr. Snyder replied that she has every expectation that CU ONE will participate in similar student programs and sponsorships. In addition, CU ONE is providing significant support to operate the I.D. card operation, which has been wholly funded from the General Fund in the past. Dr. Snyder noted that CU ONE has been a strong sponsor of athletic programs over the years, and she anticipates a continuation of that support. She added that the benefits

and guarantees of CU ONE's proposal clearly exceeded the proposals from all other bidders.

Chair Crissman commented that the CU ONE card technology was successfully tested, which was one of the major reasons for choosing them.

Trustee Dennis K. Pawley asked if CU ONE is the same system that the University of North Carolina uses. Mr. David F. Breuer, Senior Vice President for CU ONE, replied that it is the same system, although it has been customized and tested for Oakland University's ATM debit network and blackboard system.

Trustee Doyle, seconded by Trustee Pawley, moved approved of the recommendation. The motion was unanimously approved by those present.

### **B. Approval of Dual-Enrolled High School Student Fee Waiver**

Mr. Steve W. Roberts, Associate Vice President for Finance and Administration, stated that this proposal involves the dual-enrollment of local area high school students who take a class at Oakland University while also attending high school. He noted that those students' families are charged full tuition and fees, including Recreation Center and Student Activities fees. However, since dual-enrolled high school students are not allowed to participate in student recreation or student activity programs, the Tuition and Fees Committee has recommended that the President be given authority to waive those fees. Mr. Roberts added that there are generally 100 to 200 dual-enrolled high school students per year.

Mr. Roberts presented the following recommendation for Board approval:

RESOLVED, that the President is authorized to waive the Student Activity Fee and the Student Recreation Center Fee for all "dual-enrolled" high school students commencing with Summer Term 2005.

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

### **C. Approval of Revised Internal Audit Manual**

President Gary D. Russi stated that with the change in scrutiny on public and private organizations, the audit function has become more central to some functions within those organizations. He noted that the Finance, Audit and Investment Committee (Committee) of the Board of Trustees has been working to strengthen the audit component at Oakland University. One step is to develop a clear understanding of that function, which is why the Committee recommended that the revised Audit Manual (Manual), which the Committee supported, be presented to the full Board for review and

approval. President Russi called on Mr. David P. Vartanian, Director of Internal Audit, to present this item to the Board.

Mr. Vartanian stated that Trustee Rex E. Schlaybaugh, Jr., Chair of the Committee, requested that he research internal audit department reporting “best practices.” As a result, Mr. Vartanian recommended to the Committee that the University implement the following “best practices” to be incorporated into the Manual, which is the Internal Audit manual for day-to-day operations:

- The Director should report functionally to the Committee and administratively to the President to maintain appropriate independence;
- The Committee must approve the University’s annual audit plan, and any modifications to that plan, before any audit fieldwork is conducted;
- The Director should issue audit reports directly to the Committee and concurrently to the administration; and
- The Director will update the Committee quarterly on the status of ongoing audits.

Mr. Vartanian presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approve the attached Internal Audit Department Audit Manual.

(A copy of the Internal Audit Department Audit Manual is on file in the Board of Trustees Office.)

Mr. Vartanian confirmed for Trustee Baskin that his responsibility is to the Board of Trustees. Trustee Pawley commented that the Committee discussed this topic in great detail with Mr. Vartanian, and he is confident Mr. Vartanian fully understands his auditing priorities and responsibilities.

Chair Crissman and Trustee Baskin commended the Committee for their due diligence in this matter.

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

#### **IV. Other Items that May Come Before the Board**

Chair Crissman called on Ms. Marie Mastracci, Mr. Dwayne Hicks, and Dr. James Griggs, who requested to address the Board.

Ms. Mastracci stated she is a 1984 alumnus of Oakland University, and her son now attends the University and plays on the lacrosse team. She requested that the team be allowed to use facilities on campus for their practices rather than having to rent a facility off campus late at night during the team's school week. Ms. Mastracci deferred to Mr. Hicks, the lacrosse team head coach, to comment further on this matter.

Mr. Hicks reported that the team is currently ranked number "10" in the country among 200 universities in the club level. He noted that Lacrosse is probably one of the most popular sports on campus, and on April 13, 2005 the whole national focus of lacrosse will be on Oakland University as they play the University of Michigan team, ranked "6" in the country. Mr. Hicks updated the Board on the lacrosse team history on campus, noting that over the last two years the team has not been allowed to use the Bubble because of damage caused by the lacrosse team, and the team has been paying to practice off campus at the Silverdome from 10 p.m. until 1 a.m, the only time they can afford to practice. As a result, for the last couple of years the lacrosse team has practiced off campus paying \$8,000 to \$10,000 out-of-pocket costs.

Trustee Baskin asked how much the team is paying to practice at the Silverdome, and Mr. Hicks replied approximately \$8,500 or \$100 per hour, which they also offered to pay the University. Trustee Baskin asked if Mr. Hicks has discussed the Bubble use with the outside vendor, Shelby Soccer. Mr. Hicks replied that they have spoken with them, but had not agreed to rental terms.

Chair Crissman called on Mr. Jack G. Mehl, Director of Athletics, to address this issue. Mr. Mehl stated that the University has made the Recreation Center available to the lacrosse team at no cost. He noted that previously, when the University had a concern about damage to the Bubble, the University met with parents and the assistant coach of the lacrosse team and approved some protective netting proposed by the lacrosse team. Subsequently, the University lifted the ban on lacrosse and negotiated a new agreement with Shelby Soccer essentially passing all of the damage liability for the lacrosse use of the Bubble to Shelby Soccer. Mr. Mehl noted that the General Counsel amended that agreement to be able to reflect this new status. He stated that he met with Dr. James Gregg, the team's physician and parent of a team member, via telephone to discuss the fact that the University had successfully negotiated Shelby Soccer's cost down from \$200 per hour to \$130 per hour with guaranteed practice hours of 10 p.m. to 12 midnight, but that the lacrosse team had rejected the offer. Trustee Baskin asked what the cost difference would be, and Mr. Mehl replied that Dr. Gregg informed him it would be an additional \$240 per week.

At this time, Chair Crissman called on Dr. Gregg to address the Board. Dr. Gregg stated that the real issue is that, although the fee has been lowered to \$130, it is still difficult to raise that additional money because of the full schedules of the team members. Trustee Baskin suggested that the lacrosse team continue to negotiate the price with Shelby Soccer.

Chair Crissman stated that this matter has been discussed for a long time, that the Board is aware of what has been occurring, and believes that good diligence has been occurring between the University and the lacrosse team. She also encouraged the lacrosse team to continue negotiations with Shelby Soccer. Chair Crissman also reiterated that the team has been offered the use of the Recreation Center at no cost.

Trustee Pawley commented that, while he is glad the matter is being discussed, he has visions of other clubs lining up at Shelby Soccer's door to renegotiate their time, and eventually Shelby Soccer may wish to renegotiate their agreement with the University, to the University's detriment. He noted that it is a much broader issue than just the one club.

**V. Adjournment**

Chair Crissman adjourned the meeting at 2:39 p.m.

Submitted,

Approved,

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Victor A. Zambardi  
Secretary to the Board of Trustees

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Penny M. Crissman  
Chair, Board of Trustees