

**Minutes of the Formal Meeting
of the
Oakland University Board of Trustees
April 6, 2005**

Present: Chair Penny M. Crissman; Vice Chair Dennis K. Pawley; Trustees Henry Baskin, David J. Doyle, David T. Fischer, Jacqueline S. Long, Ann V. Nicholson, and Rex E. Schlaybaugh, Jr. (Trustees Fischer and Schlaybaugh joined the meeting when indicated in the minutes.)

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 for Finance and Administration Steve Roberts; and Student Liaison 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 Trustee David T. Fischer and Trustee Rex E. Schlaybaugh, Jr., who joined the meeting when indicated in the minutes.

Chair Crissman made the following statement:

I would like to encourage the Oakland University community to join University leadership, friends and donors at the kickoff event of the public phase of Oakland University's first comprehensive Capital Campaign on April 22nd.

The Founders Day event will be held from 2 to 3 p.m. in the Oakland Center's Oakland Room. I certainly hope you can join us.

It gives me great pleasure to also tell you that we have recently received a gift from Comerica's Charitable Foundation, in support of Oakland University's Entrepreneurship Institute that is listed in today's Consent Agenda.

The \$250,000 gift epitomizes Comerica's leadership in serving the business community and underscores their continuing support for higher education and the role we play in helping disadvantaged youth in our communities. As most of you know, the Entrepreneurship Institute in our School of Business Administration provides entrepreneurship education to economically disadvantaged teens, and has helped more than 6,000 students in the Pontiac, Oak Park and Detroit School systems since it opened in 2001.

On behalf of the Board of Trustees, the administration, and the entire Oakland University community, I extend my sincerest thanks to Comerica for this generous and worthwhile gift.

III. Action Items

A. Consent Agenda

Chair Crissman presented the following recommendations:

1. Approval of the Minutes of the Formal Meeting of December 1, 2004

2. Approval of the Minutes of the Special Formal Meeting of March 2, 2005

3. Approval of University Personnel Actions

New Appointment (effective January 1, 2005)

Wang, Xia, Assistant Professor of Engineering (\$67,000.00) (new appointment filling a vacant authorized position).

Administrative Appointment

Dean

College/School

School of Education and
Human Services

Dean

Mary L. Otto

Term

August 15, 2005-
August 14, 2010 (3rd Term)

Faculty Promotions

The faculty bargaining agreement requires that certain reviews for possible promotion be completed by April 15. The following recommendations are made by the President and Vice President for Academic Affairs and Provost.

Optional Promotions – Effective August 15, 2005:

Associate Professors with tenure considered for promotion for full Professor:

Awbrey, Susan M.	Human Resource Development	Promote
Schott-Baer, F. Darlene	Nursing	Promote
Sieloff, Christina L.	Nursing	Do not promote
Xia, Yang	Physics	Promote
York, Kenneth M.	Management & Marketing	Promote

Emeritus Appointments

Appleton, Sheldon L., Distinguished Professor Emeritus of Political Science, effective August 14, 2005.

Change of Status

Barber, Gary C., from Professor of Engineering and Chairperson, Department of Mechanical Engineering to Professor of Engineering, effective January 1, 2005.

Binkert, Peter J., from Professor of Linguistics and Classics and Chairperson, Department of Linguistics to Professor of Linguistics and Classics, effective January 5, 2005.

Gu, Randy, from Professor of Engineering to Professor of Engineering and Acting Chairperson, Department of Mechanical Engineering, effective January 1, 2005.

Kissock, Madelyn J., from Associate Professor of Linguistics to Associate Professor of Linguistics and Acting Chairperson, Department of Linguistics, effective January 5, 2005.

Kondratek, Melodie D., from Visiting Professor of Physical Therapy to Assistant Professor of Physical Therapy, effective August 15, 2004.

Corrections

Kruk, Serge, Assistant Professor of Mathematical Sciences, reported as Assistant Professor of Mathematics and Statistics.

Spagnuolo, Anna M., Associate Professor of Mathematical Sciences, reported as Assistant Professor of Mathematics and Statistics.

4. Recommendation to Accept Gifts to Oakland University and the Oakland University Foundation for the Period of November 1, 2004 through February 28, 2005, and to Accept Grants and Contracts to Oakland University for the Period November 1, 2004 through February 28, 2005

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

5. Approval of Appointment of Distinguished Professor

RESOLVED, that the Board of Trustees appoints Dr. Michael D. Sevilla to the rank of Distinguished Professor of Chemistry, effective August 15, 2005.

6. Approval of Appointment of Dean for the School of Business Administration

RESOLVED, that the Board of Trustees appoint Dr. Jonathan Silberman to the position of Dean of the School of Business Administration and Professor of Economics with tenure, effective July 1, 2005, at an initial salary of \$173,000, in accordance with the terms and conditions of the Employment Agreement between Dr. Jonathan Silberman and Oakland University.

(A copy of the Employment Agreement between Dr. Jonathan Silberman and Oakland University is on file in the Board of Trustees Office.)

7. Approval of Bachelor of Science in Information Technology

WHEREAS, implementation of the Bachelor of Science in IT is an important initiative for the School of Engineering and Computer Science and is consistent with the *Oakland University in 2010* vision statement; now, therefore, be it

RESOLVED, that the Board of Trustees authorizes the School of Engineering and Computer Science to offer a Bachelor of Science in Information Technology; and, be it further

RESOLVED, that the Bachelor of Science in Information Technology program shall be reviewed annually by the Provost to determine whether the program should be continued.

8. Approval of Board Members for Public School Academies

WHEREAS, the Board of Directors of **Star International Academy** nominated Najwa Hussain and Muzaffar Lakhani to fill vacancies created by term expirations for three-year terms to expire on March 1, 2008; and

WHEREAS, the Board of Directors of **Detroit Academy of Arts and Sciences** nominated Audrey Stafford for reappointment to a three-year term to expire on March 1, 2008; and

WHEREAS, Najwa Hussain, Muzaffar Lakhani, and Audrey Stafford each meet the requirements of the Oakland University Board of Trustees and applicable law; now, therefore, be it

RESOLVED, that the Oakland University Board of Trustees hereby approves Najwa Hussain and Muzaffar Lakhani as members of the Board of Directors for Star International Academy for three-year terms to expire on March 1, 2008; and, be it further

RESOLVED, that the Oakland University Board of Trustees hereby approves Audrey Stafford for reappointment to the Board of Directors for Detroit Academy of Arts and Sciences to a three-year term to expire on March 1, 2008; and, be it further

RESOLVED, that all resolutions and parts of resolutions in conflict with this resolution shall be and hereby are rescinded to the extent of such conflict.

9. Approval of Oakland University Membership in the Michigan Universities Coalition on Health, Inc.

RESOLVED, that the Board of Trustees of Oakland University authorizes the President to approve Oakland University's membership in the Michigan Universities Coalition on Health, Inc. (MUCH), a Michigan non-profit membership corporation, organized to support the purposes and activities of Michigan public institutions of higher learning. This authorization includes authority to sign MUCH articles of incorporation and bylaws and to amend such on behalf of Oakland University; and be it further

RESOLVED, that the Board of Trustees of Oakland University authorizes the President and/or the President's designee, to approve contractual and purchasing agreements, to appoint, reappoint and revoke the respective appointments of Oakland University's primary and alternate representatives on MUCH's board of directors and Oakland University's representative at meetings of the members; and be it further

RESOLVED, that the Board of Trustees of Oakland University authorizes the President and/or the President's designee, to perform, execute and/or deliver all instruments and documents for and on behalf of Oakland University that are necessary, expedient and proper in connection with Oakland University's membership, and to take all other actions related thereto and as contemplated hereby.

10. Approval of Resolution Honoring Dennis C. Muchmore

WHEREAS, Trustee Dennis C. Muchmore was appointed to the Oakland University Board of Trustees on December 16, 2002 by Governor John Engler; and

WHEREAS, Trustee Muchmore's tenure as a Trustee concluded on December 15, 2004; and

WHEREAS, the Board of Trustees wishes to formally recognize Trustee Muchmore's contributions to Oakland University; and

WHEREAS, Trustee Muchmore contributed his in-depth knowledge of Michigan State government, public policy, and economic and business development to resolve issues facing Oakland University; and

WHEREAS, Trustee Muchmore provided valuable assistance to Oakland University in its relationship with the Governor, the Legislature, and other governmental entities; and

WHEREAS, Trustee Muchmore expended countless hours sharing his unique professional experiences in efforts to conserve Oakland University's financial resources; and

WHEREAS, Trustee Muchmore supported the *Oakland University in 2010* vision and helped Oakland University toward its goal of providing a distinctive undergraduate experience complemented by the strong graduate offerings and research; and

WHEREAS, Trustee Muchmore was instrumental in keeping tuition and fee increases as low as possible, while maintaining fiscal commitment to the integrity of Oakland University's core educational experience; and

WHEREAS, Trustee Muchmore has generously contributed to the fiscal and academic wellbeing of Oakland University; and

WHEREAS, Trustee Muchmore always accepted assignments willingly on behalf of Oakland University; and

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

RESOLVED, that the Board of Trustees publicly expresses its deep appreciation and gratitude to Trustee Dennis C. Muchmore; and, be it further

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

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

RESOLVED, that the Board of Trustees extends to Trustee Muchmore its best wishes for happiness and the hope that he will continue his association with Oakland University.

Trustee David J. Doyle, seconded by Trustee Ann V. Nicholson, moved approval of the Consent Agenda. The motion was unanimously approved by those present.

Trustee David T. Fischer joined the meeting at this time.

B. Approval of Alfred G. and Matilda R. Wilson Awards and Human Relations Award

Trustee Nicholson stated the Alfred G. and Matilda R. Wilson Awards are presented each year to a senior man and woman who have contributed as scholars, leaders, and responsible citizens to the Oakland University community. First awarded in 1965, these honors were designed by Mrs. Wilson and Dr. Durward B. Varner, Oakland's first chancellor, to recognize those students who have not only achieved academic excellence, but who have also made significant contributions to campus life and demonstrated interest in the social problems of this community and society in general.

Trustee Nicholson moved the following three resolutions for the Board's approval:

A Resolution of Commendation to Mr. Steven Townsend

WHEREAS, Mr. Steven Townsend entered Oakland University as a freshman from Martin Luther King, Jr. High School in Detroit, Michigan to pursue a major in Chemistry; and

WHEREAS, Mr. Townsend demonstrated academic achievement as a Student Researcher in the Department of Chemistry by performing scientific analysis involving the study of damage processes in DNA and synthetic organic chemistry; served as an instructor in the Chemistry Supplemental Instructor Program; served as tutor in the Academic Skills Center; served as a member of the Golden Key International Honour Society; and received the Oakland University Trustee Academic Success Scholarship and the Keeper of the Dream Award; and

WHEREAS, Mr. Townsend demonstrated leadership capabilities as a resident assistant; served as an orientation group leader, orientation assistant and orientation intern responsible for the creation of the Oakland University New Student On-line Orientation guides; and served as a peer mentor for the Center for Multicultural Initiatives; and

WHEREAS, Mr. Townsend has been selected as the 2005 recipient of the Alfred G. Wilson Award given annually to a graduating senior who has maintained high academic standards, who has demonstrated extraordinary leadership capabilities and involvement in the Oakland University community, and who has expressed social concern; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Mr. Steven Townsend for his commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Mr. Steven Townsend for the quality of his leadership and extends to him its best wishes for continued success in all of his future endeavors.

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

A Resolution of Commendation to Ms. Laura Brett Cowham

WHEREAS, Ms. Laura Brett Cowham entered Oakland University as a freshman from East Kentwood High School in Kentwood, Michigan to pursue a major in Elementary Education with endorsements in Math and Language Arts; and

WHEREAS, Ms. Cowham demonstrated academic excellence as recipient of the Top Student Athlete Scholar Award from the Oakland University Athletics Department; as a recipient of the Golden Grizzlies Excellence in Academics Award; as a member of the Mid-Continent Conference All-Academic Team; as a member of the College Sports Information Directors of America Academic All-District IV University Division Women's Soccer Team; as a recipient of the Metro Detroit Ford Dealers Female Scholar Athlete Award; and as a recipient of an Oakland University Athletics Scholarship; and

WHEREAS, Ms. Cowham demonstrated leadership capabilities as President of the Student Athlete Advisory Council; as a member of the Oakland University Academic Conduct Committee; as team captain of the Oakland University varsity women's soccer team; as a member of the Mid-Continent Conference All-Tournament Team; as a member of the Mid-Continent Conference Student Athlete Advisory Council; as a member of the Oakland University Gender Equity Committee; as a participant in the Oakland University self-study for Division I Athletics Certification Compliance Subcommittee and the Recruiting Subcommittee; and as a volunteer for the Leukemia

and Lymphoma Society, Special Olympics, American Heart Association and March of Dimes; and

WHEREAS, Ms. Cowham has been selected as the 2005 recipient of the Matilda R. Wilson Award given annually to a graduating senior who has maintained high academic standards, who has demonstrated extraordinary leadership capabilities and involvement in the Oakland University community, and who has expressed social concern; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Ms. Laura Brett Cowham for her commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Ms. Laura Brett Cowham for the quality of her leadership and extends to her its best wishes for continued success in all of her future endeavors.

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

A Resolution of Commendation to Mr. Jonathan Parks

WHEREAS, Mr. Jonathan Parks entered Oakland University as a freshman from Communication and Media Arts High School in Detroit, Michigan in pursuit of a major in Communication; and

WHEREAS, Mr. Parks distinguished himself as an untiring and conscientious student leader committed to increasing unity and understanding among diverse groups of students; and

WHEREAS, Mr. Parks demonstrated leadership capabilities through the governance process by serving an unprecedented two consecutive terms as student body president; serving as Oakland University Student Congress Scholarship Chair; serving as assistant to the president of the Association of Black Students; serving as a mentor in the King/Chavez/Parks and AmeriCorps Programs; receiving the Sidney Fink Memorial Award for improving race relations; and assisting with the Lighthouse "Build a Park In Pontiac" project; and

WHEREAS, Mr. Parks has been selected as the 2005 recipient of the Human Relations Award given annually to a graduating senior who has made an outstanding contribution to intergroup understanding and conflict resolution in the Oakland University community; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Mr. Jonathan Parks for his unwavering commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Mr. Jonathan Parks for the quality of his leadership and extends to him its best wishes for continued success in all of his future endeavors.

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

Chair Crissman congratulated all of the award recipients.

C. Appointment of Vice President for Finance and Administration and Treasurer to the Board of Trustees

Trustee Pawley stated an extensive nationwide search was conducted by a search committee chaired by the President to fill the position of Vice President for Finance and Administration and Treasurer to Board of Trustees. The search committee included the Chair and Vice Chair of the Board of Trustees and representatives from the faculty, staff, and students. After an extensive review of all applications, two candidates were invited to campus for interviews. Trustee Pawley reported that based upon the recommendations of all constituencies, the President is pleased to recommend the appointment of Mr. John W. Beaghan as Vice President for Finance and Administration and Treasurer to the Board of Trustees. At this time, Trustee Pawley asked Mr. Beaghan to stand up and be recognized.

Trustee Pawley noted that Mr. Beaghan is currently Vice President for Business and Finance at Eastern Michigan University. In that role, he planned, directed, and oversaw the administrative activities of Eastern Michigan University in the areas of human resources, facilities planning and management, labor relations, public safety, and business services. He also directed over 380 employees, managed an annual operating budget of approximately \$262 million and all capital improvements. Trustee Pawley added that Mr. Beaghan previously served as Eastern Michigan University's Controller and Assistant Vice President for Business and Finance. In those roles, he was responsible for the preparation of general fund budgets, the annual operating budget request to the State of Michigan and presentations to state legislative and executive offices.

Trustee Pawley stated the Employment Agreement between John W. Beaghan and Oakland University is contingent upon Board approval, and that it was reviewed and approved by the Office of the General Counsel prior to execution, is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Board of Trustees.

Trustee Pawley moved approval of the following recommendation:

RESOLVED, that the Board of Trustees appoints John W. Beaghan as Vice President for Finance and Administration and Treasurer to the Board of Trustees, effective April 12, 2005, in accordance with the terms and conditions of the Employment Agreement between John W. Beaghan and Oakland University.

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

Chair Crissman welcomed Mr. Beaghan to the University.

Trustee Schlaybaugh joined the meeting at this time.

D. Approval of Extension of Chartwells Food Service Contract and Renovation Designs for the Vandenberg Dining Center

Trustee Doyle stated in June of 2002 the Board of Trustees approved a five-year contract with Chartwells to provide campus food service, along with \$1,341,000 in capital investment to the University. They also prepaid five years of commission income totaling \$1,250,000, for an initial financial investment of \$2,591,000. Trustee Doyle noted that Chartwells' capital investment was used to fund a portion of the Oakland Center expansion.

Trustee Doyle reported that Chartwells has now proposed additional capital investment and commission dollars contingent on a seven-year extension of the existing contract to the year 2014, to include the following specifics:

- Capital investment of \$1,300,000 in Spring 2005 for Vandenberg Dining Center renovation;
- Capital investment of \$200,000 in Spring 2006 to replace some current retail food vendors in the Pioneer Food Court; and
- Two years commission income at \$250,000 plus five years commission income at \$280,000 for a total amount of \$1.9 million, with \$1,340,000 paid in 2008 and \$560,000 paid in 2013.

Trustee Doyle moved approval of the following recommendation:

WHEREAS, the University in its efforts to increase demand for student housing, improve student satisfaction, and positively impact retention by upgrading housing facilities has established a strong partnership with the current food service provider Chartwells, which has resulted in improved customer satisfaction and sales growth in the board, retail, and catering food operations; and

WHEREAS, Chartwells has offered additional capital investment and commission dollars contingent on a seven-year extension of the existing contract to the year 2014 primarily for a major renovation of the University's board operation in Vandenberg Dining Center; now, therefore, be it

RESOLVED, that the Vice President for Student Affairs is authorized to execute the attached Fourth Amendment to Food Service Agreement; and, be it further

RESOLVED, that the Board of Trustees approves the attached Renovation Designs for the Vandenberg Dining Center.

Trustee Nicholson seconded the motion.

Trustee Pawley expressed his support of this item, and commented that, although it was a single-source contract and not bid, this action should not set a precedent for ongoing activity brought before the Board.

Trustee Baskin asked who will conduct oversight on the \$1.3 million renovation of Vandenberg Dining Center, and whose construction specifications will be used for the project. Dr. Mary Beth Snyder, Vice President for Student Affairs, replied Ms. Janet R. Hepburn, Manager Capital Planning and Design, and her unit will conduct oversight of the project, while Chartwells is responsible for financing and construction of the project at the \$1.3 million amount based on Chartwells' specifications. Ms. Hepburn added that the University would provide plan review and daily management oversight of the contractors to ensure they meet University standards.

Trustee Baskin questioned whether the schematic will be implemented as planned, no matter what the cost may be, in accordance with the proposed renovation plan included in the Board agenda item. Ms. Hepburn replied that the rendering included in the Board materials is also the plan to design and build the Vandenberg Dining Center project within the \$1.3 million and that it is Chartwells' responsibility to monitor those costs. Ms. Eleanor Llewellyn Reynolds, Director of University Housing, added that the final plan will be completed once the amendment is signed, but it will look exactly the same as the rendering in the Board materials.

Trustee Baskin then moved the following friendly amendment to the recommendation replacing the three resolved clauses:

RESOLVED, that the Board of Trustees approves the attached Proposed Renovation to Existing Dining Facility; and, be it further

RESOLVED, that the proposed Renovation to Existing Dining Facility be incorporated into and made part of the Fourth Amendment to Food Service Agreement; and, be it further

RESOLVED, that the Vice President for Student Affairs is authorized to execute the Fourth Amendment to Food Service Agreement incorporating the Proposed Renovation to Existing Dining Facility.

(A copy of the Proposed Renovation to Existing Dining Facility is on file in the Board of Trustees Office.)

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

E. Approval to Construct Replacement Bridge on the Katke-Cousins Golf Course

Mr. Steve Roberts, Associate Vice President for Finance and Administration, stated that last year storm water washed out a bridge on the Katke-Cousins Golf Course. Since that time, a temporary bridge was constructed over the stream; the University worked on a process to identify the bridge replacement cost; and an insurance claim was filed with Michigan Universities Self-Insurance Corporation (MUSIC). Mr. Roberts noted that the total cost of reconstructing the bridge is estimated at a maximum of \$350,000.

Mr. Roberts presented the following recommendation for Board approval:

WHEREAS, the Golf and Learning Center requires a permanent stream crossing bridge on the Katke-Cousins Golf Course to replace the bridge that was washed away in a May 2004 flood; and

WHEREAS, the insurance claim for the May 2004 bridge loss is pending, and even though resolution of the claim may result in the loss not being covered; now, therefore, be it

RESOLVED, that the administration is authorized to proceed with the project to construct a permanent stream crossing bridge on the Katke-Cousins Golf Course; and, be it further

RESOLVED, that the total cost of the project shall not exceed \$350,000.00.

Trustee Doyle, seconded by Trustee Schlaybaugh, moved approval of the recommendation.

Trustee Baskin asked if the flood plain has been determined, and Mr. Roberts replied it has not, but that several insurance entities are currently involved in that discussion. Trustee Nicholson asked when the bridge will be finished, and Mr. Khales S. Dahr, Senior Architect, replied completion is expected by June 11th.

Trustee Jacqueline S. Long asked if the temporary bridge is usable, and Mr. Dahr replied that it is usable.

Trustee Fischer noted the amount of time that has lapsed since the bridge was damaged and asked when the insurance settlement will be negotiated. Ms. Kate Lark, Purchasing and Risk Management Director, replied that she expects an answer shortly, although the flood plains are still under review. She added that an adjustor was just on campus for a physical visit.

Trustee Long inquired about the accuracy of the flood plain and FEMA maps. Ms. Lark replied that one-half of the bridge is in one flood plain while the other half is in another, and that uncertainties on the matter have caused further discussions.

Trustee Fischer asked why it took almost a year for the adjustor to do a physical visit, and Ms. Lark replied that the scope of work on the bridge was determined during the 2004 summer; the issue of flood plain was not raised until fall; and the bid went out afterwards. She explained the complexity of involvement by MUSIC, Midwest Higher Education Commission, and other commercial carriers, who all have their own adjustors.

The motion was unanimously approved by those present.

F. Approval to Retain Capital Campaign Counsel

Ms. Susan Goepp stated in June 1995, the University issued a Request for Proposal (RFP) for a Feasibility and Market Study and Capital Campaign Plan and Counsel to establish a contract for professional fund raising consultant services. She noted the University's intent, after the feasibility and market study was completed, to establish a continuing relationship between the University and a consultant. Ms. Goepp stated that of the eight proposals received, Marts and Lundy was selected to conduct an internal audit of the University areas that needed strengthening to support a capital campaign.

Ms. Goepp stated that in August 1999, a Joint Oakland University and Oakland University Foundation Capital Campaign Ad Hoc Committee met with Marts and Lundy who recommended that a Capital Planning and Feasibility Study be conducted, which was ultimately presented to the University in May 2000. The study recommended that the University strengthen its development program and institute a pre-planning process to successfully complete a comprehensive capital campaign.

Ms. Goepp noted that Mr. Roy Muir, serving as Marts and Lundy's lead consultant for the University since January 2002, has met regularly with Ms. Goepp and senior staff to evaluate campaign progress, review potential problems, and recommend best practice fund raising strategies to ensure campaign success. He also met with the Foundation Board of Directors, who independently retained Marts and Lundy in December 1999, to discuss the process and impact of the campaign. As Campaign Counsel, Mr. Muir

provided data analysis on similar universities to assist in counseling the University on setting campaign structure, goals, and priorities. In addition, President Russi and Ms. Goepp met with 300 alumni, friends, and corporate representatives over the past two years to fine tune the University's case for support. President Russi also met with 100 Advisory Board members and the Foundation to discuss the University's vision and campaign process. Mr. Muir also met with development officers to review prospects and strategies for engaging alumni and friends to develop prospect coordination guidelines.

Ms. Goepp noted that the Foundation provided start-up funding for the silent phase of the campaign, including payment of consulting fees to Marts and Lundy from 1995 through fiscal year 2002. Since 2003, the University has paid Marts and Lundy \$168,373 for consulting services. Ms. Goepp stated now that the University has secured capital campaign commitments of \$63.5 million in gifts, pledges and bequests, and will publicly launch the campaign on April 22, 2005, Board approval is requested to retain Marts and Lundy's services for the five-year duration of the campaign. She noted that the Marts and Lundy Independent Contracting Services Agreement will be reviewed and approved by the University's Office of Purchasing and Risk Management prior to execution, and it is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Board of Trustees. Ms. Goepp added the contract term is for one year, with termination upon 30 days prior written notice. The administration expects to execute consecutive one-year agreements for the five-year duration of the campaign at anticipated fees of \$70,000 to \$80,000 per year or a total of \$350,000 to \$400,000.

Ms. Goepp presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approves the retention of Marts and Lundy as the University's capital campaign consultants on an annual basis for calendar years 2005 through 2010, and, be it further

RESOLVED, that the cumulative fees to be paid to Marts and Lundy for services rendered in calendar years 2005 through 2010 shall not exceed \$400,000.

Trustee Fischer, seconded by Trustee Nicholson, moved approval of the recommendation.

Trustee Pawley commented that he has closely followed Marts and Lundy's activities the last few years and he believes they have done a great job advising the University and developing the necessary campaign roadmap and training. However, he questioned their role over the next three to five years. Ms. Goepp replied that they are to conduct additional training and provide further guidance throughout the campaign, and that other universities with successful campaigns have similar consulting relationships.

Trustee Schlaybaugh asked if the University will continue the contract if it reaches the campaign goal earlier than anticipated, since there will probably be a point of diminishing returns. Ms. Goepp responded that the contract would be continued because the goal would be raised at that time, although the relationship would be assessed when necessary. Trustee Pawley commented that the need for the relationship to continue can also be reviewed annually by the co-chairs of the Presidential Capital Campaign Committee.

The motion was unanimously approved by those present.

IV. Discussion of June 1, 2005 Board of Trustees Formal Meeting Agenda

Chair Crissman advised the Board members to contact the Secretary to the Board of Trustees with any additions, deletions, or questions regarding the June 1, 2005 Board agenda.

V. Other Items that May Come Before the Board

Trustee Schlaybaugh asked about the timing of the General Fund Budget and Tuition and Fees Increase item for Board approval. President Russi recommended that it be presented to the Board after budget recommendations are received from the Legislature. He explained that testimony before the House will occur April 20; the Senate will hear testimony throughout May; and the Legislature will address it thereafter.

Trustee Schlaybaugh asked what the administration's proposal will be if the delay goes beyond June 30 of FY 2005. President Russi replied he is recommending auxiliary budgets be presented to the Board in May for discussion and June for action. If the Legislature acts and the bill is signed in May, he will recommend the Board meet as soon thereafter as possible to discuss the General Fund Budget recommendation and take action before June 30th.

Trustee Schlaybaugh asked if the budget discussions are tied to the single business tax revision currently under active debate. President Russi replied he does believe much of it is tied to the single business tax, but rather, to the 2006 State budget. He noted that an Executive Order has been supported by the Legislature to reduce support to universities by \$30 million, but it also includes language that if the State's revenue forecast in May is better than expected, the reduction will not occur. President Russi added that if the State does worse than forecasted in May, the reduction would occur August 1 and next year's budget and cash flow would be estimated based on proposals anticipated to be supported through the Legislature, including single business tax.

There were no other items presented to the Board.

VI. Adjournment

Chair Crissman adjourned the meeting at 2:49 p.m.

Submitted,

Approved,

Victor A. Zambardi
Secretary to the Board of Trustees

Penny M. Crissman
Chair, Board of Trustees