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Minutes of the Meeting
of the
Oakland University Board of Trustees
May 13, 1992

Present: Chairman Howard F. Sims; Trustees Phyllis Law
Googasian, David Handleman, L. Brooks Patterson
and Stephan Sharf

Absent: Trustees Larry Chunovich, Andrea Fischer and James
A. Sharp, Jr.

Chairman Howard F. Sims called the meeting to order at 3:10 p.m.
in the East Crockery of the Oakland Center.

Approval of the Minutes of the Meeting of April 8, 1992

Trustee David Handleman, seconded by Trustee L. Brooks Patterson,
moved approval of the proposed minutes of the meeting of April 8,
1992. The motion was voted on and unanimously carried.

Report on Gifts and Grants to Oakland University for the period
of March 1, 1992, through March 31, 1992, and to the Oakland
University Foundation for the same period

Mr. Paul Osterhout, Director of Development, reported that the
gifts and grants to Oakland University for the month of March
totaled \$835,653.81 and gifts and grants to the Oakland Universi-
ty Foundation totaled \$111,107.02.

Mr. Keith Kleckner, Senior Vice President and Provost, highlight-
ed the grants related to the biomedical sciences which, he noted,
continue to be very strong in grant research.

Mr. John De Carlo, Interim President, noted the "very generous
gift" from Mr. and Mrs. Donald E. Peterson to the Kresge Library.
Mr. Peterson is a former Chairman of the Board of Ford Motor
Company.

Trustee Patterson, seconded by Trustee Handleman, moved accep-
tance of the gifts to Oakland University with gratitude. The
motion was voted on and unanimously carried.

Recognition Display honoring donors to the Enduring Legacy

Mr. Osterhout stated that the Enduring Legacy is a \$3.5 million
endowment campaign sponsored by the Oakland University Founda-
tion. The campaign objective is to increase the level of endowed
funds supporting the Kresge Library from a base of \$1.5 million
to \$5 million by 1994. To date, \$2.1 million has been received
for this purpose. Mr. Osterhout stated that the Oakland Univer-
sity Foundation Board of Directors has approved funding for a

"wall of honor" to be erected in the foyer of the library. The display will honor donors to the campaign of \$1,000 or more.

Mr. Osterhout noted that Oakland University Foundation approval was contingent upon acceptance of the display by the Board of Trustees. He then made the following recommendation:

RESOLVED, that the Board of Trustees of Oakland University hereby accepts from the Oakland University Foundation the Enduring Legacy Recognition Display to be erected in the Kresge Library.

Trustee Phyllis Law Googasian, seconded by Trustee Handleman, moved approval of the recommendation. The motion was voted on and unanimously carried.

Faculty Personnel

Actions

Mr. Kleckner made the following recommendations:

Appointment

Longan, Nathan F., Assistant Professor of Russian, effective August 15, 1992 (new appointment filling a vacant authorized position)

Emeritus Appointment

McArdle-Pigott, Kathryn M., Professor Emerita of Spanish, effective January 2, 1992

Leaves of Absence

Das, Manohar K., Associate Professor of Engineering, sabbatical leave from September 1, 1992, through December 18, 1992 (with full pay)

Gaylor, Robert G., Associate Professor, University Library, sabbatical leave from September 1, 1992, through April 28, 1993 (with half pay)

Workman, Mark E., Associate Professor of English and Folklore and Chairperson, Department of English, sabbatical leave from September 1, 1992, through December 18, 1992 (with full pay)

Trustee Googasian, seconded by Trustee Handleman, moved approval of the recommendations. The motion was voted on and unanimously carried.

Special Compensation Provision for Professor Harvey Arnold

Mr. Kleckner stated that Professor Harvey Arnold applied for early retirement in 1990 under the provisions of the Faculty Agreement in effect at that time. His early retirement was approved by the Board of Trustees effective August 15, 1991. Professor Arnold withdrew his retirement request when Oakland asked that he provide continuing leadership to the university's major contract programs in statistical quality control during the search for his successor which was in progress. In 1991, the early retirement program was completely eliminated from the new Faculty Agreement effective August 15, 1992. Both parties to the negotiations acknowledged that there was an issue of equity for Professor Arnold, and recommended a one-time exception to the terms of the current Faculty Agreement and to award Professor Arnold the exact benefit he would have received had he not agreed to rescind his previously approved early retirement.

Mr. Kleckner made the following recommendation:

WHEREAS, Professor Harvey Arnold, following 25 years of excellent service to the university, was approved in 1991 to exercise the faculty voluntary early retirement option specified in the collective bargaining agreement with the Oakland University Chapter of the AAUP; and

WHEREAS, Professor Arnold was due to receive certain financial perquisites upon exercising this option on August 15, 1991; and

WHEREAS, prior to that date, Professor Arnold agreed, solely at Oakland's initiation and request, to defer his early retirement for one year while Oakland recruited his successor, thereby assuring no loss of continuity in the university's important thrust in statistical quality control; and

WHEREAS, the new faculty collective bargaining agreement negotiated since that date contains no voluntary early retirement option and perquisites; and

WHEREAS, it was neither Oakland's intent nor Professor Arnold's expectation at the time he acceded

to Oakland's request to defer his retirement that he would forfeit the financial perquisites to which he was then entitled; and

WHEREAS, Professor Arnold has agreed to serve Oakland in a consulting capacity during the period over which a lump sum retirement benefit would be paid in annual installments; now, therefore, be it

RESOLVED, that the Board of Trustees authorizes Professor Harvey Arnold to receive the same retirement benefits for which he was originally approved, and subject to and as stated and agreed to in the separate agreement among Professor Arnold; the Oakland University Chapter, AAUP and Oakland.

Mr. De Carlo then made the following comments:

I believe that it is most appropriate at this time to pay special recognition to Professor Harvey Arnold. Before describing some of Professor Arnold's major contributions to Oakland University, I wish to make a few brief comments about university/industry collaborations in relation to the strength of the state's economy.

An article on the front page of the Chronicle of Higher Education about two months ago reports on how state governments sought university-industry collaborations, during the past ten years, as a means for economic development. Essentially every state government adopted a program to provide research universities with special funds for science and engineering research. This research would produce new technological developments which had the potential for commercialization and thus improve the economy of the state. The article describes some success with these programs but that there is a growing interest in several states to focus the economic development funds on such strategies as improving worker training, instead of placing it in university research laboratories.

An infrastructure to facilitate technology transfer from university researchers to industry is lacking in the economic development plans created by various state governments.

In this connection, about nine years ago Professor Harvey Arnold created a very significant program to help Ford Motor Company without the assistance of economic development funds from the state. Many people in the State of Michigan are aware that the quality and economic efficiency of the Japanese auto industry benefitted tremendously from the statistical methods and ideas of W. Edwards Deming. The American auto industry has benefitted and will continue to benefit from the efforts of Harvey Arnold, who has been primarily responsible for dramatically increasing the statistical competency of both Ford and General Motors. A Chrysler official has stated that Chrysler is increasing its statistical staff by hiring Oakland graduates from Ford and General Motors until it can establish other arrangements.

The program with Ford Motor Company has involved worker training and education since 1983 with five or six graduate applied statistics classes taught on-site every year to Ford engineers. This environment provides some of the "infrastructure for technology transfer" in encouraging the application of statistical methodology to industrial problems and enhancing the design of course materials to better serve industrial needs.

A Ford Cooperative Scholar Program was initiated in 1985. About 30 co-ops have completed the Master of Science degree and about ten have completed the Bachelor of Science degree while applying statistical methods to industrial problems at Ford with the supervision of Ford personnel and professional consultation from Oakland University faculty members. These graduates are highly sought after on a national level because of the combination of graduate applied statistics education and two years of direct industrial experience in the use of statistical methods.

Ford has provided major support for a statistical computing laboratory at Oakland University and funds for the development of faculty in statistics. The total grant and consulting awards from Ford Motor Company, under Harvey Arnold's principal supervision, since 1983, is almost \$2.5 million and other funds have been awarded under the supervision of other statisticians as an extension of the program which Harvey initiated. On the basis of the Ford program and exten-

sions of parts of the program to General Motors, as well as the availability of the graduate program in the evening on campus, there are now about 80 individuals with the M.S. degree in Applied Statistics from Oakland University and another 70 who have the Graduate Certificate in Statistical Methods. The Ford-Oakland Partnership in Statistics was recognized as one of four programs to receive the 1985-86 American College Testing and National University Continuing Education Association Innovation Award.

The national visibility of this partnership and the over-all quality of the program causes various influential observers to judge the Applied Statistics program at Oakland as one of the top four or five applied statistics programs in North America.

The continued success of this program owes much to the major ingredients which Harvey has insisted be incorporated into its design and also to Harvey's knowledge, dedication and personal commitment. He has established a model for further university-industry collaboration and made it possible for Oakland University to be a major partner in industrial cooperation programs in the state.

Harvey, we thank you for your many contributions to Oakland University over a twenty-five year career on the faculty. We thank you for the willingness to postpone your retirement to facilitate the successful continuation of our various statistical programs. We especially thank you for establishing this model for university-wide collaboration.

There was a round of applause for Professor Harvey Arnold.

Trustee Googasian, seconded by Trustee Handleman, moved approval of the recommendation presented by Mr. Kleckner. The motion was voted on and unanimously carried.

Professor Arnold thanked the Board and Mr. De Carlo for the "opportunity to receive this fine recognition."

Report on the Search Process for a Dean of the School of Nursing

Mr. Kleckner reported that the search process for a Dean of the School of Nursing has been completed and a recommendation should be brought before the Board at its June, 1992, meeting.

Trustee Stephan Sharf asked if Dr. Sandra Packard, President Designate, had an opportunity to review the candidates. Mr. Kleckner responded that she has interviewed two of the finalists, and she is in agreement with the academic administration's recommendation.

Approval of Exception to Official Count Date

Mr. Kleckner stated that the State of Michigan requires that the governing board of each public institution of higher education select a date for the official enrollment count. Under the current policy, the present count date will cause delays in developing class lists. Therefore, the registrar's office has recommended advancing the official count dates as indicated in the following resolution:

RESOLVED, that the Board of Trustees establish
May 26 as the official count date for Spring 1992,
and July 21 as the official count date for Summer 1992.

Mr. Kleckner stated that the registrar's office will conduct a review of the general policy and a revised policy will be proposed to the Board during the coming academic year.

Trustee Googasian, seconded by Trustee Handleman, moved approval of the recommendation. The motion was voted on and unanimously carried.

Squirrel Road Property Transaction

Mr. Robert Bunger, Assistant General Counsel, stated that at its April 8, 1992, meeting, the Board of Trustees approved a Memorandum of Understanding concerning the sale of property and the provision of easements to the City of Auburn Hills for a substantial upgrading of Squirrel Road. Approval was contingent upon review by Trustees Larry Chunovich and Howard F. Sims. Mr. Bunger reviewed the final transaction documents as follows:

1. A purchase agreement.
2. Two deeds for the transfer of property by Oakland University.
3. One deed for the transfer of property by City of Auburn Hills.
4. Three drainage easements.

5. A water main easement.
6. A temporary grading permit.
7. Two releases of easement by City of Auburn Hills.
8. A partial release of covenants. In 1987, Oakland sold about 35 acres of land on the west side of Squirrel Road to Chrysler Corporation. One of the terms of sale was that if Chrysler ever wished to convey the property, the University would have an option to repurchase the property for a price not to exceed the price that Chrysler paid in 1987, plus interest. As part of the Squirrel Road project, Chrysler is selling four strips of that property totalling about 3 1/2 acres to the City of Auburn Hills for \$4.00 total. This release of reverter relinquishes the University's claim on only that portion of the property conveyed to the City for road purposes. The University agreed to this sale as part of the Memorandum of Understanding approved by the Board last month.

Mr. Bunger then made the following recommendation:

RESOLVED, that the Interim President of the University and/or the Vice President for Finance and Administration are authorized to execute the documents listed above and included with this agenda item, subject to the review of the Office of the General Counsel in order to implement the Memorandum of Understanding concerning the sale of land to the City of Auburn Hills.

Trustee Googasian, seconded by Trustees Handleman and Patterson, moved approval of the recommendation. The motion was voted on and unanimously carried.

Reroofing of O'Dowd Hall and Meadow Brook Theatre

Mr. Robert McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, stated that the administration is seeking authority to contract the reroofing of the Meadow Brook Theatre at Wilson Hall and the lower level roofs at O'Dowd Hall.

Mr. McGarry then made the following recommendation:

RESOLVED, that the Vice President for Finance and Administration be authorized to award a competitive contract to the lowest qualified bidder for the subject projects; and, be it further

RESOLVED, that the total project costs shall not exceed the amount set forth in the confidential budgetary analysis dated May 13, 1992, and submitted with this recommendation; and, be it further

RESOLVED, that the contracts be reviewed by legal counsel and be in accordance with the university's Affirmative Action Policy; and, be it further

RESOLVED, that a tabulation of bids and the contractor and award amount will be reported to the Board of Trustees at the meeting in the month following the awarding of the contract.

Trustee Sharf asked about the guarantee for the roof replacement. Mr. Richard Moore, Director of Buildings and Grounds, stated that there is a standard two-year guarantee, but under the university's specifications, a five to seven year guarantee based on roof design is available.

Trustee Sharf raised concerns regarding the length of the guarantee. Chairman Sims questioned the urgency of this project. Mr. McGarry responded that it should be done prior to the return of the students in late August. Chairman Sims suggested that the matter should be reviewed by the University Affairs Committee and brought back to the Board in June. The Trustees concurred in Chairman Sims recommendation.

High Temperature Hot Water Distribution System Replacement (Phase II)

Mr. McGarry stated that the administration is seeking authority for the replacement of the high temperature hot water lines between Dodge and Varner Halls and approximately 35 feet of the line under the westbound roadway of Wilson Boulevard.

Mr. McGarry then made the following recommendation:

RESOLVED, that the Vice President for Finance and Administration be authorized to award a competitive contract to the lowest qualified bidder for the subject project; and, be it further

RESOLVED, that the total project costs shall not exceed the amount set forth in the confidential budgetary analysis dated May 13, 1992, and submitted with this recommendation; and, be it further

RESOLVED, that the contracts be reviewed by legal counsel and be in accordance with the university's Affirmative Action Policy; and, be it further

RESOLVED, that a tabulation of bids and the contractor and award amount will be reported to the Board of Trustees at the meeting in the month following the awarding of the contract.

Trustee Handleman, seconded by Trustee Patterson, moved approval of the recommendation. The motion was voted on and unanimously carried.

Authority to Sell 2509 Munster Property

Mr. McGarry stated that Sunset Terrace has been identified as the official president's residence which leaves the 2509 Munster property unoccupied and of no use to the University. The administration recommends that the property should be listed for sale at \$275,000. Upon the sale of the property, the funds will be used at the extent needed to pay for the renovation of Sunset Terrace.

Mr. McGarry then made the following recommendation:

RESOLVED, that the Vice President for Finance and Administration be authorized to list the property at 2509 Munster, Rochester Hills, Michigan, (Lot #89 in the Meadow Brook Valley Subdivision #2) for sale with a realtor at a price of \$275,000; and, be it further

RESOLVED, that the Vice President for Finance and Administration is authorized to sign a sales contract on the basis of the terms and conditions set forth in his confidential memorandum of April 22, 1992 after approval by the Chairman of the Board of Trustees and review by legal counsel; and, be it further

RESOLVED, that the final terms and conditions shall be reported to the Board prior to such sale, unless there is a need for immediate action prior to such Board meeting and in that instance the Board will

be advised of the action of the Vice President and the Chairman.

Trustee Patterson suggested that the University administration should try to sell the property without the assistance of a realtor in order to save the realtor's fee. Mr. McGarry stated that in this market it would be very difficult to do so.

Trustee Googasian, seconded by Trustee Handleman, moved approval of the recommendation.

Chairman Sims stated that the funds from the sale of the Munster property will be used to take care of maintenance items at Sunset Terrace which should have been attended to over the years. He noted that the necessary work on Sunset Terrace goes beyond the need to make it livable.

The Trustees voted on the recommendation. Trustees Googasian, Handleman, Sharf and Sims voted for the recommendation. Trustee Patterson voted against it.

Mr. De Carlo noted that five votes of the Board are required for approval of the recommendation. There was discussion regarding the market for houses at this time. Mr. McGarry noted that there are presently three houses for sale on the same block as the University's house.

Trustee Googasian stated that she believed that the sale should have the widest possible exposure in the present market by the use of a realtor.

Trustee Patterson moved the following revised recommendation:

RESOLVED, that the Vice President for Finance and Administration be authorized to list the property at 2509 Munster, Rochester Hills, Michigan, (Lot #89 in the Meadow Brook Valley Subdivision #2) for sale at a price of \$275,000; and, be it further

RESOLVED, that the University administration shall attempt to sell the property without the assistance of a realtor for 30 days or until the next Board meeting and shall report to the Board on the status of the property at that time; and, be it further

RESOLVED, that if there is no offer pending on the property, the administration will request Board approval to list the property with a realtor at the June meeting; and, be it further

RESOLVED, that the Vice President for Finance and Administration is authorized to sign a sales contract on the basis of the terms and conditions set forth in his confidential memorandum of April 22, 1992, after review by the Chairman of the Board of Trustees and review by legal counsel; and, be it further

RESOLVED, that the final terms and conditions shall be reported to the Board for approval prior to such sale.

Trustee Sharf seconded the recommendation. The motion was voted on and unanimously carried.

Resolution Recommending Michigan Liquor Control Commission Approval of a Class C License for Olympia Arenas, Inc./Policy on the Distribution of Alcohol at Meadow Brook Music Festival/Meadow Brook Music Festival Operator Agreement

Mr. Bunger stated that Olympia Arenas, Inc., (OAI) has applied to the Michigan Liquor Control Commission for a Class C license for the premises of the Meadow Brook Music Festival. As part of the process, the statute requires the approval of the governing board of the university. The Liquor Control Commission requires approval in accordance with the terms set forth in the recommendation to the Board.

Mr. Bunger made the following recommendation:

RESOLVED, that the request from Olympia Arenas, Inc. for a new full year Class C license to be located at Meadow Brook Music Festival, Oakland University, Rochester, MI 48309, Oakland County, be considered for approval. It is the consensus of this legislative body that the application be recommended for issuance; and, be it further

RESOLVED, that this approval is subject to the contractual limitations required by Oakland University in its agreement with Olympia Arenas, Inc.

Mr. Bunger also noted a second recommendation regarding the establishment of a policy under which liquor would be served at the Music Festival. OAI has requested to sell beer and wine on the premises of the Festival and spirits only at scheduled private events on lawn tents or Trumbull Terrace.

Mr. Bunger then made the following recommendation:

WHEREAS, the Oakland University Board of Trustees authorized the administration to enter into a letter

agreement with Olympia Arenas, Inc./Brass Ring Productions (hereafter "OAI") approving this entity to become lessee of the Meadow Brook Music Festival grounds and to operate the Meadow Brook Music Festival subject to Board approval of a formal agreement; and

WHEREAS, a formal agreement is being negotiated by Oakland University and OAI; and

WHEREAS, OAI has been given Board consent to seek a Class "C" liquor license for the Festival; and

WHEREAS, it is necessary that a policy on the distribution of alcohol at the Festival be established; now, therefore, be it

RESOLVED, that the Board of Trustees authorizes OAI to serve alcohol at the Meadow Brook Music Festival only under the following conditions:

1. beer and wine may be provided at Trumbull Terrace and at portable carts on the Festival grounds; and
2. beer, wine and spirits may be provided at scheduled private events that are held in a lawn tent on the Festival grounds or at Trumbull Terrace when the Terrace is reserved for a private event; and
3. OAI shall comply with the law and with Michigan Liquor Control Commission regulations and shall follow the guidelines established in the document entitled OAI Policy on Alcohol Management regarding the alcohol enforcement policies which will be in place, and the document entitled Meadow Brook Music Festival Concessions regarding the location of carts selling beer and wine and the quantities to be vended.

Trustee Patterson moved approval of the recommendation.

Trustee Googasian stated that in all of the discussions with representatives from OAI, it has been very clear that the university and OAI concur in the environment at the Festival. Neither party is interested in changing the ambience, and all advertising will be done in good taste. Trustee Googasian noted that the university has done its best to allow appealing changes and still maintain the Festival.

Trustee Googasian then seconded the motion which was voted on and unanimously carried.

Mr. Bunger stated that OAI and the University are working diligently to produce a final contract document for the lease of the facility. He reviewed some of the essential terms of the proposed agreement as follows:

1. OAI would lease the Meadow Brook Music Festival grounds for a period of three years commencing with the summer 1992 season, with an option to extend the term for five additional years, through the summer 1999 season.
2. The lease rental would be \$200,000 per year, or 6 percent of gross ticket sales, whichever is greater.
3. OAI would produce a minimum of 25 events during each concert season, and a total of no less than 60 events during each consecutive combination of two concert seasons.
4. OAI would provide Oakland reasonable notice of its concert programming. If OAI should schedule or present an event which may bring Oakland into disrepute or reflect unfavorably upon Oakland, the University may object to such presentation, and the parties would negotiate to resolve such objections to Oakland's satisfaction. Repeated instances of failure to successfully resolve such issues would constitute just cause for termination.
5. OAI would retain all revenues from the activity and would be responsible for all expenses.
6. Oakland would be able to continue to publish a program book, to operate the Treble Clef Gift Shop, and to operate the car raffle.
7. All capital improvements would be subject to Oakland's prior approval.
8. OAI may seek a class C liquor license and may serve alcoholic beverages in accordance with a liquor business plan approved by Oakland.
9. Signage would be subject to Oakland's approval.
10. Some complimentary and preferential seating and some preferential parking would be provided to Oakland by OAI for Oakland's public relations and fund raising purposes. These benefits would be more limited than they have been in the past.

11. Oakland's commencement activities would continue to be permitted at the facility.

Mr. Bunker then made the following recommendation:

RESOLVED, that contingent upon the approval of Chairman Howard F. Sims and Trustee Stephan Sharf, the Vice President for Finance and Administration is authorized to enter into an agreement with Olympia Arenas, Inc. as operator of the Meadow Brook Music Festival under the general terms and conditions set forth in this report and in accordance with the liquor business plan approved by the Board.

Mr. De Carlo stated that at this time it would be appropriate for representatives of OAI to indicate some of the physical changes planned for the Festival facilities which will be covered by OAI.

Mr. De Carlo introduced Mr. Steve Facione, Vice President for Olympia Arenas, Inc. and General Manager of the Fox Theatre. Mr. Facione thanked the Board and introduced Mr. Michael Novak, General Counsel for Brass Ring Productions, and Mr. Stewart Mayer, General Manager for Meadow Brook Music Festival.

Mr. Facione reviewed the renovations planned for Meadow Brook which include ADA accessibility, paving of the entrance road for two lanes of traffic, painting of the box office and Trumbull Terrace, the placement of directional signs which include advertising of sponsors, the placement of the Meadow Brook logo in specific areas at the facility, and the upgrade of Trumbull Terrace including the purchase of additional kitchen equipment. The cost for these renovations will total approximately \$250,000 and will be covered entirely by OAI.

There was discussion regarding the need for additional lavatory facilities at the Festival, and Mr. Novak noted that portable facilities will be available on the grounds for certain concerts.

Trustee Patterson, seconded by Trustee Googasian, moved approval of the recommendation. The motion was voted on and unanimously carried.

Other Items

Trustee Sharf referenced a recent article in the Oakland Post regarding Mr. De Carlo's expense account. He noted that Mr. De Carlo has not exceeded the account as inferred by the article. In addition, the expenditures for entertainment and gifts provided are for the purpose of raising funds for, and supporting the interests of, the University.

Authorization for a Closed Session

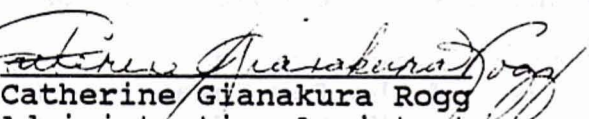
Mr. De Carlo stated that a closed session is requested for the purpose of discussing collective bargaining negotiations. A roll call vote is required to close the meeting.

Trustee Handleman, seconded by Trustee Googasian, moved approval of a roll call vote for the purpose of a closed session. The motion was voted on and unanimously carried.

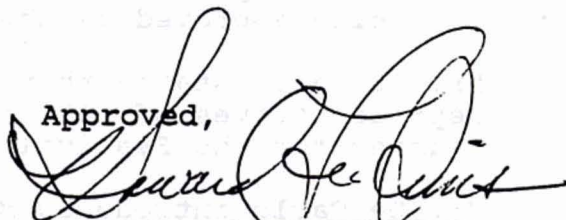
Mr. De Carlo called the roll, all of the Trustees present responded affirmatively.

The meeting was adjourned at 4:15 p.m.

Submitted,


Catherine Gianakura Rogg
Administrative Assistant
Board of Trustees

Approved,


Howard F. Sims
Chairman
Board of Trustees