

Minutes of the Meeting
of the
Oakland University Board of Trustees
March 3, 1994

Present: Chairman James A. Sharp, Jr.; Trustees Larry Chunovich, Andrea L. Fischer, David T. Fischer, David Handleman, and Howard F. Sims

Absent: Trustees Rex E. Schlaybaugh, Jr. and Stephan Sharf

Chairman James A. Sharp, Jr. called the meeting to order at 3:15 p.m. in the Gold Rooms of the Oakland Center.

Consent Agenda

President Sandra Packard presented the following recommendations:

a. Approval of the Minutes of the Meeting of February 3, 1994

b. Approval of the Minutes of the Closed Meeting of February 3, 1994

c. University Personnel Actions

New Appointment

Bhargava, Murkesh, Assistant Professor of Marketing, effective August 15, 1994

Emeritus Appointment

Coon, George E., Professor Emeritus of Education, effective March 3, 1994

Malm, Donald G., Professor Emeritus of Mathematical Sciences, effective March 3, 1994

Schwab, William, Professor Emeritus of Linguistics and English, effective March 3, 1994

Sick Leave

Bingham, Jane M., Professor of Education, sick leave from January 3, 1994, through April 27, 1994 (with full pay)

Marney, John, Professor of Chinese, sick leave from January 10, 1994, through April 27, 1994 (with full pay)

Retirement

Kilburn, Terence, Artistic Director, Meadow Brook Theatre, effective March 31, 1994

d. Recommendation for Approval of Degree Candidates List dated December 18, 1993

The Degree Candidates List dated December 18, 1993, from Dr. Gary D. Russi, Vice President for Academic Affairs, was recommended for approval.

e. Recommendation to Accept Gifts and Grants to Oakland University and the Oakland University Foundation for the Periods of December 1 to December 31, 1993, and January 1 to January 31, 1994

The report dated March 3, 1994, from Mr. David S. Disend, Vice President for University Relations, was recommended for acceptance.

f. Reappointment of CPA Audit Firm

The following recommendation was submitted by Mr. Paul E. Bissonnette, Vice President for Finance and Administration, for Board approval:

RESOLVED, that the Board of Trustees authorizes Coopers & Lybrand to conduct the audit of the university's financial statements for the year ending June 30, 1994, at a fee of \$40,550.

g. Negotiated Agreement with Police Officers Association of Michigan (POAM)

The following recommendation was submitted by Mr. Bissonnette for Board approval:

RESOLVED, that the Board of Trustees approves the Agreement between Oakland University and Police Officers Association of Michigan, October 1, 1993 - October 1, 1996, whose changes from the Agreement which expired October 1, 1993, are set forth in Appendix A, "Summary of Contract Changes," dated March 3, 1994, and Appendix B, "Contract Language Revisions."

h. Negotiated Agreement with Police Officers Labor Council (POLC)

The following recommendation was submitted by Mr. Bissonnette for Board approval:

RESOLVED, that the Board of Trustees approves the Agreement between Oakland University and Police Officers Labor Council, July 1, 1993 - June 30, 1996, whose changes from the Agreement which expired on

June 30, 1993, are set forth in Appendix A, "Summary of Contract Changes," dated March 3, 1994, and Appendix B, "Contract Language Revisions."

i. Recommendation on Bike Path Easement Authority

The following recommendation was submitted by Mr. Bissonnette for Board approval:

RESOLVED, that the president be authorized to amend and supersede the 1983 easement, granted to the City of Rochester Hills for the construction of a bike path on Adams Road, to provide the city with additional rights for a water runoff drain and to provide a grading easement to allow a more gradual slope of the land to the east of the path, with any and all easement documents to be subject to the approval of the Office of General Counsel.

j. Agreement to Provide Legal Representation in the Arends Matter

The following recommendation was submitted by Ms. Susan Gerrits, Acting General Counsel, for Board approval:

RESOLVED, that Ms. Susan Gerrits, the university's Acting General Counsel, is authorized to retain outside counsel to represent Dr. Alfred Stransky, Ms. Laurie Mastrogianis, and Ms. Jan Peabody-Kratt in conjunction with Arends v Oakland University, et al., Civil Action No. 93-467996-NO, subject to a reservation of rights should a conflict of interest develop at some time subsequent to this date. This recommendation is in accordance with the Board policy governing defense and indemnification of trustees, officers and employees, approved August 14, 1986.

Trustee Howard F. Sims, seconded by Trustee David T. Fischer, moved approval of the consent agenda. The motion was unanimously carried.

President's Report

President Packard stated that in lieu of her report, there will be presentations by Mr. Disend on fund raising and Dr. David E. Herman, Vice President for Student Affairs, on a student sports and recreation facility.

Mr. Disend presented a series of slides and commented upon them. Based on 1992 data Oakland University ranks 24 out of 152 public comprehensive institutions in fund raising. For the last five fiscal years there has been a downward slide in terms of gifts received. In 1990, \$5 million in gifts were received compared to \$2.6 million in 1993. There has also been a decline in the donor base. In 1991, there were 10,000 total donors compared to 7,000 in 1993. Fund raising costs have been as high as \$.40 per dollar raised in 1993, or a three-year average of \$.36 per dollar raised, compared to a 1986-88 national study performed by National Association of College and University Business Officers (NACUBO) showing a mean of \$.16 per dollar raised. Staff fund raising productivity averages \$512,000 per staff member nationally. Over the last three years, Oakland has averaged \$154,000 per staff member.

Mr. Disend described the President's Club as Oakland's largest annual support body. With the ten-year pledge policy and maturing lifetime memberships, by the mid 1990's the membership growth may not support the maturing lifetime memberships. There was a discussion on the valuable contributions of the President's Club and the need for encouragement to reach its fund raising potential.

Mr. Disend noted that 49 percent of Oakland's voluntary support is from alumni and other individuals, while 51 percent is from corporations, foundations, and organizations. Oakland spends only 2 percent of its total educational and general budget on fund raising, which is below the national mean of 2.21 percent. Mr. Disend projects that the university will reach \$3.1 million in gifts for 1993-94, and the total giving to auxiliaries will be approximately 25 percent higher. He projects a gift income for 1994-95 of \$4.2 million, with increased productivity from the fund raising staff.

Dr. Herman reported that the committee to study the need for a student sports and recreation center has met with over 600 individuals including major student organization leaders, faculty, staff, the Strategic Planning Committee, the Campus Development Environment Committee, and alumni. With the artistic and technical assistance of Mr. Geoffrey Upward, Director of Publications, and the Publications staff, a slide show was created to assist the community in visualizing a modern student sports and recreation facility. Of those 600 individuals that have seen the slide show, over 95 percent have been supportive. Mr. Upward made the slide presentation at this time.

Presentation by Consultant on Sports Recreation Center Feasibility Study

Mr. Paul Brailsford, of Brailsford Associates, a facility planning and project management firm that focuses on colleges and universities, made a presentation on the firm's credentials, missions, and approaches. Mr. Brailsford noted that the firm's evaluative approach is heavily based on market analysis which allows the institutions to make comfortable decisions.

It also focuses on the institutional missions, goals, and objectives. He stated that he will report his initial findings in three weeks; a detailed program statement is anticipated by the end of May.

Assignment and Extension of the Meadow Brook Music Festival Lease Agreement

Mr. Bissonnette stated that Olympia Arenas, Inc. (OAI), in conjunction with Brass Ring Productions, Inc., has operated the Meadow Brook Music Festival for the past two years under a three-year passive lease agreement, with a possible five-year extension option. OAI chose not to opt for the extension, and is requesting permission to assign the 1994 performance season to Arena Associates, Inc. (AAI), which operates Pine Knob and the Palace. The university believes this assignment and a one-year extension of the agreement with AAI will be in the best interest of maintaining and building on the reputation of the Festival, while allowing the university time to rebid the contract during the extension year. Mr. Bissonnette made the following recommendation:

BE IT RESOLVED, that the Vice President for Finance and Administration is authorized:

1. To agree to an assignment of the 1992-94 Olympia Arenas, Inc. (OAI) Meadow Brook Music Festival passive lease agreement to Arena Associates, Inc. (AAI) with appropriate updating to reflect the change in party from OAI to AAI, conditioned upon agreement by OAI and AAI to such assignment and further conditioned upon the agreement of AAI to extend the lease as next described; and
2. To execute an extension of that agreement with AAI for an additional year under essentially the same terms and conditions, appropriately updated to reflect the change in party from OAI to AAI, with the agreement subject to the review of the Office of General Counsel; and, be it further

RESOLVED, that a request from AAI 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.

Trustee David Fischer, seconded by Trustee Andrea Fischer moved approval of the recommendation.

Mr. Timothy McGhee, Business Representative for the International Alliance of Theatrical Stage Employees (IATSE) Local #38, requested to speak. He stated that he represents the stage hand employees at Meadow Brook Music Festival. He expressed the employees' concerns that AAI is a non-union organization, and that with the lease assignment job security may diminish. The OAI lease contained a guarantee that the union stage hand employees would be recognized until 1992. There has been no contact from OAI or AAI regarding their intentions with the assignment. Mr. McGhee requested that the stage hand employees be considered in the assignment of the lease.

Mr. Duane Ice, Attorney for Local #38 of IATSE, also addressed the Board. He reviewed the contractual and legal basis under which the union has operated over the past few years. He referred to the agreement between Oakland University and IATSE, which required OAI to recognize Local #38 for the 1992 season. Mr. Ice noted that a three-year collective bargaining agreement was negotiated between Local #38 and OAI which expires in October 1995. Under that agreement, Local #38 members have work jurisdiction over stage shows and theatrical productions at the Festival. Local #38 prefers that OAI continue to fulfill the contract through 1995. However, if OAI does terminate its arrangements with Local #38, then the members face possible unemployment and will have to seek legal recourse either through a grievance procedure or litigation. If the assignment of the lease is approved, then Local #38 requests the same relationship it had with OAI.

Mr. Bissonnette responded that the collective bargaining issue is one that ought to be addressed with either AAI or OAI, and not with the university.

The motion was unanimously carried.

Recommendation on Gift Policies

Mr. Disend stated that a set of policies for guidance in the receipt of gifts has been developed for adoption by the Board. Mr. Disend made the following recommendation:

RESOLVED, that the policies on Gifts of Non-Cash Items, Publicly Traded Securities and Bonds, Life Insurance Donations, Confidentiality of Donor and Prospect Records, and Gifts Associated with Direct Benefits to Donors dated March 3, 1994, and enclosed with the agenda item be adopted, with immediate effect.

Trustee Andrea Fischer, seconded by Trustee Handleman, moved approval of the recommendation. The motion was unanimously carried.

Statement on the Establishment of a Political Action Committee

President Packard stated that the Board has discussed the establishment of a Political Action Committee (PAC) which would act independently of the university to raise funds and lobby on behalf of the university. The PAC would determine the use of the funds, and would function in compliance with all state and federal legal requirements. The President made the following recommendation:

WHEREAS, the Board of Trustees of Oakland University acknowledges that a political action committee established on its behalf would be beneficial to the university; now, therefore be it

RESOLVED, that the Board of Trustees of Oakland University would endorse the formation of an independent political action committee by friends and supporters of the university.

Trustee Andrea Fischer, seconded by David Handleman, moved approval of the recommendation. The motion was unanimously carried.

Proposal for the Establishment of the 1994-95 Residence Halls Rates

Dr. Herman presented a proposal for a 1994-95 increase of 3.5 percent in residence halls rates and of 4.3 percent in the Matthews Court Apartments rates. The budget is based on no expected change in occupancy for the fall of 1994. The \$118,000 budget expenditure increase would be offset by the amount that the increase in tuition would generate. Dr. Herman made the following recommendation:

RESOLVED, that the Board of Trustees approve the following new residence halls rates:

1. REGULAR ACADEMIC YEAR CURRENT ROOM AND BOARD, NINETEEN (19)-MEAL PLAN IS \$3,890.
RECOMMENDED INCREASE IS \$140 (3.6%)

TOTAL RATE FOR THE 1994-95 ACADEMIC YEAR WOULD BE \$4,030.

2. REGULAR ACADEMIC YEAR CURRENT ROOM AND BOARD FOURTEEN (14)-MEAL PLAN IS \$3,725.
RECOMMENDED INCREASE IS \$135 (3.6%)

TOTAL RATE FOR THE 1994-95 ACADEMIC YEAR WOULD BE \$3,860.

3. REGULAR ACADEMIC YEAR CURRENT ROOM AND BOARD, NINE (9)-MEAL PLAN IS \$3,620.
RECOMMENDED INCREASE IS \$130 (3.6%)

TOTAL RATE FOR THE 1994-95 ACADEMIC YEAR WOULD BE \$3,750.

4. CURRENT SUMMER SESSION ROOM AND BOARD, NINETEEN (19)-MEAL PLAN IS \$985.
RECOMMENDED INCREASE IS \$35 (3.5%)

TOTAL RATE FOR SUMMER 1994 WOULD BE \$1,020.

5. CURRENT SPRING SESSION ROOM AND BOARD, FOURTEEN (14)-MEAL PLAN IS \$885.
RECOMMENDED INCREASE IS \$30 (3.5%)

TOTAL RATE FOR SPRING 1995 WOULD BE \$915.

6. CURRENT SUMMER SESSION ROOM ONLY RATE IS \$595.
RECOMMENDED INCREASE IS \$21 (3.5%)

TOTAL RATE FOR SUMMER 1994 WOULD BE \$616.

7. CURRENT SPRING SESSION ROOM ONLY RATE IS \$620.
RECOMMENDED INCREASE IS \$20 (3.5%)

TOTAL RATE FOR SPRING 1995 WOULD BE \$640.

8. CURRENT MATTHEWS COURT APARTMENT MONTHLY RENT IS \$465.
RECOMMENDED INCREASE IS \$20 (4.3%)

TOTAL MONTHLY APARTMENT RENT WOULD BE \$485.

9. CURRENT ACADEMIC YEAR SINGLE ROOM PREMIUM RATE IS \$660.
RECOMMENDED INCREASE IS \$20 (3.0%)

TOTAL RATE FOR THE ACADEMIC YEAR 1994-95 WOULD BE \$680.

10. CURRENT SUMMER TERM SINGLE ROOM PREMIUM RATE IS \$165.
RECOMMENDED INCREASE IS \$5 (3.0%)

TOTAL RATE FOR THE SUMMER TERM 1994 WOULD BE \$170.

11. CURRENT SPRING TERM SINGLE ROOM PREMIUM RATE IS \$165.
RECOMMENDED INCREASE IS \$5 (3.0%)

TOTAL RATE FOR THE SPRING TERM 1995 WOULD BE \$170.

Trustee Handleman, seconded by Trustee Andrea Fischer, moved approval of the recommendation. The motion was unanimously carried.

Recommendation on Administrative Data Processing

Dr. Russi stated that the Genix Group has provided mainframe support for the university's administrative computing operation since 1989. The Genix contract expired on December 1993, and has been continued on a month-to-month basis. The university is in the process of reviewing its administrative computing package. Therefore, a one-year extension of the Genix contract is recommended at this time. Dr. Russi made the following recommendation:

RESOLVED, that the university be authorized to execute a one-year renewal agreement commencing April 1, 1994, with the Genix Group, for administrative data processing service. The total university expenditure authorized for the one-year period, including base services and communications, is \$560,000.

Trustee Andrea Fischer, seconded by Trustee Handleman, moved approval of the recommendation. The motion carried with five affirmative votes. Trustee Howard F. Sims abstained from the discussion and vote, noting that he serves as a director of the Genix holding company.

Approval of a Closed Session

Trustee David Fischer, seconded by Trustee Andrea Fischer, moved approval of a roll-call vote for the purpose of a closed session to discuss legal opinion of counsel and to consult with counsel concerning trial litigation. Mr. Robert H. Bunger, Acting Secretary to the

Board of Trustees, called the roll of the Board for a closed session, which was unanimously approved.

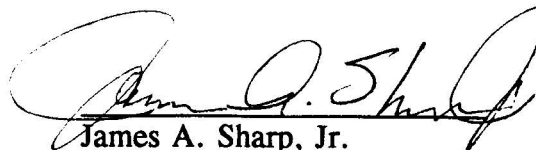
Trustee David Fischer, seconded by Trustee Andrea Fischer, moved adjournment of the open meeting and the motion was unanimously carried. The meeting was adjourned at 4:15 p.m.

Submitted,



Rhonda G. Saunders
Acting Administrative Assistant
Board of Trustees

Approved,



James A. Sharp, Jr.
Chairman
Board of Trustees