

MINUTES OF THE MEETING
OF THE
OAKLAND UNIVERSITY BOARD OF TRUSTEES
November 12, 1986

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College of Arts
And Sciences

Present: Trustees Donald Bemis, Phyllis Law Googasian, David Handleman, Patricia Hartmann, Alex Mair, Ken Morris, Wallace Riley, and Howard Sims

Chairman Riley called the meeting to order at 5:10 p.m. in Lounge II of the Oakland Center.

Approval of Minutes of October 8, 1986

Chairman Riley asked for any additions or corrections to the proposed minutes for the meeting of October 8, 1986.

Trustee Sims responded that there was one correction to the minutes in paragraph four of page 177. He stated that in the following sentence the word "statements" should be changed to "safety criteria:"

Trustee Sims asked if the Association's statements were more "anecdotal" than statistical.

Trustee Sims added that this amendment would provide a more "accurate reflection" of his concern, since the question was specifically directed to "safety criteria."

Trustee Hartmann, seconded by Trustee Mair, moved to approve the minutes as corrected. The motion was unanimously carried.

Selection of New Chair and Vice Chair of the Board of Trustees

Chairman Riley called for nominations for the Chair of the Board of Trustees to serve from this date until September 1987 or as soon thereafter, in September 1987, as a successor is selected.

Trustee Bemis, seconded by Trustee Morris, nominated Trustee Handleman for Chairman of the Board of Trustees.

Trustee Sims, seconded by Trustee Googasian, moved that the nominations be closed. The motion was unanimously carried.

Chairman Riley stated that the closing of the nominations results in a unanimous ballot selecting Trustee Handleman as the new Chair. He instructed the Secretary to the Board of Trustees to note in the minutes that a unanimous vote was cast for Trustee Handleman. This action was approved by all of the Trustees.

Chairman Riley then thanked the Trustees for their "great" support and cooperation and stated that he was pleased that his efforts to implement a firm meeting schedule for Board sessions was successful in providing for good Trustee attendance. He also expressed appreciation for the fact that the Trustees responded to his requests for service to the University.

Trustee Sims stated that he felt that he spoke for the Board in thanking Chairman Riley for a year of "outstanding leadership."

At this time, Trustee Handleman assumed the Chairmanship. Chairman Handleman asked for nominations for the position of Vice Chair.

Trustee Riley, seconded by Trustee Googasian, nominated Trustee Hartmann. The nomination was unanimously approved.

Trustee Handleman stated that he and Trustee Hartmann felt privileged to be the new chairs and that they have every intention of continuing the process of furthering the interests of the University. Chairman Handleman complimented Trustee Riley for his "excellent" performance as Chairman for the past year.

Recommendation to Accept Gifts and Grants to Oakland University

Mr. David Rodwell, Vice President for External Affairs, stated that the gifts and grants for this period totalled \$416,182.50.

Trustee Morris, seconded by Trustee Sims, moved to accept the gifts and grants list. The motion was unanimously carried.

Information Report of Gifts and Grants to the Oakland University Foundation

Mr. Robert Swanson, Vice President for Developmental Affairs, presented a list of gifts and grants to the Foundation which totalled \$14,337.50.

Mr. Swanson stated that the report was an information item and did not require Board of Trustees action.

Faculty Personnel Actions

Mr. Keith Kleckner, Senior Vice President for University Affairs and Provost, made the following recommendation:

Appointment

Assenzo, Joseph R., Adjunct Professor of Mathematical Sciences, effective August 15, 1986, through August 14, 1988

Becker, David, Adjunct Associate Professor of Chemistry, effective August 15, 1986, through August 14, 1987

Bonder, Seth, Adjunct Professor of Mathematical Sciences, effective August 15, 1986, through August 14, 1988

Carlson, Ray A., Clinical Instructor in Medical Physics, effective August 15, 1986, through August 14, 1988

Clark, Lillian R., Adjunct Instructor in Nursing, effective August 15, 1986, through August 14, 1987

Dworkin, Howard J., Clinical Professor of Medical Physics, effective August 15, 1986, through August 14, 1988

Humes, James J., Clinical Associate Professor of Medical Laboratory Sciences, effective August 15, 1986, through August 14, 1988

Milford, Creagh E., Clinical Associate Professor of Exercise Science, effective August 15, 1986, through August 14, 1988

Moylan, Edward F., Adjunct Professor of Mathematical Sciences, effective August 15, 1986, through August 14, 1988

McDonald, Gary C., Adjunct Professor of Mathematical Sciences, effective August 15, 1986, through August 14, 1988

McGrath, Charles M., Adjunct Professor of Biological Sciences, effective August 15, 1986, through August 14, 1987

Portnoy, Harold D., Clinical Professor of Medical Physics, effective August 15, 1986, through August 14, 1988

Shalhoub, Carolyn A., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1986, through August 14, 1988

Weiss, Philip, Adjunct Professor of Chemistry, effective August 15, 1986, through August 14, 1988

Zagorski, Zbigniew P., Adjunct Professor of Chemistry, effective August 15, 1986, through August 14, 1987

Change of Status

Maschke, Karen J., from Instructor in Political Science to Assistant Professor of Political Science, effective November 1, 1986

Change of Appointment Date

Desmond, Robert M., Professor of Engineering and Dean of the School of Engineering and Computer Science, with the deanship appointment to commence December 1, 1986, for a period of five years [Supersedes previous Board action of September 10, 1986 which appointed Mr. Desmond with an effective date of January 1, 1987]

Leave of Absence

Cheng, Charles C., Associate Professor of Mathematical Sciences, leave of absence from January 5, 1987, through April 25, 1987

Leave of Absence Request Withdrawn

Hunter, R. Douglas, Associate Professor of Biological Sciences, sabbatical leave from January 5, 1987, through April 25, 1987

Trustee Riley, seconded by Trustee Hartmann, moved to accept the recommendation. The motion was unanimously carried.

Economic Changes to the Agreement with Oakland University Police Officers Association and Police Officers Association of Michigan

Mr. Robert McGarry, Vice President for Finance and Administration, made the following recommendation:

RESOLVED, That the Board of Trustees approves the salary and benefits adjustments to the March 21, 1985 to October 1, 1987 Agreement between Oakland University and the Oakland University Police Officers Association and the Police Officers Association of Michigan, as described in the attached document dated October 9, 1986 and entitled "Costing Analysis and Summary of Changes to the March 21, 1985 to October 1, 1987 Agreement between Oakland University and the Oakland University Police Officers Association and the Police Officers Association of Michigan."

(The referenced document is on file in the Office of the Board of Trustees.)

Mr. McGarry stated that the recommendation is consistent with other employee agreements and complies with the Board of Trustees' guidelines.

Trustee Bemis, seconded by Trustee Riley, moved to accept the recommendation. The motion was unanimously carried.

Waiver of Mandatory Retirement Policy

Mr. Willard Kendall, Director of Employee Relations, stated that the Federal Age Discrimination Act has recently been amended which, effective January 1, 1987 generally eliminates mandatory retirement requirements. There are some phased exceptions such as faculty and high level managers. The proposed recommendation presented to the Trustees will allow the University to be in compliance with the law voluntarily, prior to the January 1, 1987 effective date. There are two employees who would be forced to retire under our current contracts and policies, since they will attain retirement age prior to January 1, 1987.

Trustee Riley asked if President Reagan had signed the bill. Mr. Kendall answered affirmatively.

Trustee Googasian, seconded by Trustee Morris, moved the acceptance of the following resolution:

RESOLVED, That the Board of Trustees approves waiving the University's "mandatory retirement at age 70" policy for the period from October 17, 1986 through December 31, 1986 for administrative-professional and clerical-technical employees contingent upon the signing into law of HR 4154 by President Ronald Reagan. If the President vetoes the bill, this waiver will be ineffective and any employee who has attained age 70 shall be immediately retired and any employee who becomes 70 years of age thereafter shall be retired under the terms of the "mandatory retirement at age 70" policy.

The motion was voted on and unanimously carried.

Presentation of Audited Financial Statements for the Fiscal Year ended June 31, 1986

Mr. McGarry called upon Mr. Jeff Bergeron, Managing Partner from Arthur Andersen & Company, for a report. Mr. Bergeron stated that the Board had been provided with the following documents:

1. Oakland University Consolidated Financial Statements and Supplementary Information as of June 30, 1986 and 1985 together with Auditor's Report
2. Oakland University Financial Statements and Supplementary Information as of June 30, 1986 and 1985 together with Auditor's Report
3. Oakland University Residences and Other Facilities with Pledged Income Financial Statement and Supplementary Information as of June 30, 1986 together with Auditor's Report.
(Prepared at request of trust agent for residence halls debt issues.)

Mr. Bergeron stated that his firm has provided an unqualified opinion on each document. He added that Arthur Andersen meets with the Finance and Personnel Committee at least twice a year, at the commencement and the conclusion of the audit.

Trustee Morris stated that the Finance and Personnel Committee did meet with the auditors and the Board Committee was of the opinion that the reports were "very well done."

Trustee Riley asked if the report included the Arthur Andersen & Co. Memorandum of Suggestions for Improving Accounting Procedures and Internal Controls which was furnished to the Board members. Mr. Bergeron stated that the memorandum referred to was a "by-product of the audit." Trustee Riley stated that it appeared that many of the suggestions that were made had been implemented and others were not, with such comments as the "effort may not be worth covering the risk." He asked if Mr. Bergeron agreed. Mr. Bergeron stated that "we generally concur with the University."

Trustee Hartmann, seconded by Trustee Mair, moved to accept the statements presented to the Board by Arthur Andersen & Co. The motion was unanimously carried.

1986-87 Revised General Fund Budget

Mr. McGarry reported that at the June 11, 1986 Board of Trustees meeting the Board approved the 1986-87 General Fund Budget with

estimated revenues of \$48,170,864, estimated expenditures of \$49,389,418, and an estimated balance carryforward from 1985-86 of \$1,300,000. Subsequently, the Legislature approved an appropriation greater than anticipated but attached to it a series of line item required expenditures of \$343,000 that must be provided for in the current operating budget. Changes in Federal guidelines relative to grants will increase indirect cost recovery revenue by approximately \$100,000. This past fall registration period, the University experienced an unanticipated record head-count enrollment of 12,707 and a projected FYES count of 9,700 which exceeds the budgeted count of 9,520 resulting in a tuition and fee revenue budget increase of \$396,000. As the year has progressed, certain needs have arisen which should be provided for in the form of new positions or increased operating support. Mr. McGarry stated that "the bottom line is an increase of available funds of \$219,000." The administration is requesting that the Board accept the following recommendation:

RESOLVED, That the Board of Trustees approve a revised General Fund Budget for 1986-87 with estimated revenues of \$49,124,215 and estimated expenditures of \$50,704,292 with the shortfall to be covered by the 1985-86 carryforward of \$1,880,683.

Trustee Riley asked why this item was not handled as a budget variance report. Mr. McGarry stated that the administration felt that the changes were "significant enough" to be presented as a budget revision. Mr. McGarry added that many of the expenditure items had been requested prior to the original budget, but at that time funds were not available. The increase in enrollment and a higher level of the appropriation now permits these expenditures. He stated that it was also necessary to hire additional part-time faculty due to the enrollment increase.

Trustee Riley stated that this process results in a duplication of the budget process.

There being no further discussion, Trustee Sims, seconded by Trustee Morris, moved to approve the recommendation. Trustees Bemis, Googasian, Handleman, Hartmann, Morris, Mair, and Sims approved the motion. Trustee Riley opposed the motion. A majority voting in favor, the recommendation passed.

Meadow Brook Hall Food Service Contract

Mr. McGarry stated that the Oak Management Corporation catering contract for Meadow Brook Hall had been extended to the end of

the 1986 calendar year to allow time for the Hall's management staff to review the food service proposals submitted by three contractors. He added that after an extensive financial analysis and discussion, the decision was made to enter into a five-year contract with Oak Management Corporation subject to the approval of the agreement by the President and the University's General Counsel.

Trustee Riley asked if the General Counsel had reviewed the document. Mr. John De Carlo, Secretary to the Board of Trustees, Vice President for Governmental Affairs, and General Counsel, stated that the agreement before the Board was a draft negotiated by the Hall staff based on the current contract. The document was not acceptable. Mr. De Carlo stated that his office would redraft the contract.

Trustee Riley stated that he would rather have the contract finalized prior to acceptance of this recommendation. President Joseph E. Champagne stated that it was necessary that a decision be made soon in order to notify Oak Management Corporation of their status. For this reason, the Finance and Personnel Committee requested that the resolution be worded to include a provision that the contract document would be subject to the approval of the President and the General Counsel.

Trustee Hartmann stated her concern that the service "has not always been outstanding." President Champagne stated that there would be contract provisions relating to quality issues along with a monthly review process.

Trustee Bemis stated that he was concerned with approving the awarding of the contract without a completed contract before the Board. He expressed the hope that this procedure would be changed to provide documents in a timely fashion.

Trustee Morris requested that in the future, when there is a critical deadline, that it is the responsibility of the administration to present the materials in their "final form" prior to Board action.

Trustee Bemis, seconded by Trustee Morris, moved the following recommendations:

RESOLVED, That the Vice President for Finance and Administration be authorized to enter into a five-year contract with Oak Management Corporation commencing January 1, 1987 and ending December 31, 1991 subject to the approval of the contract document by the President and the General Counsel.

RESOLVED, That the University's contract and affirmative action procedures will be complied with.

The motion was voted on and unanimously carried.

Contract to Install Uninterruptible Power Supply System in the Computer Center

Mr. McGarry advised the Trustees that the State has appropriated funds for the installation of an Uninterruptible Power Supply System in the Computer Center. He added that the administration was requesting approval from the Board to solicit bids. Upon receipt of bids that are "in line with the budget," the administration will return to the Board for the awarding of a contract.

Trustee Morris, seconded by Trustee Googasian, moved to accept the following resolution:

RESOLVED, That the Board of Trustees authorizes the Vice President for Finance and Administration to solicit bids for the installation of an uninterruptible power supply system and power distribution unit in the Computer Center.

Trustee Riley stated a concern relating to the contingency of 22 percent of the estimated cost. Mr. McGarry responded that the contingency no longer exists. The University engineer has informed the administration that the contract at \$96,000, as shown in the agenda, is now estimated at \$125,000. It is hoped that competitive bids may reduce the amount to approximately \$100,000. Mr. McGarry added that the unexpected increase is one reason for requesting authority to solicit bids rather than authority to award a contract.

Trustee Bemis asked if the engineering contract had been awarded. Mr. McGarry answered that it had been awarded to Migdal, Layne, & Sachs, Inc.

Trustee Sims asked if the engineering contract complied with University affirmative action policies and procedures. Mr. McGarry responded that the firm has a Certificate of Awardability which is required by the State to demonstrate compliance. He added that, hereafter, an affirmative statement will be made in the specifications of the contract.

Trustee Sims suggested that a "check sheet" should be submitted to the Board with the contract to indicate that the administration has reviewed the contract for compliance with University

policies and procedures. Mr. McGarry stated that Mr. John Solo Rio, Senior University Architect, will be responsible for the preparation of such a report in the future.

Trustee Sims, seconded by Trustee Riley, moved acceptance of the resolution. The motion was unanimously carried.

Funding Supplement for Remodeling of Dodge Farmhouse

Mr. McGarry stated that the administration is returning to the Board for a funding supplement for the remodeling of the Dodge Farmhouse. The matter was tabled at the October 8, 1986 meeting for further information. He stated that Mr. Solo Rio's memorandum in the Board materials itemizes the costs supporting the additional \$25,000 that is being requested for completion of the project. He stated that Mr. Solo Rio and Mr. Mark English, the retained architect working on the project, were present to answer questions.

Trustee Riley asked who prepared the original estimate in June 1985 and the revised estimate in February 1986. Mr. Solo Rio stated that Mr. English made both estimates. Trustee Riley then asked who was making the present \$25,000 estimate. Mr. Solo Rio answered that he made the estimate. He added that the authority granted to the outside architect is to "see that (the architect's) plans and specifications are carried out." Mr. Solo Rio added that it is the University architect's responsibility to control the funds spent during the construction phase.

Trustee Hartmann stated that some of the repair elements in the project may have appeared less involved than they actually were after the work commenced. She cited the walls, as an example, which came apart during repairs. Mr. Solo Rio responded that unforeseen construction items were the reasons for seeking additional funding. He added that some unexpected repairs were accomplished by altering or dropping certain repairs. Mr. Solo Rio added that some of the items could not be funded in this manner, and this is the reason for requiring additional funding.

Trustee Riley asked when the construction commenced. Mr. Solo Rio stated that the work began on June 6, 1986. Trustee Riley asked if part of the problem resulted from the fact that the estimates were made at such an early date prior to construction. Mr. Solo Rio stated that, in his opinion, the estimates were appropriate. The repairs involved are newly discovered items, some of which were caused by vandalism after the award of the contract.

Trustee Sims stated that the memorandum of explanation should have indicated these facts.

Trustee Hartmann stated that she was impressed with the work that had been done to this point. (Trustees Bemis, Googasian, and Hartmann toured the facility with Mr. Solo Rio earlier in the day.)

Trustee Sims asked Mr. Solo Rio to elaborate on the expenditures of the original contingency account in the project. Mr. Solo Rio stated that when the project was initially bid there was a low bid which would have afforded a contingency of 7 percent. Unfortunately, the low bid had not included compliance with the prevailing wage rates in the State. The bids were rejected and the project was rebid. The low contractor was no longer the low bidder. The second bid eliminated the contingency. The contract was awarded \$500 over the budget due to the inclusion of roof work. He added that the contractors have been working to stay within the bid price by substituting materials and critical projects for items originally contemplated in the contract. He stated that most of the new repairs would have been accomplished, if a contingency account was available.

Mr. English stated that an existing structure is in a "constant state of erosion," and that the vandalism also contributed to the damage to the building. He stated that there is "no way to draw a bottom line" on cost for such an old structure. Demolition revealed more problems than anticipated.

Trustee Sims stated that is why a contingency is required for all projects.

Trustee Riley questioned if Mr. Solo Rio would be willing to guarantee that this would be the last request for funding. Mr. Solo Rio stated that he would like to provide such assurance, but it would not be realistic given the structure involved. He added that a lot of additional work could be done if funding were available, but to complete the building as planned, the \$25,000 should be sufficient.

There was a discussion considering the environmental conditioning of the spaces adjacent to the porches. Trustee Sims asked if enough heat was supplied in the adjacent internal areas to make up for the heat loss through the walls of the porch. Mr. Solo Rio and Mr. English answered affirmatively.

Trustee Riley asked if the Farmhouse was insured. Mr. McGarry responded that all of the University's buildings are insured.

Trustee Sims, seconded by Trustee Hartmann, moved to accept the following recommendation:

RESOLVED, That the Board of Trustees will supplement the State funding of the Dodge Farmhouse remodeling project by an amount as needed up to \$25,000.

The motion was unanimously carried.

Trustee Hartmann stated that she wished to compliment the University for the "good job" in restoring the Farmhouse.

Granting of Butler Road Water Main Easement to the City of Rochester Hills

Mr. McGarry stated that at the October 8, 1986 meeting the Board approved the water main easement servicing the Matthew Lowry Early Childhood Development Center. He stated that River Oaks Limited Partnership, a developer of land to the south of Butler Road, has requested the right to tap into that water main. Board approval is required to permit such an easement to the City of Rochester Hills for this purpose. The University has requested \$15,000 from the developer as compensation for the easement.

Trustee Hartmann, seconded by Trustee Sims, moved the following recommendation:

RESOLVED, That the Board of Trustees grant a water main easement on Butler Road, as described in the attached easement document, to the City of Rochester Hills contingent upon the University receiving \$15,000 from River Oaks Limited Partnership as consideration for the provision of this easement.

(The referenced document is on file in the Office of the Board of Trustees.)

Trustee Bemis asked Mr. De Carlo if the grant of easement procedure was in conformity with the Policy and Procedure for Disposal, Acquisition, Lease, and other Transfer of Real Property Interests which was up for adoption later in the meeting. Mr. De Carlo stated that the new procedure would provide earlier notice to the Board. Easements must be granted by the Board.

Trustee Bemis stated that the direct benefit of an easement may not be to the University or to the City of Rochester Hills, but,

as in this case, to the developer. He added that if that is the case, it would be a "different scenario" than an easement for service to the direct benefit of the University. He stated that the proposed policy should insure that the public's interest is protected. Mr. De Carlo stated that it was his opinion and hope that the proposed policy on land transactions, to be discussed later in the agenda, addressed this concern.

The motion was voted on and unanimously carried.

Policy Relating to Technology Park District

President Champagne stated that in 1984 the Michigan Legislature enacted Public Act No. 385 which authorizes the establishment of technology park districts in local governmental units. The creation of a district permits the local governmental unit to provide some tax exemption for facilities located within a technology park district. The law also permits the governmental unit to use a portion of the taxes from the district for capital improvements within the district. The role of the University under the Public Act 385 is limited to filing a written application with the local unit of government requesting that it consider the creation of a technology park district based on the fact that the statutory required 75 percent of the property owners in the proposed district desire such action and the University concurs. He stated that in March 1985, the Board of Trustees approved a request from certain property owners to petition the City of Auburn Hills to establish the Oakland Technology Park District. In June 1985, the Board of Trustees approved a petition to expand the Oakland Technology Park District and recommended that policy guidelines be implemented and "used in the evaluation of future requests for additions or changes to the Oakland Technology Park District or for the establishment of additional districts."

President Champagne stated that the following policy is proposed regarding the action of the Board of Trustees and the Oakland University administration in reviewing requests related to the establishment, expansion or change of a Technology Park Development, as provided under Michigan Public Act No. 385 of 1984:

Policy

Technology Park Districts

In accordance with the provisions of Michigan Public Act No. 385 of 1984, the Oakland University Board of Trustees hereby establishes the following policy and procedures on the implementation of the Act, regarding the creation of

technology park districts and the alteration of the boundaries of such districts. All requests or proposals for the creation of technology park districts and the alteration of the boundaries of any established district shall be reported to the Board of Trustees for its consideration as soon as possible. The Board of Trustees shall review the initial request and determine whether the administration should obtain additional information for further consideration and formal action by the Board of Trustees. If the Board of Trustees determines that it wishes to take the matter under consideration, the procedures established by the Board of Trustees on Technology Park Districts shall be complied with by the petitioners for the district, or those recommending any change in the district, and the University administration.

The Board of Trustees University Affairs Committee has the general responsibility to review any matter relating to technology park districts since it is charged with the authority to:

1. Review the campus master plan and related matters.
2. Review community and public relations activities as well as major developments.

The Board of Trustees, however, may determine that a specific project warrants the appointment of a special committee or that the entire Board shall act as a committee of the whole.

Procedures

Technology Park Districts

The Board of Trustees shall be provided with the information set forth in these procedures to assist the Trustees in their deliberations on matters relating to Public Act No. 385 of 1984 regarding technology park districts.

A. Statutory Requirements

The Board of Trustees, in compliance with Public Act No. 385 of 1984, shall ascertain that the following statutory requirements exist prior to any final action on a request for the creation of a technology park district or a change in an existing district's boundary:

1. That the district contains not less than 100 acres of undeveloped land, with a continuous boundary.
2. That all of the land in the proposed district shall be within a five-mile radius of the university's administration building on the main campus of Oakland University, or within the corporate boundaries of the city in which the administration building is located, or in a city or township adjacent to a city in which the administration building is located, if the district is adjacent to land owned by the four-year public university. (The law provides that where university property is located within two adjoining local units of government, the university may file a request for the establishment of a district with each local governmental unit.)
3. That written requests for the district's establishment have been received from the owners of record of 75% of the land to be included within the proposed district.
4. That written requests have been received from the owners of record of real property petitioning that a district be altered to include or exclude their land, and that written consent to this action by the owners of record of 75% of the land within the established district is also on file with the University.

B. Impact Statement on Proposed Action

In order to make an informed judgment, the Board of Trustees should be provided with pertinent information regarding the implications of the proposed action.

1. The Board of Trustees shall receive the following information for its consideration prior to any final action regarding technology park districts:
 - a. A statement on the advantages to the University, considering the short range and long range impact of the proposed action, shall be submitted to the Board of Trustees. The statement will address such

issues as benefits to the teaching, research, and service roles of the University, as well as any potential direct benefits to students and graduates.

- b. A statement should be provided on any known or projected disadvantages to the University, including any conflict or potential conflict with University programs or physical plant development and environmental impact concerns.
 - c. Information related to the potential impact on local government agencies, including school districts, as well as information on local zoning requirements.
 - d. Information on any known potential impact on the local community, as well as the State.
2. The Board of Trustees shall receive a written statement from the land petitioners regarding the specific purpose for which each parcel of property will be used. Included in this statement will be an indication of the nature of the development and the timetable for the construction of facilities.

The University may require that each property owner shall enter into a restrictive covenant with the University which sets forth the specific purpose for which the property may be used. The restrictive covenant will become effective when the property is included in the Technology Park District and shall be recorded.

3. Impact information on other property owners within a proposed district, or an existing district, who have not petitioned for the district, or for a change to the district, should be provided, when possible.

C. Board of Trustees Review Procedures

Upon the receipt of a recommendation from the Board of Trustees Committee assigned to review a request

under these procedures, the Board of Trustees will take the following action:

1. Ascertain that there has been compliance with the Board of Trustees' policies, bylaws, and the law.
2. Deliberate on the merits of the proposal at an open meeting of the Board to assure public input.
3. In the event that the Board of Trustees approves a proposal to establish or alter a district, and a request is filed with the appropriate local unit of government, the University shall have a representative appear at the required public hearing conducted by the local unit of government.

If the Board of Trustees rejects a proposal, the petitioners will be advised of the Board's action.

President Champagne stated that there are no requests for the expansion of the Technology Park District at this time. The adoption of this policy will provide a mechanism for the University's review of any future requests.

Trustee Hartmann questioned if the policy could be revised at a future date. President Champagne stated that the administration believes that the policy will work very well, but if there is some difficulty in processing a request, the policy may be changed by the Board of Trustees.

Trustee Morris requested as much advance notice as possible on such policy items. President Champagne stated that it is the administration's intention to provide two public review periods for major policy issues.

Trustee Riley, seconded by Trustee Bemis, moved the adoption of the policy. The motion was unanimously carried.

Policy and Procedure for Disposal, Acquisition, Lease, and Other Transfer of Real Property Interests

President Champagne stated that at the time the University sold a parcel of land to Chrysler Corporation, the Board of Trustees

requested that a policy should be adopted to cover such transactions. The administration has developed a policy statement which could guide the University in the "disposal, acquisition, lease, and other transfer of real property interests." President Champagne stated that the policy may be amended in the future as needed, but he believes the document "protects the University well." The President recommended, for adoption, the following policy and procedures:

Policy on Sale, Purchase, Lease,
or Receipt by Gift, of Land or an Interest in Land

The Oakland University Board of Trustees shall authorize by specific action all transactions involving the acquisition or disposition of any real property or real property interest, except as otherwise provided in this policy. Specific Board approval is also required for the granting of temporary and permanent easements, and for the acquisition by gift of interests in land. The appropriately designated committee of the Board of Trustees, upon submission by the President, shall review all proposed real property transactions and proposed amendments to the procedures adopted by the Board to implement this policy, prior to final Board approval of these actions.

The President, or a designee, shall have the authority to take the following actions in accordance with Board policy and procedure:

1. Grant leasehold interests in the Meadow Brook Subdivision, and repurchase residences in the Subdivision, pursuant to the requirements of the leasehold agreements. All actions under this provision shall be reported to the Board of Trustees.
2. Grant leases for periods of one year or less, except that any lease involving oil, gas, or mineral rights shall be specifically approved by the Board of Trustees.
3. Lease property for University use when the period of lease is one year or less and the annual rental does not exceed \$12,000. Prior budget approval for the lease by the Board of Trustees is required before any lease commitment.
4. Grant licenses for the use of University real property for a period of one year or less.

The sale of University property shall be on the open market to all qualified bidders except as otherwise authorized in this policy statement. The University shall reserve the right to reject any and all bids for any reason, including the rejection of any bid if the University determines that the public's interest, or that of the University, shall not be served by the sale to any bidder. Under circumstances specified by the Board of Trustees, where the public good and the University's interest is best served by a sale of land to a specific interested party, the University shall document in writing the appropriateness of such sale, and shall establish a fair market price by the solicitation of bids and from appraisals obtained in accordance with procedures adopted by the Board of Trustees.

The proceeds from the sale or lease of any property, or an interest in such property, shall be placed in a restricted non-general fund account for future University development, or in such other specific account and for such other purpose as determined by the Board of Trustees. The interest earnings on these funds shall be credited to the designated account in which the funds from the sale have been deposited.

Real property considered for purchase or sale shall be appraised pursuant to Board of Trustees procedures.

The Board of Trustees shall determine whether a real estate broker is to be used in the sale of real property.

Real property transactions under this policy involving purchase, sale, receipt by gift, and easements must be reviewed by the Office of the General Counsel or a designee of the General Counsel. All lease documents must be reviewed by the Office of the General Counsel. The Office of the General Counsel is authorized to approve standard lease documents.

Procedure Implementing the Policy Relating to
Sale, Purchase, Lease, Receipt,
or Conveyance of Any Real Property Interest

A. General

1. The President shall be responsible for the review and recommendation to the Board of

Trustees of all proposed sales, acquisitions (including gifts), or transfers of real property or real property interests requiring Board action.

All recommendations to the Board of Trustees shall be accompanied by an analysis justifying that such action is in the interest of the University. The recommendation shall set forth the proposed use for any property to be acquired, and, in those instances of sale or transfer of any real property interest, an evaluation setting forth the basis for such action. This analysis shall include a projection of future need, or the lack thereof, for the property.

2. The Board of Trustees will also be advised regarding the legal aspects of the proposed action.
3. The purchase, sale, or lease price for all transactions requiring specific Board action shall be determined by the Board of Trustees.
4. All real property interests considered for purchase, sale, or transfer shall be evaluated by three qualified appraisers, unless this provision is specifically waived by the Board of Trustees. The retention of any appraiser recommended by the President is subject to approval by the appropriately designated committee of the Board of Trustees. If the value of the land is anticipated to be less than \$25,000, two qualified appraisals are required, unless this provision is specifically waived by the Board of Trustees. All appraisals under this provision, along with the recommendation of the President, will be confidential and will be submitted to the Board of Trustees for its consideration, pursuant to the provisions of the Open Meetings Act.
5. After an evaluation of the report from the appraisers, the University administration's

recommendation, and other reports, such as those from experts in mineral or other rights, the Board of Trustees will determine if it is in the University's interest to retain certain rights, including identifiable or potential assets contained in, or on, any land to be conveyed. The President or a specified designee, after Board approval, shall retain such interests in the name of the Board of Trustees.

6. A certified survey will be required before any real estate transaction can be implemented, except for the property currently surveyed and platted in the Meadow Brook Subdivision.

B. Purchase or Sale of Real Property

1. Real property shall be bought or sold only with prior approval of the Board of Trustees.
2. The Board of Trustees shall determine if any property is to be sold without the assistance of a real estate broker. If the property is to be sold directly by the University, a sign identifying the property for sale will be erected on the property for 90 days or until sale, whichever is less, identifying Oakland University as the seller and a contact party. The property will be advertised publicly.

After authorization by the Board of Trustees, the President, or a specified designee, shall have the ministerial authority to negotiate and contract with brokers and agents for a fair market commission to assist in the sale of property. The name of the broker and the terms of the contract shall be reported to the Board of Trustees. The terms of the agreement shall be reported to the Board of Trustees prior to the execution of a contract with any broker or agent. Extension of any listing must be authorized by the Board of Trustees.

3. The Board of Trustees shall also establish such other conditions or restrictions on the sale and/or use of the property as are needed to protect the interests of the University.

C. Easements

1. Easements may be granted on University property only with the prior approval by the Board of Trustees. Written documentation on the need and benefit to the University will be provided to the Board of Trustees.
2. A grant of easement will be no more extensive than is absolutely required in order to achieve the purpose of the grant.
3. The interests of all parties will be clearly stated in the easement document, and a reversion of all rights to the University will be included if the need for the easement ceases. All easements will be recorded.

D. Oil, Gas, and Mineral Transactions

1. All inquiries with respect to mineral rights and leases shall be made in writing to the President and reported to the Board of Trustees.
2. The President, on behalf of the Board of Trustees, will evaluate each request for a mineral right or lease as to its impact on the University. Upon completion of this review, a report will be presented to the Board of Trustees. The Board of Trustees will determine whether or not the property will be offered for lease for the sale of the mineral rights.
3. When the Board of Trustees has approved a parcel of property for mineral lease, the Office of the Vice President for Finance and Administration will advertise and request bids in the appropriate publications.
 - a. All bids must be in writing and sealed and delivered to the Office of the Vice President for Finance and Administration by a specified date.

- b. All bids will be presented to the Board of Trustees with a recommendation from the President.
 - c. The Board of Trustees reserves the right to lease to a specified party if it is in the interest of the University. The University shall document in writing the appropriateness of such action and shall establish a fair market value of the lease based upon appraisals.
4. The Board of Trustees will make the final decision on all oil, gas and mineral leases and transactions. These transactions will be reviewed by the General Counsel or a designee of the General Counsel.

E. Gift Property

Occasionally the University is offered a real property interest as a gift. The property may have restrictive provisions, such as those relating to a specific use of the land, or may be subject to a leasehold estate or certain zoning provisions. The Board of Trustees will be provided with detailed information on the nature of the proposed gift, including the benefits and the detriments in accepting the gift. The University will not accept any gift of real property without the prior review and approval of the Board of Trustees. All such gifts will be reviewed by the Office of the General Counsel, or a designee of the General Counsel, prior to final acceptance of the gift.

F. Leases

1. Leases for periods in excess of one year, excluding Meadow Brook Subdivision leasehold agreements, may be made in accordance with the following requirements:
- a. All leases in excess of one year shall be approved by the Board of Trustees as well as renewals of such multi-year leases.

- b. A recommendation to the Board of Trustees shall be made containing information regarding the nature and purpose of the lease, the benefit to the University, the rental payment, and other pertinent facts.
- 2. Leases for one year or less may be made in accordance with the following requirements:
 - a. The property must be determined to be excess to institutional needs or is to be leased in connection with University-related programs or objectives, such as conferences and seminars.
 - b. The property shall be leased in accordance with procedures approved by the President.
 - c. The property shall be leased at an appropriate rental rate unless there is a documented exception which is in the interest of the University and authorized under procedures approved by the President.
- 3. Leasehold interests in the Meadow Brook Subdivision shall be made in accordance with Board policy and institutional procedure.
- 4. All leases shall comply with the policies of the Board of Trustees and appropriate laws.

G. Rental of Property by the University

Property transactions involving a lease by the University for its use for periods in excess of one year, or with a rental that would be in excess of \$12,000 when computed on an annual basis, must be approved by the Board of Trustees. Lease transactions of a lesser time period and amount may be made in conformance with Board policies and procedures.

H. Licenses

The President, or his designee, may grant licenses to use University land and facilities. The President shall establish rules related to permitted licensed uses of University land and facilities. Licenses shall be for less than one year and may not aggregate to a period of more than one year without the specific approval of the President. The issuance of a license shall include a provision providing for compensation to the University and for reimbursement for any damage or unusual wear and tear involved. A license may be issued without compensation for use if it is documented to be in the interest of the University and approved by the President.

Trustee Riley stated that Trustee Bemis' earlier concern regarding easements was covered in the following statement on page five:

Written documentation on the need and benefit to the University will be provided to the Board of Trustees.

Mr. De Carlo stated that the administration should provide the Board with all of the information regarding land transactions including any benefit or consideration to the University.

Trustee Bemis brought to the attention of the Board the sentence in the first paragraph of page three which reads as follows:

Under circumstances specified by the Board of Trustees, where the public good and the University's interest is best served by a sale of land to a specific interested party, the University shall document in writing the appropriateness of such sale, and shall establish a fair market price by the solicitation of bids and from appraisals obtained in accordance with procedures adopted by the Board of Trustees.

Trustee Bemis questioned how the University "shall establish a fair market price by the solicitation of bids." Mr. De Carlo responded that the provision was included in response to a previously expressed concern that all sales should be bid. He added that the property would be presented for bid, and a determination would then be made on whether it is in the best interest of the University to sell to a specific party for a specific use or if this user is not the low bidder, then to the lowest bidder.

Trustee Bemis asked if the "procedures" referred to above have been previously adopted by the Board of Trustees. Mr. De Carlo stated that they have not been adopted. The administration suggests that the Board adopt the proposed policy to codify land transaction procedures.

Trustee Morris stated that he understood that procedures were necessary, but he expressed concern that the opening paragraph of the policy did not express that the Board's responsibility in such matters required a benefit to the University before any land should be submitted for bid.

Trustee Sims stated that he wanted the minutes to clearly indicate that the adoption of this policy is not in reference to the main campus of Oakland University which the Board considers to be a "trust for the future." The policy is for "incidental property" that may be transferred to the University and not for the sale of any property of the main campus.

Trustee Googasian stated that the policy was generated by the sale of land to Chrysler Corporation. That property was a part of the original land grant.

Trustee Sims repeated that, in his opinion, the discussion with respect to this policy has no consideration of any conveyance of land that represents the main campus of Oakland University.

President Champagne stated that the adoption of this procedural statement does not imply or encourage the sale of any land. Mr. De Carlo added that the policy provides the process, procedure, and documentation for the disposal, acquisition, lease, or other transfer of real property interests.

Trustee Hartmann asked if the policy retained the right of the Board of Trustees to refuse any gift of land to the University. Mr. De Carlo stated that there was a specific provision requiring prior Board approval for any gift of land. Mr. De Carlo noted that on page six of the policy, Section E, Gift Property provides:

Occasionally the University is offered a real property interest as a gift. The property may have restrictive provisions, such as those relating to a specific use of the land, or may be subject to a leasehold estate of certain zoning provisions. The Board of Trustees will be provided with detailed information on the nature of the proposed gift, including the benefits and the detriments in accepting the gift. The University will not accept any gift of real property without

the prior review and approval of the Board of Trustees. All such gifts will be reviewed by the Office of the General Counsel, or a designee of the General Counsel, prior to final acceptance of the gift.

Mr. Swanson raised a question regarding gift property as it relates to the policy's indication that property shall be evaluated by three qualified appraisals. He questioned that if prior to the acceptance of a piece of gift property, three appraisals must be received. He added that he believed that three appraisals were more appropriate for the sale of property rather than for gift property. Mr. De Carlo stated that the provision referred to by Mr. Swanson was not related to gifts of land. He added that the Board would determine if appraisals were necessary for specific gifts of land.

Trustee Hartmann, seconded by Trustee Riley, moved the acceptance of the policy. The motion was unanimously carried.

Trustee Bemis questioned if there was a comparable policy with regard to other kinds of property. President Champagne stated that there was a policy regarding equipment and art.

Trustee Bemis stated that it has been beneficial to receive information on proposed policies a month prior to final adoption. He suggested that the Board of Trustees adopt a policy requiring two readings on the passage of substantive policies. The policy should be introduced at one meeting, and the formal adoption should occur at a second meeting.

Trustee Bemis added that he was suggesting this procedure for substantive matters such as those "actions which would be published and be included in the Board of Trustees Policy Book."

President Champagne stated that he planned to follow the procedure suggested by Trustee Bemis.

Report on Martin Luther King-Rosa Parks Program

Mrs. Wilma Ray-Bledsoe, Vice President for Student Affairs, stated that the State Legislature has enacted the Martin Luther King-Rosa Parks Program (MLK-RP) which is designed to increase the number of minority faculty and students at all state colleges and universities. Oakland University is involved in the following facets of the program: The Visiting Professors Program, the Doctoral Degree Fellowship Program, and the College Day Program which enables the University to bring students on to the campus as early as the seventh grade.

Mrs. Bledsoe introduced Dr. Manuel Pierson, Assistant Vice President for Student Affairs for University/School Relations, as the coordinator of the program. There was a general discussion regarding the MLK-RP and its effect on Oakland University, the involvement of University minority students in the program, and the continuing funding for the program. She stated that she would keep the Board informed on the progress of the program.

Report on Cooperative Education Program at Oakland University

Ms. Johnetta Brazzell, Director of Placement and Career Services, stated that the concept of cooperative education began at Oakland University in 1973. Cooperative education is viewed as an opportunity to relate the student's academic major to a job rather than to merely provide a "job" program. Both faculty and academic administrators play an active and significant role in advising prospective co-op students and evaluating work experiences. The Program is built around the classic pattern of alternating work and study in four-month intervals. The standard pattern assigns students to their first placement at the outset of their junior year. This permits the student to take on a significant number of progressively more challenging and varied work experiences. She added that 60 to 70 percent of the students in the Program are offered full-time employment by their host companies.

Ms. Brazzell introduced the following program administrators: Mr. Prasanna Datta, Assistant Director of Placement; Mr. Fred Lutz, Co-op Coordinator for Engineering and Computer Science; Mr. Gary Moss, Co-op Coordinator for Arts and Sciences; and Ms. Dolores Rothery, Program Secretary.

A slide presentation about the Program was shown and students were present to answer questions regarding their involvement with the Program. The students stated that they were pleased with their work experiences and had very positive statements to make about the Program.

Approval of Closed Meeting of Board of Trustees

President Champagne stated that section 8(a) of the Open Meetings Act provides that a public body may meet in a closed session to consider material exempt from discussion or disclosure by State law. A closed meeting may be held under the Act to consider a periodic evaluation of a public officer or an employee if the individual requests a closed meeting. He then stated that he wished to request a closed session for his periodic evaluation.

Mr. De Carlo stated that section 7 of the Open Meetings Act provides that:

A roll call vote of members elected or appointed and serving shall be required to call a closed session. The roll call vote and the purpose or purposes for calling the closed session shall be entered into the minutes of the meeting at which the vote is taken. A majority vote of the full Board is required for approval.

A separate set of minutes shall be taken by the clerk or the designated secretary of the public body at the closed session. These minutes shall be retained by the clerk of the public body, shall not be available to the public, and shall only be disclosed if required by civil action filed under section 10, 11, or 13. These minutes may be destroyed one year and one day after approval of the minutes of the regular meeting at which the closed session was approved.

A roll call vote was then called:

-	Trustee Donald Bemis	<u>yes</u>
-	Trustee Phyllis Law Googasian	<u>yes</u>
-	Trustee David Handleman	<u>yes</u>
-	Trustee Patricia Hartmann	<u>yes</u>
-	Trustee Alex Mair	<u>yes</u>
-	Trustee Ken Morris	<u>yes</u>
-	Trustee Wallace Riley	<u>yes</u>
-	Trustee Howard Sims	<u>yes</u>

The motion was unanimously carried.

President Champagne stated that there may be some action taken which should be brought to the open meeting and he requested a recess rather than an adjournment of the open meeting.

Trustee Googasian, seconded by Trustee Morris, moved that the open meeting of the Board of Trustees should be recessed until completion of the closed meeting.

The motion was voted on and passed unanimously.

The open meeting recessed at 7:16 p.m.

The open meeting reconvened at 9:07 p.m. The following Trustees were present: Donald Bemis, David Handleman, Phyllis Law Googasian, Alex Mair, Ken Morris, Wallace Riley, and Howard Sims.

Trustee Bemis moved the adoption of the following statement and included actions:

The Board, in its on-going review of the University President, has determined that it will include information from the University community as well as from other sources. The Board shall schedule a meeting for 5:30 p.m. on November 20, 1986 for the purpose of approving a closed session for continuing the on-going review of the President.

The motion was seconded by Trustee Morris and unanimously approved by the Trustees.

Trustee Morris, seconded by Chairman Handleman, moved to adjourn the meeting. The motion was unanimously carried.

The meeting was adjourned at 9:15 p.m.

Approved,



John De Carlo, Secretary
Board of Trustees

David Handleman, Chairman
Board of Trustees