Minutes of the Meeting
of the
Oakland University Board of Trustees
June 6, 1990

Present: Chairman Patricia Hartmann, Trustee Larry Chunovich, Trustee David Handleman, Trustee Phyllis Law Googasian, Trustee Ken Morris, Trustee Stephan Sharf, Trustee Howard Sims

Absent: Trustee James A. Sharp, Jr.

Chairman Patricia Hartmann called the meeting to order at 5:05 p.m. in the Gold Rooms of the Oakland Center.

Approval of the Minutes of the Meeting of May 9, 1990

Trustee Ken Morris, seconded by Trustee Stephan Sharf, moved approval of the proposed minutes. The motion was voted on and unanimously carried.

Approval of the Agenda Items of the May 9, 1990, Board of Trustees meeting

Mr. John De Carlo, Vice President for Governmental Affairs, Secretary to the Board of Trustees and General Counsel, stated that the May 9, 1990, meeting of the Board of Trustees was conducted in the absence of a quorum. Under the resolution adopted by the Board on January 22, 1975, the meeting was designated as an "informal meeting of the Board of Trustees in the absence of a quorum." He added that the Board action at the meeting was advisory and not binding, therefore, approval of the items discussed at the May 9, 1990, meeting is required.

Mr. De Carlo made the following recommendation:

WHEREAS, the Board of Trustees has had an opportunity to review the items which were presented at the May 9, 1990, meeting under the Board resolution governing action in the absence of a quorum; and

WHEREAS, the Board of Trustees has considered these items individually and has no objection to the matters presented in May; now, therefore, be it

RESOLVED, that the Board of Trustees ratifies and approves the following items as submitted:

a. Approval of the Minutes of the Meeting of April 4, 1990

b. Recommendation to accept Gifts and Grants to Oakland University for the period of March 1, 1990, through March 31, 1990; and Information Report on Gifts and Grants to the Oakland University Foundation for the same period

c. Faculty Personnel Actions

d. Meadow Brook Subdivision Financing Guarantee Report

e. Request to Dispose of Property

f. High Temperature Hot Water Distribution System Replacement

g. Rescind Board Action regarding Air Conditioning in Hill House

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

Proposal for the Establishment of the 1990-91 Matthews Court Apartment Rates

Ms. Wilma Ray-Bledsoe, Vice President for Student Affairs, stated that the administration is recommending an increase of 6.5 percent, or $25 per month, for the residents of the Matthews Court Apartments. This recommendation was not included with the other recommendations for the establishment of residence hall rates for 1990-91.

Ms. Ray-Bledsoe made the following recommendation:

RESOLVED, that the Board of Trustees approves the following new Matthews Court Apartment rate:

Current Matthews Court Apartment monthly rent is $350. Recommended Increase is $25 (6.5 percent). Total Monthly Apartment Rent would be $375.

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

Recommendation to accept Gifts and Grants to Oakland University for the period of April 1, 1990, through April 30, 1990; and Information Report on Gifts and Grants to the Oakland University Foundation for the same period

Mr. David Rodwell, Vice President for Development and Alumni Affairs, stated that in the gift report made at the April 4, 1990, meeting, the gift from Mr. and Mrs. Lowell Eklund was reported as $95,886.35. This was the major portion of their December, 1989, gift which totalled $100,000 to fund a charitable remainder unitrust agreement. The income from the unitrust will benefit Meadow Brook Hall. Mr. Rodwell also noted that the gifts and grants to Oakland University for the period of April 1, 1990, through April 30, 1990, totaled $483,885.85.

Mr. Keith Kleckner, Senior Vice President for Academic Affairs and Provost, noted a grant from the National Institutes of Health (NIH) to the partnership arrangement between Beaumont Hospital and Oakland's Eye Research Institute for $2.5 million over a ten-year period. He stated that this grant may be the largest that the NIH has given, and it represents the type of positive outcome that can result from such a research partnership.

Trustee Googasian, seconded by Trustee Sims, moved acceptance of the gifts and grants with gratitude. The motion was voted on and unanimously carried.

Mr. Rodwell noted that the gifts and grants to the Oakland University Foundation for the same period totaled $92,628.17.

Faculty Personnel Actions

Mr. Kleckner made the following recommendations:

Appointment

Kushler, Robert H., Assistant Professor of Mathematical Sciences, effective August 15, 1990 (formerly a visitor, this is a new position)

Mohan, Jean, Special Instructor in Nursing, effective August 15, 1990 (previously a visitor, not a new position)

Piskulich, John P., Instructor in Political Science, effective August 15, 1990 (replacing a permanent faculty member)

Emeritus(a) Appointments

Beardslee, David C., Professor Emeritus of Psychology, effective August 15, 1990

Medalia, Nahum Z., Professor Emeritus of Sociology, effective August 15, 1990

Change of Status

Downing, David J., from Associate Professor of Mathematical Sciences and Associate Dean for Advising, College of Arts and Sciences, to Associate Professor of Mathematical Sciences and Associate Dean, College of Arts and Sciences, effective September 1, 1989

Larson, Cathy A., from Clinical Instructor in Physical Therapy to Senior Clinical Instructor in Physical Therapy, effective August 15, 1990, through August 14, 1992

Rosen, Joan G., from Associate Professor of English to Associate Professor of English and Acting Chair, Department of English, effective August 28, 1990, through December 19, 1990

Leaves of Absence

Atkinson, Ann H., Assistant Professor of Education, leave from August 15, 1990, through April 14, 1992 (without pay)

Hammond, W. Dorsey, Professor of Education, sabbatical leave from January 2, 1991, through April 25, 1991 (with full pay)

Shepherd, A. Gary, Associate Professor of Sociology, sabbatical leave from January 2, 1991, through April 25, 1991 (with full pay)

Resignation

Lee, Hai-Woong, Associate Professor of Physics, effective August 14, 1990

Phased Retirement*

McArdle-Pigott, Kathryn M., Associate Professor of Spanish, effective August 15, 1990 [Supersedes previous Board action of March 14, 1990, which placed Ms. McArdle-Pigott on retirement effective January 1, 1991]

Moeller, Jack R., Professor of German, effective August 15, 1990

Schwab, William, Professor of Linguistics and English, effective August 15, 1990

*The Phased Retirement program permits faculty to work at reduced loads (generally half-time) for up to three years prior to retirement. Their pay is reduced accordingly. These are the first three individuals to take advantage of this program.

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

Recommendation for 1990-91 Board of Trustees Meeting Dates

Mr. De Carlo made the following recommendation:

RESOLVED, that the Board of Trustees approve the following dates for the regular Board meetings for the University fiscal year 1990-91. The meetings will be held at the Oakland Center, Oakland University, Rochester, Michigan at 5:00 p.m.:

Wednesday, July 11, 1990
Wednesday, August 8, 1990
Wednesday, September 12, 1990
Wednesday, October 10, 1990
Wednesday, November 14, 1990
Wednesday, December 12, 1990
Wednesday, January 9, 1991
Wednesday, February 13, 1991
Wednesday, March 13, 1991
Wednesday, April 10, 1991
Wednesday, May 8, 1991
Wednesday, June 12, 1991

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

Interim Budget Resolution for 1990-91

Mr. Robert McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, stated that due to the uncertainty of the State appropriation for 1990-91, the presentation of the General Fund Budget to the Board of Trustees will be delayed until after the beginning of the fiscal year (July 1, 1990). Therefore, it will be necessary to operate on an interim budget until a formal budget is adopted.

Mr. McGarry made the following recommendation:

> RESOLVED, that the Board of Trustees authorize a continuation General Fund Budget for 1990-91 at the level of the 1989-90 expenditure budget, adjusted for previously approved contractual agreements and any other employee compensation agreements that fall within the guidelines established by the Finance and Personnel Committee of the Board of Trustees; and, be it further
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> RESOLVED, that a 1990-91 budget will be submitted to the Board of Trustees for adoption subsequent to July 1, 1990.

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

Trustee Googasian asked if Oakland had considered developing a budget based on a zero increase in tuition for 1990-91. She stated that she is not seeking an answer this evening, however, she is concerned that every year that she has been on the Board, tuition has been increased. She stated that she would like the increases to end.

Student Tuition and Fee Schedule for Summer Session, 1990

Mr. McGarry stated that for the past several years, the administration has brought forward to the Board a recommendation for a tuition increase after the beginning of the fiscal year. He stated that it is in the University's best interest to maximize tuition and fee revenue by effecting an increase for summer session which is the first academic term of the new fiscal year. The recommended increase is 6.03 percent for Michigan undergraduate students taking an average summer load. He noted that many of the summer session students are visiting students from other universities.

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees approves the attached schedule (Exhibit I) of proposed Tuition and Fee Rates for summer session 1990.

The following sets forth the contents of Exhibit I.

Oakland University
1990-91 Tuition and Fee Schedule
Effective Summer Session 1990

	Current 1989-90 Rate	Changes	Summer 1990 Rate
1. Tuition per semester credit hour: (1)			
a. Michigan residents:			
Undergraduate: Lower	$ 61.00	$ 4.75	$ 65.75
Undergraduate: Upper	69.75	5.25	75.00
Graduate	111.75	9.50	121.25
b. Non-residents:			
Undergraduate: Lower	175.00	15.00	190.00
Undergraduate: Upper	190.75	16.25	207.00
Graduate	245.25	21.00	266.25
c. Competency credit exam fee:			
Undergraduate: Lower	25.00	2.00	27.00
Undergraduate: Upper	25.00	2.00	27.00
Graduate	25.00	2.00	27.00
All Non-residents	25.00	2.00	27.00
2. Required fees per semester:			
a. Undergraduates taking 10 credits or more:			
General Service Fee	$ 83.00	-	$ 83.00
Student Activities	9.75	-	9.75
Total	$ 92.75	-	$ 92.75
b. Undergraduates taking less than 10 credits:			
General Service Fee	$ 83.00	-	$ 83.00
Student Activities	7.25	-	7.25
Total	$ 90.25	-	$ 90.25
c. Graduates taking 8 credits or more:			
General Service Fee	$ 83.00	-	$ 83.00
Student Activities	2.50	-	2.50
Total	$ 85.50	-	$ 85.50

	Current 1989-90 Rate	Changes	Summer 1990 Rate	Percent Increase
d. Graduates taking less than 8 credits:				
General Service Fee	$ 83.00	-	$ 83.00	
Student Activities	2.00	-	2.00	
Total	$ 85.00	-	$ 85.00	
6. Summer Session Only: Summary comparison of tuition and required fees:				
a. Undergraduate Michigan resident student taking a 5 credit hour load:				
1) Lower Division:				
Tuition	$ 305.00	$ 23.75	$ 328.75	
Required Fees	87.75	-	87.75	
Total	$ 392.75	$ 23.75	$ 416.50	6.05%
2) Upper Division:				
Tuition	$ 348.75	$ 26.25	$ 375.00	
Required Fees	87.75	-	87.75	
Total	$ 436.50	$ 26.25	$ 462.75	6.01%
b. Graduate Michigan resident student taking a 4 credit hour load:				
Tuition	$ 447.00	$ 38.00	$ 485.00	
Required Fees	84.25	-	84.25	
Total	$ 531.25	$ 38.00	$ 569.25	7.15%
7. Academic Year: Summary comparison of tuition and required fees cost (exclusive of special course fees):				
a. Undergraduate Michigan resident student taking a 31 credit hour load for two semesters:				
1) Lower Division:				
Tuition	$1,891.00	$147.25	$2,038.25	
Required Fees	185.50	-	185.50	
Total	$2,076.50	$147.25	$2,223.75	7.09%
2) Upper Division:				
Tuition	$2,162.25	$162.75	$2,325.00	
Required Fees	185.50	-	185.50	
Total	$2,347.75	$162.75	$2,510.50	6.93%

b. Graduate Michigan resident student taking a 24 credit hour load for two semesters:				
Tuition	$2,682.00	$228.00	$2,910.00	
Required Fees	171.00	-	171.00	
Total	$2,853.00	$228.00	$3,081.00	7.99%

NOTES: (1) Tuition rates are per credit hour and do not vary between fall and winter semesters and spring and summer sessions.

	Current 1989-90 Rate	Changes	Summer 1990 Rate
3. Computer Technology Fee: For Upper Division and Graduate Students in Engineering, Computer Science, Business Administration, Mathematics, Physics, Chemistry, and Biology:			
a. Undergraduate - Upper:			
9 credits or more	$ 80.00	-	$ 80.00
8 credits or less	50.00	-	50.00
b. Graduate:			
7 credits or more	$ 80.00	-	$ 80.00
6 credits or less	50.00	-	50.00
4. Special course fees per course:			
ED 455	$ 35.00	-	$ 35.00
ED 597	50.00	-	50.00
Applied Music:			
Individual Instruction			
2 Credits	85.00	-	85.00
4 Credits	170.00	-	170.00
Group Instruction	25.00	-	25.00
Computer Lab Fee	25.00	-	25.00
5. Other Fees:			
Application Fee	25.00	-	25.00
Graduation Service Fee	20.00	-	20.00
Late Registration	25.00	-	25.00
Late Addition-of-Course (per course added)	10.00	-	10.00
Orientation Fees:			
Freshmen	60.00	-	60.00
Transfer Students	35.00	-	35.00
Reissue of Diploma	20.00	-	20.00
Transcript Issuance Fee	3.00	-	3.00

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

Trustee Morris stated that he is opposed to the tuition increase, and he requested that a chart be developed for the last six years indicating the State appropriation and tuition revenue for each year in order to review the increases. Trustee Morris stated that he is aware that he makes the same statement against tuition increases each year, however, he feels that if he were not to make a statement, it would be assumed that he was in favor of an increase. He stated that he believes that tuition increases continue to "price people out of an education."

Trustee Morris suggested that the Board and the administration investigate methods to avoid tuition increases altogether. He noted that one of his ideas to raise funds for higher education, which was presented to the Finance and Personnel Committee, was to encourage the United States Congress and the State of Michigan to place an item on the income tax return which allowed for a contribution toward higher education. He stated that the money could be distributed in a "formula fashion" to all public institutions of higher education. President Champagne stated that the data which was requested by Trustee Morris regarding this issue has been collected and will be forwarded to him.

Trustee Googasian expressed serious concern about constant tuition increases and would like to see a budget for the Fall that did not require a tuition increase.

Trustee Chunovich stated that tuition is only one factor in the budget. The other factor is expenditures. He noted that "it is inconceivable" to vote against a tuition increase and approve expenditures as they come before the Board. Tuition is needed to continue to run the University at its current level. If increases in tuition cannot be tolerated, there is no alternative other than to ask the administration to reduce the budget by cutting staff and programs in order to offset any tuition increases.

Chairman Hartmann asked for a vote on the motion at this time. Trustees Chunovich, Googasian, Handleman, Hartmann, Sharf, and Sims voted in favor of the tuition increase for the summer session. Trustee Morris voted against the increase. The motion was passed.

Trustee Chunovich suggested that an alternative budget be developed that reflected a "zero tuition increase" in addition to a budget which would maintain the programs at their current level of quality. Trustee Morris concurred in this request.

Trustee Chunovich stated that he recognized that the administration may not be able to prepare a budget for 1990-91 allowing for

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Trustee Chunovich stated that he recognized that the administration may not be able to prepare a budget for 1990-91 allowing for believes these institutions of higher education examine their budgets frequently and are not promiscuous in how they spend their money. They want as much for their dollar as possible. He stated that by cutting programs, the integrity of the University and the quality of the education it provides would be impaired. He noted that he is more concerned with these issues than with having a budget at $1.7 million more or less. He concluded that the quality of the education that Oakland provides to its students should be equal to that provided by any university in the world.

Selection of Construction Manager for Science and Technology Building Project

Mr. McGarry stated that it has been determined that it would be in the best interest of the University to select a construction manager for the Science and Technology Building project. The schematic design phase has been completed, and funding from the State has been approved to commence with the preliminary planning phase. Mr. McGarry stated that the University Affairs Committee assisted in the selection process which was begun in March, 1990. He noted that 14 firms submitted proposals, and the list was reduced to nine that were invited for interviews. Four finalists were chosen and their names and credentials were submitted to the University Affairs Committee for its selection of one firm. The Committee chose the joint venture of the Christman Co. and a minority firm.

Mr. McGarry made the following recommendation:

> RESOLVED, that the Vice President for Finance and Administration be authorized to enter into an agreement with a joint venture of the Christman Co. and a minority-owned firm satisfactory to the University to serve as Construction Manager on the Science and Technology Building project for pre-construction and construction management services at a total fee not to exceed $731,000 with reimbursables calculated on a payroll multiplier of 1.78 not to exceed $933,000; and, be it further
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> RESOLVED, that the agreement shall be on a guaranteed maximum price basis with the total construction cost, to be determined at the end of the preliminary design phase and within the amount allocated to the project by the State of Michigan, guaranteed by the Christman Co.; and, be it further
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> RESOLVED, that the contract will be reviewed by legal counsel and comply with the Board of Trustees' Affirmative Action Policy.

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

At this time, President Champagne introduced Dr. Raymond Margherio of Beaumont Hospital who is also a Clinical Professor of Biomedical Physics. The President expressed the University's sincere appreciation for his efforts in the research affiliation between Beaumont Hospital and the Eye Research Institute.

Dr. Margherio stated that his staff looks forward to the next ten years of the eye research program. He added that the research is exciting due to the fact that it is a preventative type of research and the Eye Research Institute has been interested in working toward preventing cataracts and similar types of eye ailments. He noted that this research involves the discovery of a clinical, biochemical relationship between cataracts and macular degeneration, two of the biggest causes of blindness.

Chairman Hartmann thanked Dr. Margherio and stated that the Trustees are very proud of the research efforts being made through the affiliation between the Eye Research Institute and Beaumont Hospital.

Trustee Morris requested that periodic reports be made on the research project. Dr. Margherio stated that the Beaumont/Oakland research project is the largest to be funded by the NIH, and a project of this sort will require several reports which will appear in both the lay press and the scientific press. He also noted that the program is required to report to specific University committees on a regular basis. Dr. Margherio concluded that periodic reports would be supplied to the Board.

Lepley Sports Center Parking Addition

Mr. McGarry stated that to meet the growing parking needs of the campus community, specifically, parking for athletic events, it is recommended that the front parking lot at the Lepley Sports Center be expanded by 93 parking spaces. He noted that the low bidder was T & M Asphalt Paving, Inc., and the total project cost should not exceed $177,648.15.

Mr. McGarry made the following recommendation:

> RESOLVED, that the Vice President for Finance and Administration is authorized to award a contract in the amount of $144,476.65 to the lowest qualified bidder, T & M Asphalt Paving, Inc., for the subject project; and, be it further

RESOLVED, that the total project cost shall not exceed $177,648.15; and, be it further

RESOLVED, that the contracts be reviewed by legal counsel and be in accordance with the University's Affirmative Action Policy.

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

Replacement/Disposal of Campus PCB Transformers

Mr. McGarry stated that the University is under a federal mandate to eliminate seven remaining low voltage transformers that contain hazardous PCB contaminates. The transformers must be replaced by October 1, 1990, as regulated by the Environmental Protection Agency. He noted that alternatives were reviewed by a consultant, and the conclusion was that they be replaced.

Mr. McGarry made the following recommendation:

RESOLVED, that the Vice President for Finance and Administration is authorized to award a contract in the amount of $171,450 (including transformer carcass incineration) to the lowest qualified bidder, Transformer Inspection Retrofill Corporation/UNISON for the subject project; and, be it further

RESOLVED, that the total project cost shall not exceed $212,450; and, be it further

RESOLVED, that the contracts be reviewed by legal counsel and be in accordance with the University's Affirmative Action Policy.

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

Trustee Chunovich asked what the implications would be from the federal government if the Trustees voted against the replacement of the PCB transformers. Mr. Dan Niezurawski, Superintendent of Plant Maintenance, responded that if Oakland did not comply, the University could be subject to a penalty of up to $25,000 per day for not meeting the October 1, 1990, deadline.

Trustee Sharf asked if Transformer Inspection Retrofill Corporation/UNISON was a "bonified, bonded corporation for this type of work." Mr. Niezurawski stated that the corporation has met all of the requirements for EPA approval.

Trustee Chunovich asked about the origin of the funds to pay for the replacement. Mr. McGarry stated that the funds would come from the Administrative Fund and the residence halls reserves.

Recommendation for the Approval of Degree Candidates for April 26, 1990

Mr. Kleckner recommended that the list of graduate and undergraduate degree candidates for April 26, 1990, be approved by the Board.

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

Other items that may come before the Board

Mr. McGarry stated that he had sent a report to the Trustees which outlined the performance of The Common Fund and specifically its Strategic Asset Allocation Program which has not been performing well. He had anticipated a "working session" with the Finance and Personnel Committee and Ms. Elizabeth Hilpman, Assistant Vice President of The Common Fund, to discuss the program in depth. Unfortunately, this was not possible. Ms. Hilpman, however, would give an update on the program for the full Board at this time, and she planned to return to review the issue in depth at the Committee's convenience. Mr. McGarry noted that it is important that the administration and the Board fully understand the impact of the program. He recommended that the Board establish an investment committee to review matters regarding investments and endowments. Mr. McGarry then introduced Ms. Elizabeth Hilpman.

Ms. Hilpman reviewed the history of Oakland's relationship with The Common Fund. She stated that the Strategic Asset Allocation Program is an overlay program intended to vary market exposure in a systematic way by identifying the historical relationship that exists between stocks, bonds and cash. Over time, the strategic program should protect the endowment or portfolio from a market decline. She stated that the 1987 October crash brought an increased interest in this program as a way of protecting the endowment. Those institutions that were in the program before 1987 are "ahead of the game." She added that many of the schools, including Oakland, that came in after 1987 have still not seen the added value that is expected over time.

Ms. Hilpman stated that The Common Fund's analysis of the Strategic Asset Allocation Program results in the conclusion that the fundamental principles have not changed, however, she suggests that Oakland modify its participation in the Program. The Fund's administration believes that the Plan tends to protect the endowment in a market decline, however, for those institutions that have their entire endowment under this Plan, The Fund recommends that some of the exposure in the equity part of the portfolio be reduced in order to create a limit on the residual risk incurred by the endowment. She noted that by limiting the stock in the South Africa Free Allocation Pool and the underlying South Africa Free Equity Fund, a limit will be placed on the amount that can be hedged. The Fund's administration recommends that 20 percent of Oakland's investment be taken from the South Africa Free Allocation Pool and be placed in the South Africa Free Equity Hedge Fund.

Ms. Hilpman noted that the performance of 1989 is two-tiered. The first component is the Strategic Asset Allocation Plan which is established to identify the long term relationships of stocks, bonds and cash. When short term interest rates rise, it tends to be a negative indicator for the stock market. The model reduced stock exposure and, as a result of the market rising, there was a lag in performance. The other component was that the underlying South Africa Free Fund under performed the stock market.

Trustee Sharf questioned why the University chose to place all of its endowment in one fund. Ms. Hilpman responded that one of the benefits of using The Common Fund organization is that investments are diversified. Historically, most schools create a portfolio by investing in a mix between the equity funds and the bond funds.

Trustee Sharf stated that he would like additional information regarding this situation. Ms. Hilpman noted that she realizes that The Fund has under performed, but the idea behind this strategic program is that it serve as an overlay allowing for subjective decisions about varying market approaches based on the computer model. She noted that studies indicate that only ten percent of the relationships that exist between stocks, bonds and cash can be measured mathematically. If those relationships can be correctly measured, value can be added to a portfolio. She noted that the model is not perfect.

Chairman Hartmann stated that this subject required a more lengthy and thorough discussion. She added that the Trustees understand Ms. Hilpman's position in that she believes that this fund will, in the long run, perform effectively for Oakland. She noted that the Trustees must determine whether it is in the best interest of the University to remain in the program in whole or in part. Chairman Hartmann then thanked Ms. Hilpman for her report and her time.

Trustee Handleman stated that a date for the next meeting with Ms. Hilpman should be set. He noted that the fund's performance is very poor and it has been costly to the University. There was a lengthy discussion regarding a meeting date and whether the meeting should be an open meeting or a Finance and Personnel Committee meeting.

Trustee Sims stated that at the next meeting with Ms. Hilpman he would like to hear less recitation about the history of The Common Fund and more about the model. He requested that the person responsible for making the decisions regarding the model attend with Ms. Hilpman. Ms. Hilpman stated that she would try to bring the President of The Common Fund or another Vice President depending on their availability.

Trustee Sharf stated that Mr. McGarry's recommendation for the development of an investment committee was excellent. President Champagne concurred with the recommendation that an investment committee be established to meet with The Common Fund representatives and bring forth a report to the Board.

Ms. Hilpman stated that as a result of the under performance, a number of sessions have been established for representatives of the institutions to meet with investment managers to discuss the Strategic Asset Allocation Program. She stated that three meetings have been scheduled in August, and she suggested that the Trustees may wish to attend one of the sessions.

Chairman Hartmann established an investment committee comprised of Trustees Handleman, Sharf and Sims, with herself serving as ex officio. The Trustees selected agreed to serve on the committee, and it was determined that Mr. McGarry's office would arrange for a meeting with the new Ad Hoc Investment Committee and The Common Fund representatives as soon as possible.

Trustee Morris, seconded by Trustee Handleman, moved to adjourn the meeting. The motion was voted on and unanimously carried. The meeting was adjourned at 6:30 p.m.

Submitted,

John De Carlo
John De Carlo, Secretary
Board of Trustees

Approved,

Patricia Hartmann
Patricia Hartmann, Chairman
Board of Trustees

Written and prepared by
Catherine Gianakura-Rogg