

Minutes of the Meeting
of the
Oakland University
Board of Trustees
November 29, 1978

The meeting was called to order by President Donald O'Dowd at 7:45 p.m. in Lounge II of the Oakland Center.

Present: Chairman Lewis, Trustees Adams, Headlee, Morris and Saltzman

(Trustee Saltzman arrived at the time indicated in the minutes.)

Absent: Trustees Katke, Mair and Schwartz

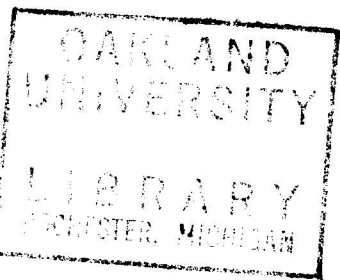
Information Items

Mr. O'Dowd gave a brief report on the following campus activities:

Accreditation Evaluations - At an exit interview, the North Central Association evaluation team stated that it would recommend continued accreditation for Oakland University for another ten years. This recommendation to the Commission on Higher Education covers the university's undergraduate and master's degree programs and the doctorate in engineering. North Central will revisit the university on December 13 to evaluate the Ph.D. program in reading education since a specialist in this area did not accompany the team.

The Engineers' Council for Professional Development team, an accrediting agency at the undergraduate level, also completed its evaluation. The results of this visit will not be known until next July.

Classroom Office Building No. 2 - State, local, and university officials and guests attended the ground-breaking ceremonies for Classroom Office Building No. 2 on November 2, 1978.



Restoration of Dodge Clubhouse - Work has started on the restoration and remodeling of the clubhouse. The roof of the structure has been repaired to prevent rain and snow damage. Burton Brothers of Southfield submitted an estimate of \$142,000 for the restoration work and the Insurance Company of North America accepted this figure. While no completion date has been established, Mr. O'Dowd hoped that the project would be completed by spring 1979.

Christmas at Meadow Brook Hall - The Christmas celebration at Meadow Brook Hall opened today and will continue through December 3. Nearly 17,000 visitors toured the hall in 1977.

President's Club Lecture Series - Corinne Gilb of Wayne State University is scheduled to lecture on "Outside Forces Affecting the Detroit Urban Future--Gloomy or Hopeful?" on November 30 and December 1. This gifted historian is the third speaker in the 1978-79 President's Club Lecture Series.

Urban Affairs Center - On November 14, 1978 the Urban Affairs Center was the host for the inaugural meeting of the Advisory Committee to the Metropolitan Detroit Fair Housing Center. The committee is composed of elected officials, corporate executives, government officials, and citizens. Ms. Wilma Ray-Bledsoe, Assistant to the President and Director of Urban Affairs, is a member of that advisory committee.

Basketball Teams - The men's and women's basketball teams are off to a good start. The men defeated the University of Western Ontario 91-59 and Indiana University-Purdue University 113-83 while the women have a 69-59 win over Western Ontario.

Annual Alumni Association Telefund - Nearly \$6,000 in pledges have been obtained during the first two nights of calling in the annual alumni telefund drive. The pledges come from 630 donors. The telefund continues through December 7. This year's totals are running about 30 percent ahead of last year when \$20,000 was raised.

Mr. O'Dowd noted that Trustee Arthur Saltzman had not arrived at the meeting, but was expected momentarily. He suggested that the Board proceed with the discussion of the items listed on the agenda since Mr. Saltzman had been informed of these matters. Mr. O'Dowd recommended that a motion for the approval and vote on each item be postponed until Mr. Saltzman was present which would provide a Board quorum.

Approval of Minutes of October 25, 1978

Mr. O'Dowd asked for comments or corrections in connection with the minutes of the meeting of the Board of Trustees for October 25, 1978. There were no corrections offered by the Board.

Approval of Personnel Actions

Mr. O'Dowd presented the following personnel actions for the Board's approval:

Appointment

Stavroulakis, Peter, full-time, 10 month Associate Professor of Engineering, effective August 15, 1979

Changes of Status

Kingstrom, Paul O., from Instructor in Management to Assistant Professor of Management, effective October 30, 1978

Krompart, Janet A., from Associate Professor of the Library to Associate Professor of the Library and Acting Dean, University Library, effective November 1, 1978 through April 30, 1979

Leaves of Absence

Akers, Charles W., Professor of History, sabbatical leave from August 27, 1979 through December 18, 1979

Graham, James D., Associate Professor of History, sabbatical leave from January 4, 1979 through April 26, 1979

Halsted, Carol, Assistant Professor of Education, leave from January 4, 1979 through April 26, 1979

Hughes, James W., Professor of Education, sabbatical leave from January 3, 1980 through April 24, 1980

Recommendations from Employment Relations DepartmentAcademic AffairsSchool of Economics & Management

Establish budget position #305, Secretary/
Economics and Management, salary grade C-4.

Source of funds: A transfer of general fund budget allocations within existing approved budget levels. No increase in the total budget allocation.

School of Engineering

Establish the position of Assistant to the Dean, School of Engineering, AP-IV, in lieu of budget position #18, AP-VI.

Source of funds: A combination of the John F. Dodge Professorship in Engineering fund and provisions for Engineering in the 1978-79 general fund budget as approved by the Board of Trustees on July 25, 1978.

Establish budget position #309, Digital Technician, salary grade C-10.

Source of funds: 75% by an externally funded grant which will not commit general fund resources and 25% by a transfer of general fund budget allocations within existing approved budget levels. No increase in total general fund budget allocation.

Kresge Library

Reclassify budget position #321 from Inter-library Loans/Reference Assistant, salary grade C-4, to Reference Assistant/Hotline, salary grade C-6.

Source of funds: An externally funded grant which will not commit general fund resources.

Business AffairsBudget Office

Reclassify budget position #302 from Clerical Accounting Assistant, salary grade C-5, to Senior Clerical Accounting Assistant, salary grade C-7.

Source of funds: An increase in the general fund budget allocation as supported by student tuition and the State appropriation.

Campus and Student Affairs

Physical Education - Extramural Athletics
Establish budget position #10, Head Swimming Coach, AP-IV.

Source of funds: An increase in the general fund budget allocation as supported by student tuition and the State appropriation.

Public Safety
Reclassify budget position #301 from Secretary/ Public Safety, salary grade C-6, to salary grade C-7.

Source of funds: A transfer of general fund budget allocations within existing approved budget levels. There will be no increase in the total budget allocation.

Student Services - Career Advising & Placement
Establish budget position #19, Placement Specialist, AP-V.

Source of funds: This is part of the \$18,000 allotment for the Placement Office listed on page 3 of the 1978-79 general fund budget approved by the Board on July 25, 1978.

Student Services - Special Programs
Establish budget position #14, Assistant Director, Special Programs, AP-VI.

Source of funds: An externally funded grant which will not commit general fund resources.

Continuing Education

Continuing Education - Course Department
Reclassify budget position #305, Secretary/ Continuing Education Programs, salary grade C-5, to Secretarial Assistant/Course Department, salary grade C-6.

Source of funds: Revenue generated by a self-supporting operation which will not commit general fund resources.

There were no questions raised by the Board members.

Mr. O'Dowd requested that Mr. Frederick W. Obear, Vice President for Academic Affairs and Provost, comment on the faculty personnel actions.

Mr. Obear stated that at a prior Board meeting when similar faculty actions were proposed, it was suggested that faculty personnel recommendations similar to those presented tonight should be reviewed with the Board's Personnel Policy Committee before presentation to the full Board for approval. Mr. Obear stated that he met with Trustees Mair and Saltzman who are members of the committee, along with Messrs. O'Dowd and De Carlo. During this meeting the faculty personnel procedures were reviewed as well as the recommendations before the Board this evening. Mr. Obear stated that this series of recommendations was brought to the full Board with the endorsement of the sub-committee. He added that the 1976-79 Faculty Agreement requires that these faculty reemployment actions must be brought to the Board of Trustees so that written notification may be sent to instructors by November 30, 1978, and assistant professors by December 5, 1978. The recommendations under consideration were initiated by the deans or department chairpersons following discussions among appropriate academic unit faculty members. The recommendations were also reviewed by the college or school Committees on Appointment and Promotion and, in the case of assistant professors, by the Provost's Personnel Committee. Mr. Obear then recommended that the following personnel actions, formulated by the Provost with the assistance of the appropriate academic deans, in accordance with the Tenure Review Process be approved:

Instructors eligible for employment to one-year probationary terms as instructors, effective August 15, 1979:

Nursing

Hettie L. Brown

Marilyn J. Lotas

Sandra K. Lowery

Stephanie A. Lusi

Joyce Paape

Catherine A. Sayers

Pamela C. Tisdale

Assistant Professors to be employed in rank for final probationary two-year terms, effective August 15, 1979:

Arts and Sciences

Robert J. Goldstein

Political Science

David Stevens

Communication Arts

Library

Linda L. Hildebrand

Nursing

Mary Ann P. Krammin

There were no questions from the Board.

Acceptance of Gifts and Grants

Mr. O'Dowd presented the following gifts and grants to the Board:

- I. Gifts in support of the General Scholarship Fund:

Miscellaneous Donors	\$ 25.00
----------------------	----------
- II. Gift in support of the Lee Grekin Memorial Scholarship:

Grekin, Mrs. Molly, Ann Arbor	500.00
-------------------------------	--------
- III. Gifts in support of the Eric Pelzner Memorial Student Fund:

Miscellaneous Donors	10.00
----------------------	-------
- IV. Gift in support of the UAW Golf Classic Scholarship:

UAW Region 1B Education Scholarship Fund, Detroit	2,000.00
---	----------

V. Gifts in support of the Alumni Association:

Chrysler Corporation Fund, Detroit	
(Matching Gift)	\$ 120.00
Coopers & Lybrand Foundation, New York, New York	
(Matching Gift)	100.00
Miscellaneous Donors	2,775.00

VI. Gifts in support of the Athletic Department:

Aiello, Mr. Robert F., Warren	375.00
Albrecht, Mr. Alfred, West Bloomfield	375.00
Illinois Tool Works Foundation, Chicago, Illinois	
(Matching Gift)	750.00
Miscellaneous Donors	100.00
Sowerwine, Mr. and Mrs. Stanley L., Petoskey	100.00

VII. Gift in support of Continuing Education -
Labor Education:

Stevens, Mr. G. Don, Bloomfield Hills	1,000.00
---------------------------------------	----------

VIII. Gifts in support of the Friends of Kresge Library:

Miscellaneous Donors	105.00
----------------------	--------

IX. Gifts in support of the Leo Gerulaitis/John
Immerwahr Book Award:

Miscellaneous Donors	25.00
----------------------	-------

X. Gifts in support of the Grounds Department:

Miscellaneous Donors	15.00
----------------------	-------

XI. Gifts in support of the Horticultural Society:

Miscellaneous Donors	25.00
----------------------	-------

XII. Gifts in support of the Institute of Biological
Sciences - the V. Everett Kinsey Memorial Fund:

Miscellaneous Donors	50.00
Patterson, Dr. and Mrs. John W., Storrs, Connecticut	100.00

XIII. Gift in support of the Institute of Biological
Sciences - the Ophthalmic Biochemistry Conference:

Alcon Laboratories, Inc., Fort Worth, Texas	2,000.00
---	----------

XIV. Gifts in support of Meadow Brook Art Gallery:

Aronow, Mr. and Mrs. Harry B., Southfield	\$ 112.00
Barron, Florence, Inc., Southfield	500.00
Handleman, Mr. and Mrs. David, Bloomfield Hills	112.00
Miscellaneous Donors	3,150.00
Neumann, Mr. and Mrs. Kenneth, Huntington Woods	150.00
Pigott, Dr. Margaret B., Rochester	100.00
Rollins, Dr. and Mrs. Michael E., Grosse Pointe Farms	500.00

XV. Gift in support of Meadow Brook Music Festival -
Trumbull Terrace:

Trumbull Foundation (The), Birmingham	8,000.00
---------------------------------------	----------

XVI. Gifts in support of Meadow Brook Music Festival/
Meadow Brook Theatre:

Chrysler Corporation Fund, Detroit (Matching Gift)	300.00
Ford Motor Company Fund, Dearborn (Matching Gift)	350.00
Grossel Tool Company, Warren	100.00
Miscellaneous Donors	150.00
Moser, Mr. Ernest C. Troy	100.00
Wilson, Lula C., Trust, Birmingham	5,000.00

XVII. Gift in support of the Meadow Brook Theatre Guild:

Mitchell, Mrs. William L., Bloomfield Hills	200.00
---	--------

XVIII. Gifts in support of the Music Department -
Pontiac/Oakland Symphony:

Belaney, Mr. William L., Rochester	100.00
Cramer, Ms. Barbara B., Pontiac	100.00
Fitzgerald, Mr. and Mrs. Richard, Bloomfield Hills	100.00
Hershey, Rev. and Mrs. Galen, Waterford	100.00
Mastin, Ms. Donna J., Pontiac	100.00
McMillan, Mr. and Mrs. Donald, Pontiac	100.00
Miscellaneous Donors	180.00
Rightmire, Mr. and Mrs. Darwin E., Pontiac	100.00
Robb, Mr. Robert D., Pontiac	100.00
Voss, Mr. Merle R., Bloomfield Hills	100.00

XIX. Gift in support of the Oakland Sail:

Adams, Carman, Foundation, Birmingham	2,000.00
---------------------------------------	----------

XX. Gifts in support of the O.U. Foundation -
President's Club:

Duryea, Mr. and Mrs. F. Charles, Jr., West Bloomfield	\$6,300.00*
Giles, William B. and Margaret, Foundation, Detroit	1,000.00
Hartmann, Mr. and Mrs. E. J., Birmingham	1,000.00
Johnson, Mr. and Mrs. Henry C., Bloomfield Hills	200.50
Johnson, Mr. and Mrs. Henry C., Bloomfield Hills	799.50*
Lamb, F. Joseph, Company, Warren	7,500.00
Mercier Corporation, Birmingham	1,000.00
O'Connell, Mr. and Mrs. Robert L., Bloomfield Hills	1,000.00
Reef Industries, Mt. Clemens	1,000.00
Rochester Monument Sales, Rochester	800.00
Solverson, Dr. and Mrs. John F., Rochester	1,000.00
Wood, Mr. Richard E., Rochester	1,000.00

XXI. Gifts in support of the O.U. Women's Club:

Miscellaneous Donors	10.00
----------------------	-------

XXII. Gifts in support of the Rochester Festival Club:

Elias Brothers Restaurants, Inc., Warren	100.00
Freeman, Mr. Francis X., Rochester	100.00
Karling, Mr. James W., Orchard Lake	100.00
National Bank of Rochester, Rochester	200.00

XXIII. Gift in support of the School of Education -
Research Support:

Bingham, Ms. Jane M., Rochester	100.00
---------------------------------	--------

XXIV. Gift in support of the Student Life Discretionary
Fund:

Mitchell, Mr. Jim, Rochester	860.00
------------------------------	--------

XXV. Grants in support of Departments, Staff, Schools
and Colleges:

Michigan Council for the Arts, Detroit, under the
direction of Mr. Robert A. Dearth of the Meadow
Brook Performing Arts Company, to be used in
support of the program entitled, "Operational Support -
Meadow Brook Theatre and Meadow Brook Music Festival."
Period of Performance: October 1, 1978 to
September 30, 1979. 87,000.00

*Stock Contributions

XXV. Grants in support of Departments, Staff, Schools and Colleges (Continued)

Michigan Council for the Arts, Detroit, under the direction of Mr. Terence Kilburn of the Meadow Brook Theatre, to be used in support of the program entitled, "Arts Outreach - Meadow Brook Theatre." Period of Performance: October 1, 1978 to September 30, 1979. \$140,000.00

Michigan, State of, Lansing, under the direction of Ms. Jane Goodman of the Continuum Center, to be used in support of the program entitled, "Career Personal and Pre-Retirement Counseling for Adults in University and Community Settings." Period of Performance: September 1, 1978 to August 30, 1979. 37,632.00

Michigan, State of, Lansing, under the direction of Mr. G. Don Stevens of the Department of Continuing Education, to be used in support of the program entitled, "Leadership Skills for Trade Union Minorities and Women." Period of Performance: October 1, 1978 to September 30, 1979. 44,976.00

National Institutes of Health, Bethesda, Maryland, under the direction of Dr. John R. Reddan of the Department of Biology, to be used for indirect cost related to the program entitled, "Control of Cell Division in the Ocular Lens." Period of Performance: September 1, 1978 to August 31, 1979. 22,145.00

National Science Foundation, Washington, D.C., under the direction of Dr. Glenn A. Jackson of the School of Engineering, to be used in support of the program entitled, "Microprocessor Based Digital Computer Laboratory." Period of Performance: September 1, 1978 to January 31, 1981. 17,600.00

XXV. Grants in support of Departments, Staff, Schools and Colleges (Continued):

National Science Foundation, Washington, D.C., under the direction of Dr. Joel W. Russell of the Department of Chemistry, to be used in support of the program entitled, "A Four Year Integrated Laboratory Program in Chemistry." Period of Performance: September 1, 1978 to January 31, 1981. \$ 13,200.00

Public Health Service, Hyattsville, Maryland, under the direction of Dr. Geraldene Felton of the School of Nursing, to be used in support of the program entitled, "Nursing Capitation Grant Program." Period of Performance: July 1, 1978 to June 30, 1979. 43,658.00

Public Health Service, Bethesda, Maryland, under the direction of Dr. Arun K. Roy of the Department of Biology, to be used in support of the program entitled, "Research Fellowship Award - Nalini M. Motwani." Period of Performance: October 16, 1978 to October 15, 1979. 10,800.00

U. S. Naval Research Laboratory, Washington, D.C., under the direction of Dr. Abraham R. Liboff of the Physics Department, to be used as a supplement to the original award in support of the program entitled, "Visiting Research Physicist." Period of Performance: May 1, 1978 to December 31, 1978 6,000.00

XXVI. A gift to the Athletic Department of baseball equipment from Mr. Dirk Dieters, Rochester. Appraised value: 105.87

XXVII. A gift to the Grounds Department of a large Schefflera plant in a glazed tile pot with coasters from Mr. Eddy, Romeo. Appraised value: 300.00

XXVIII. A gift to Meadow Brook Hall of a mid-19th century Sheffield hot water urn from Mr. and Mrs. Theodore Yntema, Bloomfield Hills. Appraised value: 1,200.00

Total Gifts and Grants \$481,140.87

REPORT ON STOCK TRANSACTION

	<u>Value</u> <u>Date of Gift</u>	<u>Sale Price</u>	<u>Comm. &</u> <u>Taxes</u>	<u>Net</u> <u>Proceeds</u>
Mr. and Mrs. F. Charles Duryea, Jr. Oscar Mayer & Com- pany, Inc. 300 shares, date of gift: 10/25/78	\$6,300.00			
date of sale: 11/07/78		\$6,412.50	\$135.22	\$6,277.28
Mr. and Mrs. Henry C. Johnson One William Street Fund, Inc. 50 shares, date of gift: 10/12/78	\$ 799.50			
date of sale: 10/20/78		\$ 732.50	-	\$ 732.50

Mr. O'Dowd expressed appreciation to Trustee Morris for the gift from the UAW Region 1B Education Scholarship Fund. He stated that these funds would be used to support two quality students selected during the course of the year.

There was a general discussion on several of the grants with no objection by the Board to the President's recommendation.

Approval of Establishment of Bachelor of Music Degree

Mr. O'Dowd presented the following recommendation to the Board:

It is recommended that the Board of Trustees approve the establishment of a program of undergraduate studies leading to the degree of Bachelor of Music (B. Mus.). Degree requirements should be as follows:

In order to graduate with the Bachelor of Music degree, a student must:

1. Have successfully completed a minimum of 128 credits;
2. Have successfully completed or met all general undergraduate degree requirements; and
3. Have successfully completed the program of instruction leading to the Bachelor of Music degree as prescribed by the School of Performing Arts with credit distribution as follows:
 - a. Courses in Music
68-82 credits
 - b. General Education*
32 credits distributed from among courses designated for general education purposes by the College of Arts and Sciences and in accordance with the requirements of the various specializations within the degree program as follows:

Art (other than Music)	4-8 Credits
Foreign Language	8-16 Credits
History, and Literature or Philosophy	8 Credits
Mathematics, Science, Social Sciences, Area Studies	4-8 Credits
4. Have been admitted to degree candidacy by the university and the School of Performing Arts, and to standing in at least one of the Music specializations within the degree program as determined by the Department of Music.

* In the arts category, certain courses offered by the School of Performing Arts (for example, Dance) may in future be designated for general education purposes.

5. Have successfully completed such auditions, competency examinations and attendance requirements as may be determined by the Department of Music with approval of the School of Performing Arts.
6. Have been in substantial compliance with all legal curricular requirements.

Mr. O'Dowd asked Mr. Obear to comment on this item.

Mr. Obear stated that currently some music students are pursuing a Bachelor of Science with a major in music degree in the College of Arts and Sciences. He commented that this arrangement has not been satisfactory. Therefore, the establishment of a Bachelor of Music degree under the auspices of the Faculty Council for the School of Performing Arts has been planned for about two years. This new program has now received all internal governance approvals and is presented to the Board with the endorsement of the University Senate. Mr. Obear added that in terms of State appropriations this action is considered a "spin off" since it is a "relabeling" of an existing degree and does not require additional funding.

Mr. O'Dowd added that the action merely changes the location of the degree to a more appropriate academic area. This is not a substantial change.

There were no Board objections to the recommendation.

Selection of Architect for Married Student Housing Project

Mr. O'Dowd asked Mr. Kenneth Coffman, Vice President for Campus and Student Affairs, to review the status of the proposed married student housing project.

Mr. Coffman stated that because of the time constraints established by the Federal government requiring that "Part II" of the application must be filed with HUD by January 11, 1979, the university invited 14 capable architectural firms to participate in screening interviews. A 7-member university screening committee comprised of faculty, staff, a student and a member of the Bureau of Facilities conducted the interviews. A consensus was reached and the three firms in order of preference were:

1. Straub, Van Dine, Dziurman/Architects
2. Tarapata, MacMahon, Paulsen Associates, Inc.
3. Sims-Varner & Associates

Mr. Coffman requested that the Board select one of the architectural firms.

Trustee Arthur Saltzman arrived at this time (8:15 p.m.).

Mr. Headlee moved that the firm of Straub, Van Dine, Dziurman/Architects be named as architect for the proposed married student housing project. Mr. Morris seconded the motion which was voted on and passed.

Mr. Coffman thanked the Board and stated that representatives from the university were scheduled to meet with the Michigan Legislative Joint Capital Outlay Committee tomorrow to obtain approval for the project.

Mr. O'Dowd suggested that the Board return to the items previously reviewed since a quorum was present with Mr. Saltzman's arrival.

Approval of Minutes of October 25, 1978

Mr. O'Dowd recommended approval of the minutes of the meeting of the Board of Trustees for October 25, 1978. Mrs. Adams offered a motion for approval of the minutes which was seconded by Mr. Headlee. The motion was voted on and the minutes were approved.

Approval of Personnel Actions

Mr. O'Dowd recommended approval of the personnel actions. Mr. Morris moved that the personnel actions be approved. Mr. Headlee seconded the motion.

Mr. Saltzman observed that he still questioned the number of grade changes submitted to the Board during the past 12 months. He reiterated his request for a comprehensive report on this practice.

Mr. O'Dowd responded that such a report was in preparation.

Ms. Wilma Ray-Bledsoe stated that the report would be available in January 1979.

The Board voted and approved the personnel actions.

Approval of Faculty Personnel Actions

Mr. Morris moved that the faculty personnel actions be approved. Mr. Headlee seconded the motion which was voted on and passed.

Acceptance of Gifts and Grants

Mrs. Adams moved that the gifts and grants be accepted with gratitude. Mr. Morris seconded the motion which was voted on and passed.

Approval of Establishment of Bachelor of Music Degree

Mr. Headlee moved to approve the recommendation which was seconded by Mrs. Adams. The motion was voted on and passed.

Mr. O'Dowd suggested that the Board return to the regular order of the agenda.

Status of State Building Authority Lease

Mr. David Lewis excused himself from taking part in the discussion on this item since he is co-bond counsel for the State Building Authority. He then left the room.

Mr. O'Dowd requested that Mr. John De Carlo bring the Board up to date on the status of the State Building Authority lease.

Mr. De Carlo stated he had conferred on several occasions with the State Building Authority representatives and members of the Attorney General's Office in an effort to resolve the problems relating to the financing of the Classroom Office Building No. 2 project. One of the primary issues of concern related to the application of insurance proceeds in the event of a casualty loss. The Authority's bond counsel proposed that in the event a building was destroyed or damaged the State Building Authority would make the decision as to whether or not the building would be restored. Mr. De Carlo said it was his opinion that the institutions should make this decision since they were paying for the insurance and should determine the need for the facility. This matter was resolved and the lease was amended to provide that the institutions will make the decision on the use of insurance proceeds if such use does not prejudice the bondholders. The issue of title to the property, which was discussed at the last Board meeting, has not changed.

Mr. De Carlo stated that he was waiting for the final draft of the lease document to present to the Board. He added that in his opinion the State Building Authority and the Attorney General's Office have gone as far as they intend to with respect to the universities' concerns about the lease provisions. He noted that the State Building Authority wishes to proceed with the sale of the bonds and will undoubtedly want approval of the lease on or before January 1, 1979. Mr. De Carlo stated that it may be necessary to call a special meeting to resolve this issue.

Mr. Saltzman asked about the reaction to the lease of the other State universities.

Mr. De Carlo replied that the University of Michigan was working with Oakland to resolve the concerns shared with the Board on title and insurance. For the most part the other universities were willing to accept Oakland's position. Many of the universities' officials felt such a critical need for their buildings that they

would accept any proposal from the State Building Authority and hope that there would be no problem from a court challenge to the lease or the funding proposal.

Mr. Saltzman asked if any other states had a similar arrangement.

Mr. De Carlo responded that he was unable to answer that question.

Mr. O'Dowd added that there was a general feeling of most institutions to "let their successors worry about the problem 20 years from now."

Mr. De Carlo wished to go on record that the Attorney General's Office and the Senate Fiscal Agency were very cooperative in working with him and that the current lease document was considerably improved from that originally proposed. Mr. De Carlo reiterated that he would give the Trustees a copy of the final lease document when it became available together with an analysis. He added that he would attempt to call a meeting of the Board on this issue during December.

Mr. O'Dowd asked if there was a possibility that the lease might not be available before January 1st and Mr. De Carlo said that was possible.

Mr. Headlee requested clarification as to why Mr. Lewis was not participating in the discussion of this item.

Mr. De Carlo responded that Mr. Lewis' firm is retained by the State Building Authority as bond counsel.

At the conclusion of the discussion Mr. Lewis rejoined the meeting.

Request from Owner of Property at Northwest Corner of Adams Road and Walton Blvd. for Approval of Development Plans

Mr. David Lewis asked that the record show that he would not participate in any discussion or vote on the item to be discussed since his law firm had National Bank of Detroit as a client.

Mr. O'Dowd presented the following resolution to the Board for its consideration:

WHEREAS, Oakland University conveyed to J-P Properties, a co-partnership, certain property of the university located at the northwest corner of Walton and Adams Road; and

WHEREAS, to protect the interests of the university certain restrictions were placed in the warranty deed requiring Board approval of the use of the subject property; and

WHEREAS, the National Bank of Detroit, Troy Bank N.A., has expressed an interest in purchasing some of the above-described property from J-P Properties for the construction of a branch bank facility of approximately 3,500 square feet and requests Board approval for construction of such facility; now therefore be it

RESOLVED, That the Oakland University Board of Trustees approves the request from J-P Properties and the National Bank of Detroit, Troy Bank, N.A., for the construction of a branch bank facility as described in documents submitted to the Board of Trustees, which documents are on file in the Office of the Secretary to the Board of Trustees.

Mr. O'Dowd requested that Mr. Robert Swanson provide a brief explanation of this matter.

Mr. Swanson stated that last spring the Board of Trustees had approved the sale of approximately 3-1/2 acres of university property located at the northwest corner of Adams Road and Walton Blvd. to J-P Properties. The intent of the developer at that time was to construct a Bill Knapp's restaurant on a major portion of the land and to use the remainder of the property for perhaps eight "high-class specialty shops." Since that time there has been a change in plans and the owner now proposes selling the remainder of the property to National Bank of Detroit, Troy Bank, N.A., an affiliate of the National Bank of Detroit. At the time of the sale the Board was concerned about the future development of the land and the possibility of an undesirable use of the property. Therefore, the warranty deed carried a restriction providing for the Board's approval of any future use of the land. Mr. Swanson said he felt the proposal for a branch bank was a reasonable use of the property and requested the Board's approval of the recommendation.

Mr. Headlee moved that the foregoing resolution be adopted. Mr. Morris seconded the motion. Trustees Adams, Headlee, Morris and Saltzman approved the resolution. Trustee Lewis abstained. In the absence of a quorum voting, the resolution did not pass and will be re-submitted to the Board at a subsequent meeting.

Mr. Saltzman asked if there were any way to continue to preserve the right to exercise control over future use of this property.

Mr. James Howlett, university counsel, said that this control automatically occurs due to a restriction included in the warranty deed.

Mr. Morris requested that the record indicate that Mr. Swanson had contacted two other Trustees who were not present at this evening's meeting and they did not object to the recommendation.

Mr. O'Dowd said it would be necessary to have formal Board action on this resolution and that the item would be presented at the next meeting.

Approval of Audited Financial Statements and Audit Reports for the Year Ended June 30, 1978

Mr. O'Dowd presented the following audited financial statements and audit reports for the year ended June 30, 1978 for the Board's approval:

1. Audited Financial Statements and other Financial Information - Oakland University, June 30, 1978, Ernst & Ernst.
2. Audited Financial Statements Oakland University Foundation - Financial Statements as of June 30, 1978 - Ernst & Ernst.
3. Audited Financial Statements and other Financial Information, Oakland University, June 30, 1978, Ernst & Ernst.
4. Management Letter, October 12, 1978, Ernst & Ernst and Oakland University response to the Management Letter, October 23, 1978.

Mr. O'Dowd asked Mr. Swanson to comment on these items.

Mr. Swanson said that from his point of view the audit had gone very well, and even though this was Ernst & Ernst's first year, the reports were completed on schedule. He stated that Mr. Philip C. Berry, partner in the firm of Ernst & Ernst, was present to respond to any questions.

Mr. Headlee moved the acceptance of the recommendation which was seconded by Mr. Morris.

At this time Mr. O'Dowd asked Mr. De Carlo to read the following letter from the Audit Committee of the Board of Trustees concerning their recommendation on the reports:

"November 29, 1978

"TO: Members of the Board of Trustees

"FROM: Mr. Marvin L. Katke, Trustee
Mr. Alan E. Schwartz, Trustee

"SUBJECT: Report of the Audit Committee of the Board on its review of the audit reports for the year ended June 30, 1978.

"The Audit Committee of the Board of Trustees (Trustees Schwartz and Katke) met on October 24, 1978 with representatives of Ernst & Ernst and members of the University Business Office staff to review the audited financial statements and the management letter prepared by Ernst & Ernst.

"The reports and management letter were reviewed in detail as well as the university's response to the recommendations contained in the management letter. The members of the Audit Committee supported the recommendation to adopt a conflict of interest statement which would apply to Board members, officers, and key employees. A policy statement will be developed by staff, reviewed by the Audit Committee, and proposed at a subsequent meeting for adoption by the Board of Trustees.

"The independent auditors described the university's financial management as good and stated that there were no problems or areas of possible concern discovered in the course of their audit review.

"It is the recommendation of the Audit Committee that the Board of Trustees accept the audited financial statements and the management letter prepared by Ernst & Ernst for the year ended June 30, 1978."

Mr. O'Dowd asked Mr. Berry if he wished to comment.

Mr. Berry introduced his associate Mr. Thomas A. Burton who was also present and said they were pleased to have been hired by the Board. He added that his firm endorsed the committee's report.

The motion to approve the audited financial statements and audit reports was voted on and passed.

Approval of Capital Outlay Requests for 1979-80

Mr. O'Dowd requested the Board's approval of the Capital Outlay Requests for 1979-80 document which was forwarded to the Department of Management and Budget for the State of Michigan. These requests are the same as those submitted to the Board last year.

Mr. Headlee moved to approve the Capital Outlay Requests for 1979-80. Mr. Morris seconded the motion which was voted on and passed.

Approval of University Budget Request for 1979-80 as Submitted to the Executive Office of the State of Michigan

Mr. O'Dowd advised the Board that the State of Michigan requires that a budget request document be submitted annually to the Executive Office. Mr. O'Dowd submitted the following recommendation for Board approval:

RESOLVED, That the Board of Trustees approve the 1979-80 operating budget request totaling \$29,005,175 as described in detail in the budget request document.

(A copy of the budget request document is on file in the Office of the Secretary to the Board of Trustees.)

Mr. O'Dowd stated that he felt the budget request was a reasonably realistic document.

Mr. Lewis asked if the Governor's recent recommendation of a 4% reduction to State departments was a factor in this budget request.

Mr. O'Dowd replied that the 4% reduction did not apply to universities.

Mr. Saltzman added that the Federal guideline for employee increases was 5% for next year.

Mr. O'Dowd noted that the 7% figure used by the university was President Carter's administration guideline. He noted that the Federal administration recommended that tuition and fees be one-half of one percent below last year's level of increase.

Mr. Morris asked what happens to the budget recommendation when changes occur in the process of time.

Mr. O'Dowd stated that nationally some universities have appealed to the Federal administration to reconsider the tuition and fee increase figure because in some states there is a substantial reduction of local funding and this could create serious fiscal difficulties.

Mr. O'Dowd said that in his opinion the proposed budget request was reasonable and includes items of need. He hoped that it would be authorized by the Board.

Mr. Headlee moved to approve the budget request. Mrs. Adams seconded the motion.

Mr. Saltzman stated that he was very concerned about the 7% salary and wage adjustment figure. He said it was a very interesting situation in the United States, especially in connection with government institutions, in which employees are in a position to use the "power of the sovereign" to command both job continuation and an increase in wages. He commented that he felt a part of the "tax revolt and disillusionment with government" functions was because "people are aware that government employees have protected wages and jobs." The vast majority of people called upon to support government employees do not have this security. He said that while 7% may sound reasonable in the context of inflation, there are a large number of people who will not get 7%. He felt that using economic power in this way could be considered negatively by a large number of taxpayers. He concluded that he did not feel that this issue should be "considered lightly."

Mr. Morris stated that whether or not you work for the government doesn't make any difference since everyone pays taxes. What is important is what takes place in the pay envelope, and that is determined to a large extent by the cost of living. To arbitrarily say that "people ought to have less because it costs money to pay people more" is not germane. He added that setting Federal guidelines doesn't preclude requests for higher income. If people do not have the income they feel they are entitled to, there will be difficulty and "rules will be broken."

Mr. Saltzman said what he intended to convey was that private industry operated with the "sanction of the market" place and if costs were too high, a business would be "priced out" of the market. He stated that there was no such control in government, and therefore, he felt very uncomfortable with the process.

Mr. Headlee said that he also had concerns with costs. However, assuming that people were still performing the same tasks with no reduction in responsibility nor adding to the bureaucracy, then it was the Board's responsibility to provide for these

employees in an inflationary economic environment over which they have no control. He said he thought this only "fair and reasonable" and that the people should not be asked to fall behind. There could be legitimate discussion, however, over the amount of merit increase.

Mr. O'Dowd said the choice of the 7% figure was based on two factors--one, that this was the Federal guideline recommended by President Carter, which was probably as low as the President could go; two, that Oakland does not determine wages unilaterally since this issue is decided at the bargaining table.

After a general discussion on this subject, Mr. Headlee moved that the question of budget approval be divided into two parts. The Board would vote on the overall approval of the budget request of \$29,005,175 without a specific percentage recommendation for wages and fringe benefits. The second question for approval would be the inclusion of the 7% economic proposal. The motion to divide was seconded by Mr. Morris.

Mr. O'Dowd asked the Board to vote on the approval of the budget request of \$29,005,175. The recommendation was voted on and passed.

Mr. O'Dowd asked for the Board's approval of the inclusion of the 7% salary and wage adjustment provision in the budget. The matter was voted on with 3 votes in favor and Trustees Morris and Saltzman voting against the proposal.

Mr. O'Dowd thanked the Board and stated that he could operate with the Board's approval of the overall recommendation since the State establishes its own wage level for the universities.

General Fund Budget Document for 1978-79

The final published version of the university's General Fund Budget for 1978-79 was distributed to the Board members for information purposes. There was no discussion on this subject. (A copy of this item is on file in the Office of the Secretary to the Board of Trustees.)

Consolidated Budget for 1978-79

The university's consolidated budget for 1978-79 was distributed to the Board members for information purposes. (A copy of this document is on file in the Office of the Secretary to the Board of Trustees.)

Mr. Saltzman stated that the staff should be commended for preparing such an informative document.

Mr. O'Dowd said that the university hoped to supply the Board with this report on an annual basis.

Approval of Non-Contributory Retirement Program

Mr. O'Dowd stated that Ms. Wilma Ray-Bledsoe has been involved in a comprehensive study of the employee retirement program. Based upon this review, he asked the Board's approval of the following recommendation.

WHEREAS, the university now maintains a non-contributory retirement program covering certain clerical-technical, service maintenance, public safety and administrative-professional employees; and

WHEREAS, this program has been closed to all employee groups with the exception of administrative-professional employees through collective bargaining agreements; and

WHEREAS, the university also participates in the Teachers Insurance and Annuity Association of America/College Retirement Equities Fund Retirement Program; and

WHEREAS, the provision of consistent long-range retirement program management is a desirable goal, now therefore be it

RESOLVED, That the university administration be authorized to terminate the non-contributory retirement program for the administrative-professional group and transfer all employees from the self-insured non-contributory retirement program to a Teachers Insurance and Annuity Association (TIAA) Group Annuity Program.

Mr. O'Dowd called upon Ms. Ray-Bledsoe who introduced Ms. Judith London from Teachers Insurance and Annuity Association to answer any Board questions.

Mr. O'Dowd then asked Mr. De Carlo to read into the record the following communication from the Audit Committee of the Board of Trustees:

"November 29, 1978

"TO: Members of the Board of Trustees

"FROM: Mr. Marvin L. Katke, Trustee
Mr. Alan E. Schwartz, Trustee

"SUBJECT: Report of the Audit Committee of the Board
on its review of the Non-Contributory Retirement
Plan Recommendation.

"The Audit Committee of the Board of Trustees (Trustees Schwartz and Katke) met on October 24, 1978 with university administrative staff and with representatives of TIAA to review the recommendation to transfer the administration of the self-insured non-contributory retirement program to a TIAA Group Annuity Program.

"The specific merits of the proposal to have independent management of the non-contributory retirement program were reviewed. The members of the Audit Committee were in support of the recommendation but directed an independent review of the recommendation and of the options contained therein. That review was made by the consulting firm of Towers, Perrin, Forster & Crosby of Chicago and they submitted a report dated November 14, 1978 in support of the recommendation.

"It is the recommendation of the Audit Committee that the Board of Trustees approve the recommendation to transfer all of the university employees and retirees now in the non-contributory retirement program to a TIAA Group Annuity Program and to terminate the Non-Contributory Retirement program for the Administrative-Professional group of employees."

Mr. Saltzman moved that the recommendation be approved.

Mr. Headlee seconded the motion which was voted on and passed.

Alumni Association Telefund Drive

Mr. Lewis announced that the Oakland University Alumni Association Telefund Drive was under way. He invited the Board members to participate in this program since it was a worthwhile fund-raising effort. The drive is scheduled to run through December 7.

General Comments

Mr. Coffman introduced Ms. Mary Sue Rogers, the newly elected president of the University Congress.

The meeting was adjourned at 9:30 p.m.

Approved,

John De Carlo, Secretary
Board of Trustees

David B. Lewis, Chairman
Board of Trustees

JDeC/mp