

**Minutes of the Meeting
of the
OAKLAND UNIVERSITY BOARD OF TRUSTEES LEADERSHIP MEETING
August 17, 1993**

Present: Chairman James A. Sharp, Jr.; Trustees Larry Chunovich, Andrea L. Fischer, David T. Fischer, Rex E. Schlaybaugh, Jr., Stephan Sharf, and Howard F. Sims.

Present: President Sandra Packard; Mr. Paul E. Bissonnette; Mr. John De Carlo; Mr. David Disend; Ms. Wilma Ray-Bledsoe; and Dr. Gary Russi. (Ms. Diana Dillaber, of The Oakland Press, and Ms. Eileen M. Bantel, Executive Director of A.A.U.P., joined the session in the afternoon after the luncheon break.)

Absent: Trustee David Handleman

Chairman James A. Sharp, Jr. greeted the retreat participants at 8:30 a.m. in an open meeting at Meadow Brook Hall. He stressed the hope that the Trustees would be open with their thoughts, suggestions, and ideas and find the day informative. He added that the agenda should be viewed as unstructured with no restraints. He noted that one of the purposes of the retreat was to provide for "free flowing conversation and discussion."

Chairman Sharp reviewed the agenda and asked for Board items.

Trustee Howard F. Sims indicated a wish to invite the Vice Presidents to the conference table and suggested that the agenda should be used as a "prompt" for discussion.

Chairman Sharp invited the vice presidents to join the trustees and President Sandra Packard at the same table.

Chairman Sharp reviewed the University's Strategic Planning Process instituted by President Packard in February, 1993 and his participation with the Steering Committee. He stated that the President put together a number of committees involving about 167 people. There are about 18 from the business community, 72 are faculty, 61 are non-faculty university employees (a portion of which are Oakland alumni), 9 are Oakland students, 24 are alumni not employed at the university. The goal is to bring the campus family together to develop plans for the future of the university. He mentioned that the alumni are gathering information for an environmental scan from the surrounding community to identify external developments such as other universities that are locating in our "back yard." Chairman Sharp

reported that the Steering Committee has had regular meetings since March and that they have had hearings designed for students but unfortunately the students have not participated. He stated that there was a need for input from all constituent bodies.

Trustee Sims noted that the Board has received a strategic plan from the University Senate over two years ago. It has been in limbo for two years because the Board embarked on a presidential search. The Senate Committee has waited for a response as to whether the report will be received and reviewed or set aside. It is important that we do something with that process.

Dr. Gary Russi asked if a plan was developed at that time.

Trustee Sims responded that one was not developed as an end product. We had a Board Committee that was constituted with the charge to review the report, but it was held in abeyance pending the appointment of a new President.

President Packard stated that she was aware that there was a plan developed by the University Senate and presented by President Joseph E. Champagne to the Board, but it was never voted on by the Board.

Trustee Sims then requested clarification on the role of the committees engaged in the Strategic Planning Process.

President Packard stated the committees have wide responsibility in a variety of areas as indicated in the materials provided to the Board. In addition, members of the Board have been asked to serve on various committees .

Trustee Sims noted that the Board has the legal responsibility for final strategic planning. The process will provide important input which will be beneficial to the Board.

Trustee Sims further observed that the "inclusion of the trustees in the committee structure of the Strategic Planning Process is not tantamount to an action of the Board." He expressed concern that if the process develops a plan which is submitted to the Board on a "take it or leave it basis, this places the Board in a difficult position." There is a need for "interim reports for Board feedback."

Trustee Sims added that there is an obligation to set aside the former plan if another process is under consideration. There is a need to avoid confusion because of the past and current planning actions.

President Packard noted that at the next Board meeting, Dean Suzanne Frankie and Chairman Sharp will update the Board on the Strategic Planning Process and outline some of the

deliberations by the committees.

Trustee Sims stated that there should be a clear understanding that the earlier Senate report is being set aside given the current actions by the Strategic Planning committees and the Board's intention to develop a plan.

Trustee Rex Schlaybaugh inquired on the process for "introducing" the Board's concerns and "initiatives" to the Task Force.

President Packard stated that each vice president except Mr. John De Carlo and Mr. David Disend are on the Task Force committees. Chairman Sharp is on the Steering Committee and other Trustees also serve on committees. It was suggested that the Board's input could be assured through these individuals in their role as committee members.

Trustee Schlaybaugh expressed concern that perhaps the process was developing a plan by building from the "bottom up" rather than from the "top down." He expressed a need for an "equal opportunity" for Board involvement in the process.

President Packard stated that she understood this concern. The committees will make recommendations. The Board can determine what it wishes to accept.

Chairman Sharp stated that what happens at this meeting should be transmitted to the Task Force committees.

Trustee Sims stated that this discussion was helpful in understanding the process. He noted that the "process" for the discussion of issues is separate from "the plan," and he added that the "plan is the Board's responsibility."

Chairman Sharp expressed an understanding of Trustee Sims' concern about the separation of the process from the plan. He asked the Trustees how to accomplish the Board's objectives. He did not want to "throw away the work of the committees." He suggested that the Board should focus on issues and provide input to the committees and the administration.

Trustee Sims observed that the important part is not whether or not it is my opinion, but whether or not it is the opinion of the Board. The Board as a group must have a similar opinion.

Chairman Sharp stated that he was comfortable with the process. He noted that the final product is the critical issue.

Trustee Schlaybaugh stated that the process President Packard has launched is a procedure that may be helpful. What "worried" him "very much was that the discussion will be way

ahead of the Board." When these conclusions are then put before the Board, and if they are not accepted, this could have a very negative impact on the process and the "team effort" that was developed during the process. There is a need for "equal weighting bottom up and top down" in the role of all of the participants in the planning process.

President Packard stated that the Board could request periodic reports. The process could start with a preliminary report for Board review at the next Board meeting.

Trustee Schlaybaugh responded that the Board may want to decide which programs or professional schools should be added or reviewed. There should be some consideration of the "time line and resources" available for such programs. The Board needs to be involved in the process given the grave concern regarding adequate fiscal resources to operate the university.

President Packard stated that she understood these concerns. The committees are "covering large and small issues."

Trustee Sims noted that the Board may be less interested in some ideas and more interested in others. There may not be an agreement on adding more doctoral programs, but he did believe that there was a need for more discussion on graduate and post graduate education.

Trustee David Fischer noted that the plan will be a "living document" subject to change.

Chairman Sharp stated that there were two ways to accomplish the Board's objective. The first would be to divide Task Force activities to fit into the current Board committee structure so that Task Force committees report either to the University Affairs Advisory Committee, to the Finance and Personnel Advisory Committee or to the Investment Advisory Committee. A second plan would be to divide up the committees and begin to receive input and then guide them on the Board's concerns. We need to look at the materials provided by the President since they are related to time lines. The process is to be accomplished by January, 1994. All the items have dates for compliance. The Task Force committees are now preparing and beginning to do reports for the next phase which has a deadline of October 1, 1993.

Trustee Schlaybaugh inquired when it is contemplated that the Board would receive the reports.

President Packard remarked that her plan was to give the draft reports to the Board as they are received.

Trustee Chunovich stated that the Southfield school system has just completed a similar planning process. Southfield developed a mission statement first and then it engaged in a

planning process with objectives. All plans had to "embrace the mission statement." Trustee Chunovich added that the process is not as important as what are the primary objectives in the mission statement that are endorsed by the Board of Trustees.

President Packard responded that we have a general mission statement which the Board adopted some time ago. There is a Vision Statement which the Steering Committee drafted. She then read the statement:

Oakland University will be recognized as an institution of excellence, responsive to the needs of its constituencies, and pre-eminent in selected areas of teaching, learning, research, and service.

President Packard stated that this was a "very generic" statement. She added that she understood the Board's concern that planning was a "shared process."

Trustee Schlaybaugh stated that it seems that what should be done is to consider scheduling another Board session to provide input. There is a need to share the Task Force reports with the Board so that the Trustees can determine their reactions to certain issues. The most successful practice or policy is to take matters to the Board for review and discussion before there is a final decision. There is a need to take the "temperature of the Board and ascertain if there are any strategic or critical differences" before coming to a final conclusion.

Chairman Sharp then informed the Board of the Task Force schedule. The committees are to prepare reports to be reviewed by the Steering Committee by October 1, 1993. The committees then give their presentations before the Steering Committee, the President, and the Authorship Committee during November, 1993. The Steering Committee will draft a plan in December, 1993, and present it to the President and the Authorship Committee during January, 1994. The final plan will go to the President and Senate in February, 1994.

Chairman Sharp stated that he was sensitive to the problem of sending the wrong message to the committee members who have done an enormous amount of work. He was also sensitive to the Board's concerns. There is a critical need to find a way to provide Board involvement in this process so that the final product is acceptable to all parties.

Trustee Schlaybaugh observed that there are some differences of opinion on the Board regarding the planning process and certain issues. He cited one issue which related to the question of whether the institution should be a residentially oriented university. This was an "important strategic issue that the Board must decide." He stated that "unless we build a consensus on the Board first," he questioned how the Task Force could come to some decision on the issue.

Trustee Sims agreed and stated that "we need to have these discussions first and then the Task Force can consider the matter."

President Packard responded that these were appropriate questions and concerns. She informed the Board that Dean Suzanne Frankie will make a report at the next Board meeting on September 2, 1993.

Chairman Sharp inquired about the underlying basis for the current discussion. He observed that there is a "potential in this process for a huge success or for a disaster." If the Board accepts the recommendations, it will be considered by the community as being successful. If the Board rejects the report, "it could be considered a disaster and could cause all kinds of problems." The "risks are great." The problem is how to formulate this process for success and not a disaster followed by contention on campus.

Discussion followed as to how the Board could become more involved in a Strategic Planning Process and several recommendations were made by the Board.

President Packard proceeded to provide, by overhead projector, significant statistics and demographic data that have been compiled on Oakland University pertaining to Academic Programs, Students and Financial Information.

There was a general discussion on the nature and composition of the student body and the faculty at the University, thus providing the Board with an understanding of the institution's current enrollment, including the gender and racial composition of the student body, along with an explanation of the full and part-time mix of students.

There was also a discussion regarding the University's ability to add classes and faculty to meet student demand. President Packard noted that we are in a very favorable area for recruiting talented part-time faculty. Academic departments usually maintain lists of qualified faculty and are able to draw upon this pool when necessary.

Trustee Sims expressed interest in discussing at a subsequent meeting the screening process for the selection of part-time faculty.

There was a general discussion on the various classifications for universities. It was noted that Oakland University was a comprehensive university with selected doctoral programs.

Discussion then focused on the University's financial operations compared to national figures. President Packard noted that there is a significant difference between Oakland data and national data regarding the percentage of funds received from tuition and fees. Oakland still has a very affordable tuition level compared to other comparable institutions.

Mr. Paul Bissonnette discussed campus maintenance and the percentage of Oakland's budget directed towards maintenance of university facilities and grounds.

President Packard discussed philanthropic giving at Oakland compared to national figures.

At this time, the Chairman asked the Board to list their desired agenda items for discussion. Trustee Sharf stated that the number one issue was raised by Trustee Sims. "What is the strategic planning process?" Trustee Sims noted that "we had a full discussion and the only remaining question relates to the mechanics of that process."

Trustee Schlaybaugh stated that he would like the President to state what she believes are the significant issues facing the university. What are the half dozen critical issues?

Trustee David Fischer wanted to address the issue of who are our constituents.

Trustee Schlaybaugh had another issue relating to the university's financial capabilities. Where are the opportunities to increase revenue?

Trustee Sharf expressed an interest in the President's opinion on short-term (the next year) objectives. What are the main issues the university will face next year?

Trustee David Fischer inquired about the "strengths of the university."

Trustee Schlaybaugh also expressed an interest in discussing enrollment growth.

Trustee Sims stated that it would be beneficial to have both sides of the question on growth and no growth.

Trustee Sharf expressed an interest in a report on the plans of the Vice Presidents and, in particular, the plans for the Development Office.

Trustee Sharp stated that he had a short list of items for the Board to discuss in order to obtain some sense of what is on Board members' minds. Some items for discussion are:

1. Style of our graduation ceremony which now is school by school. We may need to consider one graduation.
2. Our feelings about affirmative action and outreach.
3. Do we need to expand our lobbying efforts given the limited resources in the state and the competition from other agencies?

4. What is the resolution on the use of the money from the sale of property on Squirrel Road? The intended use of these funds needs to be reviewed.
5. Deferred maintenance issues must be considered given the potential costs in delaying repairs.
6. An expansion of our educational efforts north to Flint should be considered given the scope of that market.

Trustee Sims asked to discuss where we stand as a university in responding to what we think the market will need in the future. We need to determine where we want to go.

The Board recessed for a break at this time.

When the Board reconvened, President Packard expressed appreciation for the Board's input in the morning and stated that she would like to respond to the request for critical questions. The questions are:

1. What should our campus or university model be? Research, Comprehensive Regional, Metropolitan, Public "Ivy," or Local/Suburban?
2. Who should be our clientele? Should it be local, regional or national?
3. What should be our student mix (gender, ethnicity, age and economic level, etc.)?
4. What are our physical plant priorities? What sources of revenue will be available to support these facilities?
5. Who should we regard as our community? What level of community service should we provide?
6. Should we be a single campus or a multi-campus institution?

President Packard added that there were also other issues to consider such as the role of the Meadow Brook activities, the impact of unionization on change, the development of entrepreneurial activities, and the role of the Board in fund-raising.

Trustee Sims asked President Packard to define the various categories for universities, i.e. Research, Comprehensive Regional, Public "Ivy", Metropolitan and Local/Suburban. She provided information on these terms and stated that Oakland was in the Comprehensive

Regional category.

There was a general discussion on the public perception of the university's classification and it was concluded that it was mixed and not well defined.

There was also a discussion about the intrusion of other state universities into Oakland County and the need to offset this competition.

The Board recessed for lunch at this time.

When the Board reconvened, Ms. Diana Dillaber, The Oakland Press, and Ms. Eileen M. Bantel, Oakland AAUP, joined the meeting.

Trustee David Fischer stated that "we are going to have to work hard to stay where we are." He added that there is a great need for a "lost student survey" to analyze our position. There was an extensive discussion on the potential student market in this area, both traditional and non-traditional, followed by a discussion on the various reasons students select Oakland. Trustee Schlaybaugh noted that Oakland could not compete with schools that "offer a campus setting conducive to on-campus residential living."

Trustee Sims observed that there was a need for other facilities to go along with the housing. President Packard agreed and stated that we need recreational facilities for these students on campus.

Trustee Sharf stated that the academic offerings were more critical and that "students would not come to Oakland just because of the housing arrangements." President Packard agreed stating that the academic program was the critical element, but other factors contributed to student recruitment.

Trustee Andrea Fisher stated that the Trustees should not dismiss the appeal of attractive facilities, since students will "go where their friends are also attending."

Trustee Schlaybaugh asked if the university could "expand without additional residential facilities." President Packard responded that she would not wish to build new residence halls until such time as the university was at capacity. The residence hall population is declining. There is a demand, however, for married housing.

Trustee Schlaybaugh then asked if we could expand our enrollment. Mr. Russi stated that the university could currently accommodate an additional 1,000 students. The Science and Engineering building, when completed, will provide more space to meet these needs.

Trustee Andrea Fisher stressed the need for the university to develop an "identity." She

stated that we must create an attitude in potential students that they "want to go to Oakland." There continued a general discussion on the subject of institutional identity at Oakland.

Trustee Sims then observed that we should not summarily dismiss our identity in some quarters as a local/suburban institution. This issue, the university's identity or classification, needs further consideration. Trustee Sims also suggested that the Board not focus too tightly on definitions but define the market we wish to serve and what we wish to be to meet these market demands. He cautioned about the use of "labels." President Packard stated that there was some overlap or similarity in some of the classifications. Trustee Schlaybaugh asked "why do we need this sense (of identity) if we are a commuter campus and we are doing this (serving commuters) well?" He added that "if we are providing an education for people, who but for Oakland, would not have an education, was this not purpose enough?" Trustee Andrea Fisher responded that "students look for a college atmosphere" and identify with the institution.

Mr. De Carlo noted that the university's classification was important to the faculty and a comprehensive research image is deeply rooted. Chairman Sharp noted that as we strive to increase funds from the state, our classification will have an impact. If we are put in certain categories we may not receive the funding we need.

President Packard observed that we are well perceived and that we engage in extensive research activities even if our external image does not match this fact. President Packard agreed with Mr. De Carlo that our classification was critical to the faculty and to consider going from a comprehensive university to a Local/Suburban category would be considered a downgrade.

Trustee Schlaybaugh asked "if growth was necessary for funding programs." There was a discussion on this issue and it was concluded that additional cost data was required since the answers would depend on the mix of students and other cost factors. There was also a discussion regarding the intrusion by other universities in Oakland's service areas.

Trustee Chunovich stated that given the recent legislative action rescinding school property taxes for operations the universities could be cut severely in their funding. There is a need for Oakland to be highly competitive.

Chairman Sharp stated that perhaps we have let too much time go by in not protecting our "product and our turf."

Chairman Sharp inquired about the institutions affirmative action program and requested comparative data.

President Packard stated that the university was doing well in faculty and staff recruitment,

but "there is a need to do more" minority student recruitment.

Trustee Sims stated that there was a "need to take a service area broader than what we are doing now." Perhaps "driving distance" could be the base.

Chairman Sharp stated that his concerns were also about "market issues relating to jobs." This was "not only a social issue, it is an economic issue."

Trustee Sims inquired as to the number or percentage of potential students who "have Oakland as their choice," but cannot attend because of an absence of financial aid. Ms. Ray-Bledsoe responded that such data was not available, but she would try to obtain some information.

President Packard stated that there was a need to discuss one of her items relating to the priority of capital improvement projects. There was a general discussion about the institution's physical facilities. President Packard noted that the proposed capital outlay request included the Science and Engineering Building which has been approved and a Physical Services structure and a Classroom Building. Mr. Bissonnette is working on a plan for Board consideration for a low cost metal Physical Service building to accommodate the operations displaced by the new Science and Engineering Building. There is also a need to enhance student activities which may require the expansion of existing facilities such as the Oakland Center and the construction of a recreational facility.

She then informed the Board that there is still some discussion by President's Club members about a second golf course. She noted that we need to find ways to turn our land into an income producing source for the university.

Trustee Sims stated that the construction of new facilities is related to the Board's decision on the university's plan and mission. He observed that the size of the recreation facility is tied to a decision on the size of the university.

Trustees asked if the current golf course was profitable. Mr. Bissonnette responded "yes" and the funds go to university services and support. President Packard stated that surplus golf course revenue was budgeted this year for academic needs. There was a general discussion about the golf course charges and the President's Club membership fee in response to Trustee Andrea Fisher's questions regarding this operation as a potential source for more income. Trustee Sharf stated that a second golf course, in his opinion, was not viable unless it was connected to a conference center.

Trustee Schlaybaugh inquired about the university's bonding capacity. Mr. Bissonnette stated that the matter was under review. The university will carry \$300,000 of bonded debt for five more years. Based on the university's cash flow and other factors, the capacity to

bond is about \$20 million. There was a discussion on whether the university should become more entrepreneurial in order to generate more income. Chairman Sharp stated that there is a need to involve major international corporations in the university. Trustee Sims stated that we cannot take risks with our land or our assets. He noted that a golf course is like a "land bank." If you engage in development or commercial projects there is a loss "down side." Mr. Bissonnette stated that you always have to protect yourself in entrepreneurial efforts. You sometimes establish long-term 99 year leases and set up separate corporations to insulate the university.

Trustee Sims responded that we do not know what our future needs are for land. We may need land which is committed on a long-term lease. Trustee Andrea Fisher concurred with Trustee Sims. Trustee Sims noted that long-term leases of 99 years are questionable. There was a general discussion about the possibility of exploring joint operations with the private and the public sector.

President Packard stated that there should be a discussion before the meeting was concluded on another item she raised concerning the "role of the Board in fund-raising." President Packard called on Mr. Disend who stated that contributors would not consider investing their time and money if the Board was not supportive of the fund-raising effort. He added that "when you are fund-raising, donors are influenced and impressed by your (the Trustees) commitment and support." Trustee Sims inquired if the substance of Mr. Disend's comments was to challenge the Board to be major contributors? President Packard and Mr. Disend responded that there was a need for major support from the Board. Fund-raising is an important role and there is a need for leadership. President Packard cited some examples at former institutions at which she served. Trustee Sharf stated that the Trustees were not selected by the Governor based on their fund-raising ability. He was certain that the Board members would, however, help in anyway possible.

Trustee Sims stated that the Board would not "shrink" from their responsibilities, but the entire university community must also respond. Trustee Sims stated that there is a need to build a general expectation that everyone will participate. Trustee Sharf noted that greater recognition must be given to donors. President Packard stated that there was a need for an expanded effort in the fund-raising area. She inquired if the Board wished to go into a capital campaign.

Trustee Sharf stated that if the university has an appropriate "plan, project or vehicle" for a campaign, there will be support. Trustee David Fischer stated that it was premature to decide whether we should have a campaign first before deciding some of the other issues discussed at this meeting. He stated that he was supportive of any effort to raise funds, but he would want more specific information before making a commitment. Trustee Schlaybaugh concurred with the previous comments on a need for a plan.

President Packard asked Mr. Disend when he would be ready with a proposal. Mr. Disend stated he needed to have staff in place to provide the services for a campaign. He stated it would take six months to two years to mount a major campaign.

At this time the Chairman stated that he would entertain a motion to go into closed session to discuss collective bargaining strategy as permitted under the Open Meetings Act. The motion was moved by Trustee David Fischer and seconded by Trustee Chunovich. Mr. De Carlo called the ^{roll} and all Trustees approved the closed session.

The Board recessed at 3:50 p.m.

At 4:30 p.m. the Board reconvened.

Chairman Sharp stated that he wished to raise another item. In order to facilitate Board committee meetings, he suggested that the Finance and Personnel Advisory Committee and the University Advisory Committee meetings should be held on the day before the Board meeting at 4:00 p.m. The Finance and Personnel Advisory Committee and the University Affairs Advisory Committee meetings will be public meetings held at the same time. There was a motion and a second and the revised schedule was voted on and approved.

Trustee Sharf stated that to avoid confusion President Packard should appoint a person to represent her in the meeting at which she is not present.

Chairman Sharp stated that the retreat discussion was not completed, but the hour was late and there was a need to meet with the architects on the design of the Science and Engineering Building.

Chairman Sharp stated that a number of items were covered and the retreat was very productive. While there were no formal actions or closure on many of the matters discussed, both the Trustees and the administration have a better understanding of the issues facing the university. Chairman Sharp suggested that the Trustees keep their notes and handouts since the Board will revisit these issues at a future time.


Trustee Chunovich left the meeting at 4:40 p.m. for another commitment.

At 4:40 p.m. the architects brought in the new model for the Science and Engineering Building. Mr. Clifford Snyder presented the model of the building and explained the design changes. There was an extended discussion on the design. The architects were advised to provide additional alternatives for the tower, since there was uniform concern with the design of the top and the back of the tower.

The architects agreed and stated that they would return with alternate designs by September 2, 1993, the date of the Board meeting.

The meeting was adjourned at 5:15 p.m.

Submitted,



John De Carlo
Senior Vice President,
General Counsel, and
Secretary to the Board of Trustees

Approved,



James A. Sharp, Jr.
Chairman
Board of Trustees