Minutes of the Meeting of the Oakland University Board of Trustees December 11, 1991

Present: Chairman Howard F. Sims, Trustees Larry Chunovich, Andrea L. Fischer, David Handleman, Phyllis Law Googasian, L. Brooks Patterson, Stephan Sharf and James A. Sharp, Jr. (Trustee Chunovich arrived as indicated in the minutes.)

Chairman Howard Sims called the meeting of the Board of Trustees to order at 3:06 p.m. in the Gold Rooms of the Oakland Center.

Approval of the Minutes of the Meeting of November 13, 1991

Trustee David Handleman, seconded by Trustee Phyllis Googasian, moved approval of the proposed minutes of the meeting of November 13, 1991. The motion was voted on and unanimously carried.

Ratification of agenda items of the November 13, 1991, Board of Trustees meeting

Chairman Sims stated that a portion of the November 13, 1991, meeting of the Board of Trustees was conducted in the absence of a quorum. He then made the following recommendation:

WHEREAS, the Board of Trustees has had an opportunity to review the items which were presented at the November 13, 1991, 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 action taken in November by those Board members present; now, therefore, be it

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

a. Capital Outlay Budget Request, 1992-93

b. 1992-93 Budget Request to the State (PRRs)

c. Reorganization of divisions of Development and Alumni Affairs and University Extension and Public Service

Trustee Googasian, seconded by Trustee L. Brooks Patterson, 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 October 1, 1991, through October 31, 1991

Interim President John De Carlo stated that he has asked Mr. David Rodwell, Vice President for Development and Alumni Affairs, to attend a meeting at the Dow Chemical Company in Midland, Michigan, on a fund-raising mission. Therefore, Mr. Rodwell could not be present at this meeting.

Interim President De Carlo reported that the gifts and grants to Oakland University for the month of October, 1991, totaled $867,097.56, and the gifts and grants to the Oakland University Foundation for the same period totaled $57,333.92.

Trustee Stephan Sharf, seconded by Trustee Googasian, moved acceptance of the gifts to Oakland University with gratitude. The motion was voted on and unanimously carried.

Interim President De Carlo thanked Trustee Handleman for the very generous gift he received from Trustee Handleman just prior to the Board meeting. He stated that not only have Mr. and Mrs. Handleman been financially supportive to the University, but they have also provided their counsel and advice on many institutional efforts.

MBPAC/IATSE Labor Agreement

Interim President De Carlo presented the contract of the Detroit Stage Employees, Local Union No. 38 of the International Alliance of Theatrical Stage Employees and Moving Picture Operators of the United States and Canada (IATSE) and the Meadow Brook Performing Arts Company for Meadow Brook Theatre for the period of July 1, 1991, to July 30, 1992.

Interim President De Carlo then made the following recommendation:

> RESOLVED, that the Board of Trustees approves the agreement between IATSE and the Meadow Brook Performing Arts Company effective July 1, 1991, to June 30, 1992.

Chairman Sims stated that this item has been reviewed by the Finance and Personnel Committee.

Trustee Googasian asked if the health care costs for this group are comparable to other bargaining groups. Mr. Frank Cardimen, Assistant to the Vice President for Development and Alumni Affairs, stated that the health care costs are less in terms of other contracts. He stated that the total combined contract increase, including health care costs, equals 5.45 percent.

Mr. Robert McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, noted that the IATSE group is not covered by the University's health care program.

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

Faculty Personnel Actions

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

Appointments

Bizek, Kathryn S., Adjunct Instructor in Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position)

Buczkowski, Evalynn D., Adjunct Assistant Professor of Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position

Burns, Gerald A., Adjunct Instructor in Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position)

Delisi, Sandra S., Adjunct Instructor in Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position)

Highbaugh, Pamela R., Adjunct Instructor in Music, effective August 15, 1991, through August 14, 1992 (new appointment to an honorary position)

Jackson, Jeraldine, Adjunct Assistant Professor of Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position)

Lusis, Stephanie Ann, Adjunct Instructor in Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position)

Renaud-Tessier, Marie Antoinette, Adjunct Instructor in Nursing, effective August 14, 1991, through August 14, 1994 (new appointment to an honorary position)

Rombach, Margaret F., Adjunct Instructor in Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position)

Walthall, Susan A., Adjunct Instructor in Nursing, effective August 15, 1991, through August 14, 1994 (new appointment to an honorary position)

Emeritus Appointment

Braun, Jean S., Professor Emerita of Psychology, effective August 15, 1991

Leaves of Absence

Bingham, Jane M., Professor of Education, sabbatical leave from January 2, 1992, through April 25, 1992 (with full pay)

Jacobs, Sheila J., Assistant Professor of Management Information Systems, sick leave from October 7, 1991, through December 31, 1991 (with full pay)

Loh, Nan K., John F. Dodge Professor of Engineering and Associate Dean, School of Engineering, leave of absence from February 16, 1992, through December 31, 1992 (with no pay)

Lougheed, Jacqueline I., Professor of Education, sabbatical leave from January 4, 1993, through April 28, 1993 (with full pay)

Pillow, Christine H., Special Instructor in Physical Therapy, part-time (25%) leave from August 27, 1991, through April 25, 1992 (with prorated pay)

Retirement

McArdle-Pigott, Kathryn M., Associate Professor of Spanish, effective January 2, 1992

Mr. Kleckner noted Professor Nan Loh's leave of absence for 1992 in order to spend a year as an executive with a private firm in Hong Kong. He noted that Professor Loh has been "extraordinarily active for a long time at Oakland in attracting grant dollars for the School of Engineering."

Professor Loh thanked the Board, Interim President De Carlo, and Messrs. Kleckner and McGarry for their support this year. He noted that he will serve as the Senior Vice President for Engineering at a multinational corporation in Hong Kong which employs 50,000 to 60,000 people and generates $3 billion annually.

Interim President De Carlo wished Professor Loh well in his new endeavor and stated that he hoped he would return to the University in 1993.

Mr. Kleckner then stated that the search for a dean of the School of Nursing is proceeding on schedule, and he anticipated a recommendation for a permanent appointment in March, 1992. He stated that in seeking candidates for the position of interim dean, he solicited the opinions of the faculty of the School of Nursing, and he received recommendations for three strong individuals with different kinds of experience within the School. He stated that he believes that his upcoming recommendation is the "strongest one to make at this time because of the particular combination of experience this individual would bring to the position."

Mr. Kleckner then made the following recommendation:

> RESOLVED, that the Board of Trustees appoints Professor Joann Richards as Interim Dean of Nursing, effective January 1, 1992. This appointment is to extend through August 31, 1992, or until such earlier time as the appointment of a new Dean of Nursing takes effect.

Trustee James A. Sharp, Jr., seconded by Trustee Googasian, moved approval of the recommendations presented by Mr. Kleckner. The motion was voted on and unanimously carried.

Extension of Contract with MCN Computer Services, Inc.

Mr. Kleckner stated that in February, 1989, the Board of Trustees approved a contract with MCN Computer Services, Inc., under which MCN provides computer time and services for Oakland University's administrative data processing. He noted that the recommendation proposes that the contract should be extended for ten months in order to bring it in line with the calendar year. He stated that there are no budget implications at this time.

Mr. Kleckner then made the following recommendation:

> RESOLVED, that Robert J. McGarry, Vice President for Finance and Administration, be authorized to execute an amendment to the contract with MCN Computer Services, Inc., extending the contract through December 31, 1992. The contract price shall not exceed $357,500 for base services.

Trustee Googasian, seconded by Trustee Handleman, moved approval of the recommendation. The motion was voted on and approved by Trustees Fischer, Googasian, Handleman, Patterson, Sharf and Sharp. Chairman Sims abstained from voting, since he serves as the director of MCN Corporation, Inc.

Audited Financial Statements, year ended June 30, 1991

Mr. McGarry stated that this audit marks the last year of the engagement with Arthur Andersen & Company as the University's auditor due to a rotation policy provision established by the Board. Mr. McGarry introduced Mr. Jeff Bergeron, Managing Partner of Arthur Andersen & Company, to report on the University's audit.

Mr. Bergeron stated that the examination of the University's financial statements for the year ended June 30, 1991, was complete, and Arthur Andersen has issued three reports on these statements. He noted that the audit has been discussed in detail with the Finance and Personnel Committee. He added that the auditors have "rendered a clean opinion on each of the reports on the University's financial statements." He stated that it was recommended that the University change its accounting to allow for the adoption of depreciation. This has been done by Oakland and all of the other state universities this year. Mr. Bergeron stated that he regrets the conclusion of Arthur Andersen's relationship with Oakland University which has been both "personally and professionally rewarding" for him. He noted that Arthur

Andersen hopes to have the opportunity to serve the University in the future.

Chairman Sims addressed the following recommendation:

RESOLVED, that the Board of Trustees accepts the following financial statements which were audited by the public accounting firm of Arthur Andersen & Company:

1. Oakland University Consolidated Financial Statements and Supplementary Information as of June 30, 1991 and 1990, together with Auditors' Report.

2. Oakland University Financial Statement and Supplementary Information as of June 30, 1991 and 1990, together with Auditors' Report.

3. Oakland University Residences and Other Facilities with Pledged Income Financial Statement and Supplementary Information as of June 30, 1991 and 1990, together with Auditors' Report. (Prepared at request of trust agent for residence halls debt issues.)

(These reports are on file in the Office of the Board of Trustees and the Office of Finance and Administration.)

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

Annual Financial Report, Risk Sharing Facility

Mr. McGarry stated that this is MUSIC's fourth year of operations, and it is continuing to be very successful. He then introduced Ms. Catherine Lark, Director of Risk Management and Contracting, to present an annual report on MUSIC's performance.

Ms. Lark reported that Oakland's claims experience with MUSIC has been excellent, and MUSIC has been successful in averting any adverse cyclical problems as experienced in the commercial insurance market. Ms. Lark stated that MUSIC's renewals and Oakland's costs associated with these renewals are at reasonable levels. She reported that MUSIC's underwriting profits this year were $4.6 million. MUSIC is now in the process of developing an appropriate capitalization level and a dividend policy. She stated that for the year ended September 30, 1991, MUSIC realized an underwriting property insurance profit of $625,000. The Finance Committee of MUSIC is meeting this month to determine the disposition of the $1 million surplus in this area for 1990. She anticipates that the Committee will recommend the disbursement of the surplus to the universities. Oakland's portion of this disbursement will total $62,626. Ms. Lark also noted that, in 1991, MUSIC offered automobile liability, comprehensive and collision coverage at a very good premium. She stated that MUSIC's administrative costs are substantially lower than most other insurance funds due to its organizational structure.

Chairman Sims thanked Ms. Lark for her report.

License Agreement with Dr. and Mrs. Joseph Frederick Heitsch

Mr. McGarry stated that the University has a temporary agreement with Dr. and Mrs. Joseph Frederick Heitsch allowing them to maintain some University property adjacent to their home. Dr. Heitsch has been mowing beyond his property line approximately ten acres on either side. The University had a concern regarding liability and other issues and is asking that a formal agreement be entered into clarifying the rights and responsibilities of the parties.

Mr. McGarry then made the following recommendation:

> RESOLVED, that Mr. Robert J. McGarry, the University's Vice President for Finance and Administration, is authorized to grant a revocable license to Joseph Frederick and Verna Irene Heitsch to mow and maintain a defined piece of University property which borders their property, in accordance with the written recommendation of the Office of the General Counsel dated November 4, 1991.

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

Main Campus Food Service Contract

Ms. Wilma Ray-Bledsoe, Vice President for Student Affairs, stated that Oakland University entered into a five-year agreement with Marriott Corporation in May, 1988, to provide food service on the main campus. The contract provides for changes in the agreement should circumstances warrant. Such changes have occurred such as a decline in residential occupancy, the departure of the Detroit

Lions' training camp and a soft economy which have resulted in significant losses to Marriott. The contract contains a cancellation clause of 90 days and also provides the University with a guaranteed commission or a percentage of sales, whichever is greater. She stated that the proposed recommendation indicates an extension of the length of the agreement for an additional three years in order to allow more time for Marriott to amortize its capital investment at the institution which was in excess of $929,000. The guaranteed commission schedule would also be extended, and the formula by which the estimated inflation is reflected will be modified.

Ms. Bledsoe noted that there have been concerns expressed by students regarding some service aspects such as vermin in the residence halls and the cost of catering for student organizations. Ms. Bledsoe stated that the vermin have been exterminated, and a plan has been developed with Marriott which will provide a beverage and snack catering service to student organizations on a no-cost basis. She stated that with these two major concerns addressed, the administration feels comfortable in bringing the following recommendation to the Board:

> WHEREAS, the current contract with Marriott Corporation for provision of food service for the main campus allows for modification of financial arrangements if the configuration and volume of business and/or enrollment levels change; and
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> WHEREAS, significant changes have occurred in business volume and enrollment that have negatively affected food service revenue; now, therefore, be it
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> RESOLVED, that after review by the Vice President for Student Affairs, the Vice President for Finance and Administration is authorized to amend the existing Marriott Food Service agreement to extend its terms through June 30, 1996, and to incorporate the modifications outlined in items 1-3 of the document titled, "Marriott Food Service Agreement Report." The proposed contract terms will be reviewed by the University's Office of the General Counsel.

Ms. Bledsoe noted that Mr. Ken Debelius, Oakland's Food Service Director, and Mr. John Reid, Marriott District Manager, were present to answer any questions.

Trustee Handleman raised a question regarding the amount of money remaining to be amortized. Ms. Bledsoe responded that the balance equals $419,000 from an original amount of $929,000. The balance includes a cost of approximately $80,000 for removal of asbestos which was not a part of the original schedule of improvements.

Chairman Sims stated that this item received considerable discussion by the Finance and Personnel Committee which was satisfied with the recommendation.

Trustee Andrea Fischer asked if, under the contract, other food service providers were allowed to do business on campus. Trustee Fischer stated that vendors, other than the main food service provider, have established businesses at Metro Airport, and the contract required that a certain percentage should be minority-owned businesses. She noted that the increased competition resulted in better service from the main food service provider.

Interim President De Carlo stated that he understood that the limitation for other food service entities within the Marriott contract applies only to the Oakland Center and the residence halls.

Trustee Larry Chunovich arrived at the meeting at this time.

Trustee Fischer suggested that since the contract is presently under discussion, a provision could be added allowing for other types of food service on campus in the Oakland Center and the residence halls.

Chairman Sims asked if the Board wished to defer action on this item.

Trustee Handleman stated that he believed this was an issue of "fairness," and Marriott has a right to recoup its losses, since even after the term of the extended contract expires Marriott will have received no return on its investment in the facilities at Oakland.

Interim President De Carlo asked if there was any reason why the contract must be approved at this time. Ms. Bledsoe stated that she did not believe there was; however, she stated that she agreed with Trustee Handleman's observation to approve the contract extension out of fairness. She stated that there may be other food service entities already affiliated with Marriott, and she could pursue this issue. She also stated that the students have expressed an interest in a greater variety of food offerings on campus.

Trustee Handleman asked if the University community was satisfied with Marriott's food service. Ms. Bledsoe stated that the administration is very satisfied, and the students are relatively satisfied. She noted that the "lines of communication are certainly open and the quality and variety of food are rated higher than acceptable."

Trustee Fischer moved that the action should be deferred on the Main Campus Food Service Contract. Trustee Patterson supported the recommendation. A majority of the Trustees approved the motion for deferral. Trustee Handleman asked to be recorded as being opposed to the deferral. The motion was carried.

Chairman Sims stated that this deferral will allow the administration an opportunity to pursue the issue raised by Trustee Fischer.

Recommendation regarding Interim Appointments

Interim President De Carlo stated that at the November 13, 1991, Board of Trustees meeting, the Board requested that a policy with respect to the length of term of interim personnel appointments should be prepared.

Interim President De Carlo then made the following recommendation:

> RESOLVED, that the Board of Trustees mandates that all interim, acting or temporary appointments are subject to the condition that the term for such position is assigned a date of termination of one year or less; and, be it further
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> RESOLVED, that the conditions for terminating the appointment shall be set forth at the time of the appointment and may be based on the completion of a search process, or the return of the permanent employee from either a leave of absence or a medical leave or it may be based on some other University-related need; and, be it further
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> RESOLVED, that the extension of an interim appointment beyond one year for any position reporting to the President shall be subject to the approval of the Board of Trustees; and, be it further

RESOLVED, that an extension beyond one year for any position reporting to the vice presidents or any subordinate office shall be subject to the review and the approval of the President before such extension shall be granted.

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

Exception to Administrative/Professional Personnel Policy

Interim President De Carlo requested approval of a one-time exception to the Administrative/Professional contract policy with respect to the extension of an employee's term of employment for one year beyond the third two-year contract. This action, recommended by the Vice President for Finance and Administration in a communication dated December 11, 1991, would allow an additional year of observation of the employee to insure that the employee meets the requirements established by the University for a continuing contract. He stated that the Finance and Personnel Committee has reviewed this issue. He noted that this action will not serve as a precedent.

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

Other items

Chairman Sims called a brief recess at this time to allow Dean John Urice of the College of Arts and Sciences to prepare the room for his presentation.

The meeting reconvened, and Dean Urice began his slide presentation on the college. The following is a condensed version of Dean Urice's comments with first-person narrative retained for ease of reading.

> It is a pleasure for me to represent the College of Arts and Sciences, its staff, students, administrators and especially faculty in this presentation. Since I am somewhat constrained by the size, complexity and diversity of the college's mission and programs, I shall focus on its structure, administration and planning. This overview should provide an excellent context for future policy and other decisions you must

make. I am asking that I, or another representative of the college, be invited back at convenient intervals in the next twelve months to present focused presentations on two topics of strength: our faculty and their research and scholarship activities, and our students and how we serve them through a variety of instructional programs.

I have extracted three key phrases from the college's mission statement which indicate a very clear teaching mission, a most sincere and highly successful research and scholarship mission and a strong public service mission through which we extend our teaching, research and creativity to the community at large. The mission statement indicates the college's fairly traditional aspirations. Emphasis on quality instruction for all Oakland students is what makes our mission statement unique. The college believes it has a crucial role to play in the education of not only our own majors, but also of those students who matriculate in one of the five professional schools, the college's partners in educational excellence.

The Office of the Dean is responsible for administration, coordinating fund raising and external relations for the college and a range of student services such as advising. There are three informal academic groups which are the humanities, social sciences and the sciences and a variety of other academic concentrations (e.g. women's studies) which comprise the college. (Dean Urice reviewed the areas of study within each academic group.) Other units within the college include the Institute for Biochemistry/Biotechnology, the Center for International Programs, the Honors College and the Center for the Arts which activities were suspended as of July 1, 1991.

There is a diverse student body in the college, and each group has its own unique needs. In meeting these needs, we work closely with the faculty and administration in the professional schools and with the Provost's office.

It is important to note that in the realm of graduate education, research and external support, the sciences are the driving force behind the college. (Dean Urice presented data indicating the sense of scale of the college's academic activities relative to the professional schools.) The college provides almost two-thirds of the University's credits with approximately 55 percent of the total faculty FTE. (Dean Urice also addressed the college's general fund allocation in terms of operations and equipment.)

A resource on which the college has relied only slightly in the past is gift funds. These 'statements of confidence' by alumni, foundations, corporations and other donors have increased remarkably in recent years. The unreliability of 'soft' dollars, plus the small total provides little relief for our critical needs. The faculty continue to concentrate on generating external support through research grants. For a comprehensive University, the college's faculty have been remarkably productive. External grants to the college have remained within a fairly consistent range of $2 million to $2.5 million.

Although it is large, complex and comprehensive, the college is an efficient and productive unit of the University. The college spends approximately 7 percent more of its funds on faculty, 2.3 percent less on operations and 5 percent less on other salaries in comparison to the overall Academic Affairs figures. The college's faculty and leadership have made key decisions to emphasize the instructional and research aspects of its mission.

Some of the critical factors external to the college which influence our planning models and successes are general fund budget and other resources, institutional norms and 'culture,' institutional mission and interdependence with professional schools. The two levels of planning within the college are the unit-level (micro) planning and the college-level (macro) planning. (Dean Urice reviewed the model used for reviewing departments and units and gave an example of the micro system using the process which determined the suspension of the Center for the Arts.) Recent macro planning efforts included the establishment of goals toward faculty recruitment and diversity in 1990-91.

I conclude my presentation with sincere thanks for your patience and time. I know that I have learned much from listening to my brother and sister deans make presentations to you, and I hope you have found this overview of the College of Arts and Sciences helpful. I close with a great statement of pride in the college's students, faculty and staff.

There was a round of applause for Dean Urice. Chairman Sims thanked him for his presentation.

Authorization for a closed meeting

Interim President De Carlo stated that approval of a closed meeting is sought to discuss the legal opinion of counsel regarding pending litigation. Sections 8(e) and 8(h) of the Open Meetings Act provide that a public body may meet in a closed session for this purpose.

Mr. De Carlo then called the roll in order to determine Board approval for a closed meeting.

Larry Chunovich	yes
Andrea L. Fischer	yes
David Handleman	yes
Phyllis Law Googasian	yes
L. Brooks Patterson	yes
Stephan Sharf	yes
James A. Sharp, Jr.	yes
Howard F. Sims	yes

The closed session was approved unanimously. Interim President De Carlo stated that the open meeting would recess at this time and the Trustees would return upon completion of the closed meeting for possible action and for adjournment.

The Trustees recessed at 4:12 p.m. The Trustees reconvened at 4:51 p.m.

Interim President De Carlo made the following recommendation:

RESOLVED, that the Board of Trustees authorizes and approves the recommendation of the General Counsel's office as made in the closed meeting of December 11, 1991, with respect to the written legal opinions dated November 7, 1991, and November 27, 1991.

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

Trustee Patterson, seconded by Trustee Sharp, moved adjournment of the meeting at 4:52 p.m. The motion was voted on and unanimously carried.

Submitted,

Catherine Gianakura

Catherine Gianakura
Administrative Assistant
Board of Trustees

Approved,

Howard F. Sims, Chairman
Board of Trustees