Minutes of the Meeting
of the
Oakland University
Board of Trustees
December 15, 1982

The meeting was called to order at 7:35 p.m. by Vice Chairman Alex C. Mair in Lounge II of the Oakland Center.

Present: Vice Chairman Mair, Trustees David Handleman, Patricia B. Hartmann, Richard H. Headlee and Arthur W. Saltzman

Absent: Trustees Ken Morris, Wallace D. Riley and Howard F. Sims

Approval of Minutes of November 17, 1982

Vice Chairman Mair requested approval of the minutes of the Board meeting of November 17, 1982 as submitted.

Mr. Handleman offered a motion for approval of the minutes. Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

Acceptance of Gifts and Grants

Vice Chairman Mair requested the Board's acceptance of the gifts and grants totaling $277,710.09. (A copy of the complete list of gifts and grants is on file in the Office of the Secretary to the Board of Trustees and the Office of the Vice President for Developmental Affairs.) Vice Chairman Mair then asked Mr. Robert W. Swanson, Vice President for Developmental Affairs, to comment on this month's gifts and grants.

Mr. Swanson called the Board's attention to the following: an $18,000 gift from the Ruth and Alex Gittlen Foundation of Grand Rapids to establish an endowment to enrich the academic theatre program (Mr. and Mrs. Gittlen are the parents of Adeline Hirschfeld-Medalia, a faculty member); a $12,750 stock gift from Mr. and Mrs. Marvin L. Katke who continue to be very generous and supportive friends of the University; a $9,618.75 stock gift from Mr. Theodore O. Yntema, "another good friend" of the University; a $17,500 grant from the National Endowment for the Arts in support of the Meadow Brook Theatre. Mr. Swanson then suggested that Mr. Keith R. Kleckner, Senior Vice President for Academic Affairs and Provost, might wish to comment on some of the grants to the academic areas.

Mr. Kleckner directed the Board's attention to the $119,094 grant from the National Institute of Mental Health. He noted that this is a major new grant and will be used in the study of the lasting effect on the victims of the holocaust.

Mr. Headlee moved that the gifts and grants be accepted with gratitude. Mr. Handleman seconded the motion which was voted on and approved by all of the Trustees present.

Report on Security Transactions

Vice Chairman Mair requested that Mr. Robert J. McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, comment on the security transactions report.

Mr. McGarry noted that the document submitted to the Trustees (See Attachment A) reflected the various stock transactions that had been completed since the last report. He added that in the past the security transactions had been included with the gifts and grants; however, from this date the reports will be submitted separately.

Vice Chairman Mair asked the reason for this change in procedure.

Mr. McGarry explained that the University's contracting authority policy indicated that the President and he had the authority to sell securities and that these transactions would subsequently be reported to the Board. By submitting a separate report, these transactions will be "highlighted" and be in compliance with Board policy.

Mr. Saltzman moved to accept the report. Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

Approval of Extension of and Changes to the November 1, 1981 to October 31, 1983, Agreement between Oakland University and Local No. 1418 of Council No. 25 of the American Federation of State, County, and Municipal Employees, AFL-CIO

Vice Chairman Mair requested that Mr. McGarry present the item on the extension of the AFSCME contract. Mr. McGarry in turn asked Mr. Willard C. Kendall, Jr., Director of Employee Relations and the University's chief negotiator, to comment on this item.

Mr. Kendall explained that that there has been a two-year agreement with Local 1418 which would have expired in the fall of 1983, which included a wage re-opener for the 1982-83 fiscal year. Mr. Kendall stated that an additional year extension to October 14, 1984 has been negotiated. In addition, a three percent salary increase for the 1982-1983 fiscal year was agreed to along with a formula for a potential additional increase based on an index related to an increase in the University's revenue. Next year there will be an additional three percent increase with the formula indexing approach the same as that in the UAW agreement which was approved by the Board in November. Mr. Kendall stated that the parameters of the proposal are within the Board Personnel Policy Committee guidelines, and that "this package had been reviewed with the Board's Personnel Policy Committee and has its support". Mr. Kendall presented the following recommendation for the Board's approval:

> RESOLVED, That the Board of Trustees approve an extension of and changes to the November 1, 1981 to October 31, 1983, Agreement between Oakland University and Local No. 1418 of Council No. 25 of the American Federation of State, County, and Municipal Employees, AFL-CIO as described in the document entitled "Summary of Changes to the November 1, 1981 to October 31, 1983 Agreement between Oakland University and Local 1418 of AFSCME Council 25 and Costing Analysis." (A copy of the "Summary of Changes to the November 1, 1981 to October 31, 1983 Agreement between Oakland University and Local 1418 of AFSCME Council 25 and Costing Analysis" is on file in the Office of the Secretary to the Board of Trustees.)

Mr. Headlee moved that the recommendation be approved. Mr. Saltzman seconded the motion which was voted on and approved by all of the Trustees present.

Approval of Personnel Actions

Vice Chairman Mair requested approval of the following faculty personnel actions:

Appointments

Beck, Ronald R., Adjunct Associate Professor of Engineering, effective January 1, 1983 through December 31, 1984

Appointments (Continued)

Gatchell, Susanne M., Adjunct Assistant Professor of Engineering, effective August 15, 1982 through August 14, 1984

Leaves of Absence

McCarthy, Thomas R., Assistant Professor of Economics, leave from August 30, 1983 through April 21, 1984

Makaila, Ramune V., Special Instructor in Nursing, leave from January 4, 1983 through April 23, 1983

Seger, Martha R., Associate Professor of Economics and Management, leave from January 3, 1983 through April 23, 1983

In response to Vice Chairman Mair's request for comments, Mr. Kleckner noted that the personnel actions were routine. He stated, however, that the resignation of Dhiraj K. Pradhan, Associate Professor of Engineering, might be the first instance of the "raiding of faculty" in the technical fields. He noted that economic conditions being what they are in Michigan this individual is going to another institution at a substantial increase and promotion.

Vice Chairman Mair remarked that it was a "Catch 22" situation where you wished to have your employees wanted, but not to be taken away. He suggested that the problem be "watched carefully".

President Joseph E. Champagne noted that he was aware of the fact that recruiters from other universities were contacting this institution's faculty. He commented that the deteriorating economy was having an impact on the faculty, and that this case was a concrete example of the problem.

Mr. Headlee moved that the faculty personnel actions be approved. Mr. Handleman seconded the motion which was voted on and approved by all of the Trustees present.

Review and Acceptance of the Annual Audited Financial Statements and Audit Reports for the Year Ended June 30, 1982 from Ernst & Whinney

Vice Chairman Mair requested that Mr. McGarry present the annual audited financial statements.

Mr. McGarry stated that each year financial statements were prepared and presented to the Board. Ernst & Whinney prepared and submitted to the Trustees the following statements and reports for the year ended June 30, 1982:

1. Audited Financial Statements and Other Financial Information - Oakland University

2. Report on Examination - Residences and Other Facilities with Pledged Income - Oakland University

3. Audited Financial Statements - Oakland University Foundation

4. Management letter from Ernst & Whinney to Audit Committee, together with Oakland University response

Mr. McGarry said there was nothing out of the ordinary about these reports with the exception of an accounting requirement to reflect the liability for vacation pay compensation. In the past public institutions did not need to account for vacation pay, but it is now required. Therefore, this liability of $751,000 was booked and covered by the designated fund as suggested by the auditors. Mr. McGarry noted that the University's operating revenue topped $50,000,000 this year.

Mr. McGarry stated that Mr. John Haga from Ernst & Whinney was present if the Trustees wished to ask any questions.

Vice Chairman Mair added that these audit reports had been reviewed by the Board's Audit and Finance Committee.

Mr. Headlee asked Mr. Haga if there were any negative matters to be brought to the Board's attention.

Mr. Haga replied, "None then, none now".

Vice Chairman Mair then presented the following recommendation for the Board's approval:

> It is recommended that the Board of Trustees accept the audited financial statements, report on examination and the management letter prepared by the public accounting firm of Ernst & Whinney in connection with the audit of the University's financial records, for the year ended June 30, 1982.

Mr. Handleman moved that the recommendation be approved. Mr. Saltzman seconded the motion which was voted on and approved by all of the Trustees present.

President Champagne added that even though the Oakland University Foundation is a separate corporation, its activities are so interwoven with the University it seemed appropriate to forward the Foundation's audited financial statement to the Board for information purposes. The Trustees of the Foundation must, however, review and approve the report.

Approval of Acquisition of Administrative Computer

Vice Chairman Mair called upon Mr. McGarry to present the item on the acquisition of the administrative computer.

Mr. McGarry noted that the administration was faced with the difficult situation of operating administrative computer applications of a "1960 vintage" which is very inadequate. In fact, some administrative systems are not computerized. He cited as examples the financial aids and the gifts and grants operations which are manual systems. In order to bring these functions up-to-date, new computer hardware is necessary. The present Honeywell-Multics system is "practically saturated", and cannot take additional terminals. A proposed IBM 4341 unit would allow the administration to go on line with its student records, starting with the first phase next summer and with the system completed in three years. In order to accomplish these objectives the operating system software is also necessary. Mr. McGarry added that the financing for this acquisition as provided in the material submitted to the Board will be made in installments in accordance with arrangements made with the software and hardware companies. It is hoped that the University will receive some legislative funding to assist in this acquisition.

Mr. McGarry stated that Mr. William Morscheck, Assistant Vice President, Computer and Information Systems, and Mr. Charles William Thompson, Director of Computer Services, were present this evening to answer questions. They served on the committee which studied and researched the options available to the University before recommending the proposed acquisition.

Mr. Headlee stated that this proposed acquisition had been reviewed by the Audit and Finance Committee. Mr. Headlee then moved that the following recommendation be approved:

RESOLVED, That the Board of Trustees approves the acquisition of an IBM 4341 computer system and Cincom Systems, Incorporated development software at an aggregate purchase cost of not more than $750,000. Payment is to be made in installments over a period not to exceed five years, and the Board further authorizes the President or Vice President for Finance and Administration to enter into contracts to implement this action.

Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

Vice Chairman Mair asked if there were any questions from the Board or the audience on any matter. There were none.

He then announced that there would be no President's report at this meeting.

Vice Chairman Mair commended the Trustees and the administration for the expeditious review of the matters presented to the Board, stating that being well prepared makes the "meeting go more easily".

Mr. Headlee moved that the meeting be adjourned. Mr. Saltzman seconded the motion which was voted on and approved by all of the Trustees present. The meeting was adjourned at 7:55 p.m.

Approved,

John De Carlo, Secretary
Board of Trustees

Alex C. Mair, Vice Chairman
Board of Trustees

Date ____________________

0026W:0026P

Attachment A

Agendum
Oakland University

December 15, 1982

REPORT ON SECURITY TRANSACTIONS

	Value Date of Gift	Sale Price	Comm. & Taxes	Proceeds
Mr./Mrs. Paul F. Lorenz Ford Motor Company 40 sh., date of gift 9/29/83 date of sale 10/5/82	$ 1,040.00	$ 1,055.00	$ 35.93	$ 1,019.07
Mr./Mrs. Henry Clyde Johnson The One William Street Fund 50 sh., date of gift 10/11/82 date of redemption 11/4/82	897.00	905.00		905.00
Mr./Mrs. Marvin L. Katke Ford Motor Company 400 sh., date of gift 11/8/82 date of sale 11/8/82	12,750.00	12,750.00	229.38	12,520.62
Mr. Theodore O. Yntema Ford Motor Company 300 sh., date of gift 11/10/82 date of sale 11/15/82	9,618.75	9,075.00	174.39	8,900.61
Mr./Mrs.Robert E. Dewar K-Mart Corporation 50 sh., date of gift 11/15/82 date of sale 11/16/82	1,206.25	1,243.75	39.43	1,204.32

Submitted to the University President
on December 7, 1982, by

/s/ Robert J. McGarry
Robert J. McGarry
Vice President for Finance and
Adminstration and Treasurer to the
Board of Trustees

Recommended on 12/9/82, 1982, to
the Board for Approval

/s/ Joseph E. Champagne
Joseph E. Champagne
President