

**Minutes of the Meeting  
of the  
Oakland University Board of Trustees Retreat  
November 19, 1998**

- Present:** Chairman David J. Doyle; Trustees David T. Fischer, Louis Grech-Cumbo, Ann V. Nicholson, Rex E. Schlaybaugh, Jr., and James A. Sharp, Jr.
- Absent:** Trustees Henry Baskin and Dennis K. Pawley
- Also Present:** President Gary D. Russi; Mr. David S. Disend, Dr. David J. Downing, Ms. Susan Gerrits, Ms. Linda Hickmott, Ms. Rhonda G. Saunders, Ms. Lynne C. Schaefer, and Dr. Mary Beth Snyder

## **1. Opening Remarks**

Chairman David J. Doyle called the meeting to order at 9:17 a.m. at the Westin Hotel in Southfield. He welcomed the trustees to the retreat, and commented on the excitement generated over the past few years with the tremendous growth at Oakland University. Chairman Doyle stated that the purpose of the retreat is to discuss the university's future strategic direction. Chairman Doyle noted that the planned outcomes for the day include the following goals:

- Review of the Board's organization and operating mode to continue to ensure efficiency and effectiveness.
- Formulation of key strategic goals for the growth, development, and advancement of Oakland University for fiscal years 1999-2005.
- Guidance on a student apartment proposal, a performing arts center proposal, a conference center proposal and intercollegiate athletic direction.
- Development of a process and timetable to prioritize the "Creating the Future" recommendations within the context of the strategic goals.

## **2. Board Organization**

Chairman Doyle proposed that the role of the Investment Advisory Committee be expanded to include review of university audits, and university budgets and financial reports. After the Board endorsed Chairman Doyle's proposal, he requested that the Board Secretary prepare a resolution for the December Board of Trustees meeting.

The trustees also requested that the administration provide periodic written reports to the Board of Trustees containing a set of financial indicators and indicating the university's performance regarding these indicators.

### **3. Strategic Goals**

#### **A. FY99 University Goals**

The Board conducted a general discussion on the FY99 goals, but agreed to defer decision on approving the goals until the Board has had a chance to review the other initiatives to be presented during the retreat. In general discussion, it was suggested that the master planning process was so important to the university that the Board may want to raise it to a "Tier 1" priority. In addition, the Board agreed that a trustee should be appointed as the Board's "point person" on the master planning effort. In terms of the master planning process, the trustees clarified that the university can begin the process of programmatic planning on such issues as a conference center, a performing arts center, hockey, etc., and then initiate campus master planning efforts to implement the programmatic initiatives. Trustee Ann V. Nicholson expressed a concern about the absence of academic initiatives in the FY99 goals. The FY99 goals are contained in Appendix E of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees.

#### **B. Strategic Goal #1: Composition of Student Body**

Dr. David J. Downing, Interim Vice President for Academic Affairs, presented this issue to the Board. The supporting materials are contained in Appendix F of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees. In his presentation, Dr. Downing outlined five different proposals regarding the size and composition of the student body, as follows: Slow Growth, Aggressive Growth, Graduate Intensive Growth, Full-time Undergraduate Intensive Growth, and Balanced Growth. Each of the scenarios were presented in terms of the following five factors: Full-time Undergraduate Students, Part-time Undergraduate Students, Full-time Graduate Students, Part-time Graduates Students, and Continuing Education Students.

Trustee Rex E. Schlaybaugh, Jr. stated that the key question is whether OU will define itself by sheer dollars in terms of increased enrollment or by first deciding what kind of student the institution wants and then going after those kinds of students. Continuing the discussion, the trustees requested information from the administration that programs of instruction are academically sound. The trustees indicated that surveys of employers who have hired Oakland University graduates would be most helpful. In response to a question from Chairman

Doyle, Dr. Downing responded that none of the five scenarios would result in a lowering of Oakland University's admissions standards.

Trustee Schlaybaugh then asked why Oakland should grow. He queried, "Why can't Oakland University just get better?" There was a general discussion amongst the trustees questioning whether the university is being as efficient as it can be. The trustees questioned whether we have maximized our resources and whether we have maxed out our incremental costs. One approach, suggested by Trustee Schlaybaugh, would be to maximize efficiencies but not add on to the university's infrastructure. At the same time the university could add on continuing education classes and distance learning classes, to maximize revenue while limiting infrastructure costs.

The general consensus of the trustees was that they could not make a judgment on the future size and composition of the student body without more information and without an opportunity to fully appreciate all of the variables.

### **C. Strategic Goal #2: Land Use and Development**

This subject was presented by Ms. Lynne C. Schaefer, Vice President for Finance and Administration.

#### **1. Current Land Use and Potential Development**

Part 1 of Vice President Schaefer's presentation concerned Current Land Use and Potential Development. Supporting materials for this topic are contained in Appendix G of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees. Vice President Schaefer commented that the current campus development is consistent with the 1989 Campus Planning Guidelines. She added that the campus consists of approximately 1,600 acres, with the bulk of the property bounded by Walton Blvd. to the north, Butler Road to the south, Adams Road to the east, and Squirrel Road to the west. Fifty percent of the campus land is currently developed. After construction of the Business and Technology Building, the School of Education Building, and the new golf course, approximately one-third of the campus, or 500 acres, will remain undeveloped. The university does not yet know what percent of that acreage has potential for development and what percent consists of wetlands and other property that cannot be developed. Vice President Schaefer added that the master planning process will reveal what percent of the undeveloped acreage presents the potential for development.

## **2. Guidelines for Land Use and Development**

Vice President Schaefer then presented proposed Guidelines for Land Use and Development. These guidelines are contained in Appendix H of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees.

## **3. Master Planning Process**

Vice President Schaefer concluded her presentation with a discussion of the Master Planning Process. The process is described in Appendix I of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees. Vice President Schaefer confirmed that the master planning process takes approximately 18 to 24 months. She also clarified that the Strategic Planning process must take place before the physical master planning begins. As a result of the suggestion by Trustee Schlaybaugh that at least two trustees be involved in the master planning process, Trustees Louis Grech-Cumbo and James A. Sharp, Jr. agreed to serve in this capacity.

## **D. Strategic Goal #3: Resource Development**

### **1. State Appropriations and State Relations**

Ms. Rochelle A. Black, Director of Government Relations, presented information on this subject. Supporting materials are contained in Appendix J of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees. Ms. Black's presentation included a summary of the highlights of the State of Michigan 1998 Election, a profile of the 15 public university Government Relations Offices, and a list of steps being taken or planned by Oakland University's Office of Government Relations for the current academic year. In her presentation, Ms. Black confirmed that tuition (both the amount and the annual percentage increases) is the biggest issue of concern to legislators when they address the subject of higher education.

### **2. Capital Campaign and Foundation Support**

Mr. David S. Disend, Vice President for University Relations, presented information on this subject. The supporting materials used by Vice President Disend are contained in Appendix K of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees. Vice President Disend discussed the assessment

phase, the private phase, and the public phase of a capital campaign. He added that, from start to finish, a capital campaign is almost a decade long process.

Vice President Disend then reviewed Oakland University gift assets. He presented information reflecting Oakland University's historical experience with gift giving and also presented information concerning how the university compares in this regard to peer institutions and other Michigan institutions.

#### **4. Other Initiatives**

##### **A. Student Apartments**

Vice President Schaefer presented this topic. Supporting materials are contained in Appendix L of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees. Vice President Schaefer explained that the proposed project would have a total of 288 beds, with 48 2-bedroom and 48 4-bedroom units in six buildings. The total project cost is estimated to be approximately \$10.5 million. The proposed site is a seven-acre parcel between Walton Blvd. and Meadow Brook Road. Vice President Schaefer added that the university has worked with the Capstone Group thus far in exploring the concept of student apartments.

Trustee Nicholson expressed a concern about increased housing for married students. In response to a question from Trustee Schlaybaugh about financing, Vice President Schaefer replied that the project could either be Oakland University financed or financed through a private developer. Trustee Schlaybaugh expressed his opinion that ultimately, the type of financing Oakland chooses will depend on what is most cost effective to the university. A second factor to be considered is the limit of the university's financing capacity, i.e, the debt ceiling.

##### **B. Performing Arts Center**

Vice President Schaefer presented this subject. Supporting materials are contained in Appendix M of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees.

Vice President Schaefer summarized the proposal for the performing arts center, which would involve a 5,000 seat, \$50 million, first-class performing arts center on Oakland University's campus. The facility would be constructed by a private entertainment management group. Vice President Schaefer described the three benefits of the proposal, as follows:

1. The performing arts center ties directly to Oakland University's mission;
2. The center provides an opportunity to generate revenue; and
3. The center brings the community to Oakland University, which is good for marketing and visibility.

Trustee Schlaybaugh suggested that the university consider soliciting proposals nationwide from entertainment groups, in order to ensure that the university is getting the best deal for its property. Trustee Nicholson expressed concern that the proposed performing arts center site is too distant from the main campus to be identified as a part of Oakland University. She indicated that she was not sure that there would be enough of a tie-in to the main campus. Trustee Schlaybaugh also expressed concern that the private entertainment management group that has submitted the subject proposal would sell the name of the facility to a corporate sponsor. If the name of the facility were sold, it would not even have the name "Oakland University" on it, thus distancing the center further from the identity of the campus.

In concluding their discussion of this subject, the trustees indicated that they would like more information about the proposal in order to make an informed decision. The Board also wants assurance that Oakland University controls the terms of the deal, that the university enter negotiations telling the vendor what we want, and that we not just be in a position of reacting to what the vendor wants. The trustees also clarified that the Board should first develop a set of criteria for such proposals in general before the university goes any further with this specific proposal.

### **C. Conference Center**

Vice President Schaefer presented a proposal for a conference center. Supporting documents are contained in Appendix N of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees. Vice President Schaefer explained that the question for the Board is whether the university should submit the proposal to the Michigan Jobs Commission.

Reiterating the concerns of the Board expressed with respect to the previous item, the performing arts center, the Board advised that the university should not jump at every proposal, but should instead decide first what is valuable to the institution. After determining what is valuable, the university should then develop an RFP setting forth what it wants and then selecting the best proposal.

In concluding the discussion on this subject, the Board advised that the university should explore this proposal further.

#### **D. Intercollegiate Athletics**

Vice President Schaefer presented information on the pros and cons of developing an intercollegiate hockey program at Oakland University. Vice President Schaefer was joined in the discussion by Mr. Jack G. Mehl, Director of Athletics. Supporting documents on this subject are contained in Appendix O of the Strategic Planning Retreat materials, which are on file in the office of the Secretary to the Board of Trustees.

Board members first expressed concern about the estimated cost of the ice arena, stating that it seemed excessive. In response to a question about obtaining a commitment from an athletics conference, Mr. Mehl explained that a conference would not commit to the university until the university commits to hockey as an intercollegiate sport. Mr. Mehl added that if the university commits to an intercollegiate hockey program, it could take five years before Oakland actually has a program in place.

Trustee Schlaybaugh suggested that the Board must first establish whether intercollegiate hockey should be adopted by the university. After the Board decision is made, the university can then respond with such details as how ice would be acquired.

President Gary D. Russi then distributed a set of proposed criteria to be met to implement hockey programs. (A copy of the criteria is attached to these minutes.) President Russi added that while hockey can break even programmatically, the revenue cannot satisfy the debt service on an ice arena. Trustee Schlaybaugh responded that he does not think the decision on hockey should be totally dollars driven. He explained that hockey will bring a number of intangible benefits to the university.

Chairman Doyle stated that, in his opinion, the proposal for an intercollegiate hockey program is more risky than the previous three proposals discussed. He added that he would like to defer a decision on hockey until the December Board

of Trustees meeting, just as the Board has deferred making any decisions on all of the other major proposals presented at the retreat.

## **5. "Creating the Future": Process for Prioritization**

President Russi presented this subject. Supporting documents are contained in Appendix P, which is on file in the office of the Secretary to the Board of Trustees. The Board endorsed the process for review and prioritization of the "Creating the Future" report, which calls for a retreat in January of 1999 where the Board will prioritize the "Creating the Future" recommendations.

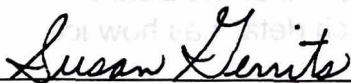
## **Agenda, December 3, 1998, Board of Trustees Meeting**

Chairman Doyle presented the proposed agenda for the December 3, 1998, Board of Trustees meeting. Concerning the issue of delegation of authority to set fees, the Board requested that the December item consist solely of a report. The Board could take action on a request for continuing delegation of authority to set fees at the February, 1999 meeting. While there was discussion of placing some of the subjects discussed at the Strategic Planning Retreat on the December agenda for action, the trustees advised that they wanted to consider these matters further before deciding whether they should be placed on the December agenda.

The meeting adjourned at 3:35 p.m.

Submitted,

Approved,



Susan Gerrits

General Counsel and

Secretary to the Board of Trustees



David J. Doyle

Chairman

Attachment

bdretmin.98



**Oakland University**  
**Women's & Men's Intercollegiate Hockey Program**

**Proposed criteria to be met to implement hockey programs:**

- Facility construction costs to be funded through external support.
- Facility operations (personnel, operations and maintenance) to be provided from revenues generated by the facility to include advertising, concessions, merchandising, arena income, paid parking, etc. Careful analysis of impact of new area ice arenas recently built and announced must be completed.
- Fifty (50) percent of the women's and men's hockey programs costs to be funded with new student (hockey players and friends) enrollment, tickets sales, and commissions.
- A comprehensive analysis of competing collegiate programs to be finalized.
- The women's and men's hockey program to be phased in over a three year period starting with a university club hockey program in year one.
- Oakland University must be accepted as a member of the CCHA.