

Minutes of the Meeting  
of the  
Oakland University  
Board of Trustees  
January 10, 1979

The meeting was called to order by President Donald O'Dowd at 7:40 p.m. in Gold Room A of the Oakland Center.

Present: Chairman Lewis, Trustees Adams, Headlee, Mair, Saltzman and Schwartz

Absent: Trustees Katke and Morris

Information Items

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

Meadow Brook Music Festival - Mr. Stuart C. Hyke, former director of development at Detroit radio station WDET-FM, has been named the new managing director of the Meadow Brook Music Festival. Mr. Hyke began his duties December 18, 1978 replacing Mr. Leon C. Petrus who went to Houston, Texas.

Enrollment - At the close of regular enrollment there were 9,310 students enrolled compared with 9,220 for the same period last year. The 1979 figures indicate an increase in undergraduate enrollment of 191 students while graduate enrollment dropped by 101 students. The students are taking 98,287 credits compared with 98,843 credits last year.

Sports - The men's basketball team won its league opener against Wayne State University by a score of 66-60. This was OU's first win over Wayne since the 1975-76 season.

Meadow Brook Hall - The recent Christmas program at Meadow Brook Hall resulted in a record income of \$65,000.

Computer Installation - The Honeywell computer has arrived and is being installed. It should be in operation within the next few weeks.

Approval of the Minutes of November 29, 1978

Mr. O'Dowd requested approval of the minutes for the meeting of the Board of Trustees for November 29, 1978. Mrs. Adams offered a motion for approval of the minutes which was seconded by Mr. Saltzman. The motion was voted on and the minutes were approved unanimously as distributed.

Approval of Personnel Actions

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

Appointments

Binnard, Birk Phillip, part-time, 10 month  
Adjunct Professor of Mathematical Sciences,  
effective August 15, 1978 through August 15, 1980

Deshpande, Amrut K., part-time, 10 month Adjunct  
Assistant Professor of Biological Sciences,  
effective August 15, 1978 through August 14, 1979

Fernanda, Nicandro, Adjunct Clinical Instructor in  
Nursing, effective August 15, 1978 through  
December 19, 1978

Changes of Status

Cairns-Federlein, Anne, from Instructor in Education  
to Assistant Professor of Education, effective  
January 1, 1979

Gorlin, Alice C., from Assistant Professor of  
Economics and Acting Chairperson of Economics  
to Assistant Professor of Economics and Chair-  
person of Economics for the period January 1, 1979  
through August 14, 1981

Swift, Carol, from Instructor in Education to Assistant  
Professor of Education, effective January 1, 1979

Leaves of Absence

Harker, Bruce, Assistant Professor of Education,  
leave from January 1, 1979 through August 14, 1979

Kahana, Boaz, Professor of Psychology, leave from  
January 1, 1979 through April 26, 1979

Mazzara, Richard A., Professor of French, sabbatical  
leave from August 27, 1979 through December 18, 1979

Mr. Headlee moved to approve the personnel actions. Mr. Mair seconded the motion which was voted on and approved unanimously.

Mr. O'Dowd then presented the following recommendations from the Employment Relations Department for the Board's approval

#### Academic Affairs

##### College of Arts and Sciences

Establish budget position #400426, Departmental Secretary, salary grade C-3.

Source of funds: This position is supported by the allotment for Arts and Sciences clerical staff listed on page 3 of the 1978-79 general fund budget approved by the Board of Trustees on July 25, 1978.

##### Teacher Education

Establish budget position #300429, Academic Advisor, AP-III.

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

#### Campus and Student Affairs

##### Oakland Center/Bookcenter

Reclassify budget position #400135 from Senior Text Book Clerk, salary grade C-6, to Senior Text Book Clerk, salary grade C-5.

Source of funds: There is no additional cost associated with this reclassification.

#### Special Projects and Cultural Affairs

##### OU Foundation Office

Reclassify budget position #400208 from Accounting and Records Clerk, salary grade C-4, to Clerical Accountant/Foundation Office, salary grade C-7.

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

Mr. Headlee moved that the personnel actions be approved.  
Mrs. Adams seconded the motion which was voted on and approved by  
a unanimous vote.

### Acceptance of Gifts and Grants

Mr. O'Dowd requested acceptance of the following gifts and  
grants:

- I. Gifts in support of the Jewell Wibby Women's  
Athletic Scholarship Fund:

Carter, Mr. Robert A., Northville	\$ 971.25*
Wibby, Mr. W. George, Troy	500.00
- II. Gifts in support of the Alumni Association:

Miscellaneous Donors	680.00
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- III. Gifts in support of the Athletic Department:

Daniels, Ms. Glenna, Rochester	375.00
Miscellaneous Donors	200.00
Wigent, Dr. Ralph D., Pontiac	100.00
Withrow, Mr. Lloyd L., Rochester	375.00
- IV. Gifts in support of the Continuum Center -  
Memorials for Robert Trenz:

Miscellaneous Donors	120.00
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- V. Gifts in support of the Friends of Kresge Library:

Gardiner, Mr. George L., Birmingham	100.00
Miscellaneous Donors	217.00
- VI. Gift in support of the General Fund:

Ray, Mr. David C., Royal Oak	400.00
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- VII. Gifts in support of the Institute of Biological  
Sciences - the V. Everett Kinsey Memorial Fund:

Cogan, Dr. David G., Chevy Chase, Maryland	100.00
Miscellaneous Donors	180.00
- VIII. Gifts in support of Meadow Brook Art Gallery:

Michigan Oriental Art Society, West Bloomfield	150.00
Miscellaneous Donors	5.00

\*Stock Contribution



IX. Gifts in support of Meadow Brook Hall:	
Miscellaneous Donors	\$ 81.72
X. Gifts in support of Meadow Brook Hall - Paul Engstrom Tribute Fund:	
Borgesen, Mr. and Mrs. M. E., Bloomfield Hills	100.00
Engstrom, Ms. Roberta H., Berkley	375.00
Hackett, Ms. Helen and Mr. George, Dearborn	200.00
JCB Corporation, Detroit	200.00
McIntyre, Mr. and Mrs. Bruce, Pontiac	100.00
Miscellaneous Donors	25.00
Nobes, Mr. and Mrs. Norman E., Birmingham	100.00
Zaffern, Mr. and Mrs. Bernard H., Oak Park	100.00
XI. Gifts in support of Meadow Brook Hall - Gilders Development Fund:	
Cameron, Mr. Russell J., Detroit	200.00
Crissman, Mrs. L. K., Rochester	100.00
Dalgleish, Mr. and Mrs. C., Jr., Bloomfield Hills	200.00
Elliott, Mr. Kenneth F., Bloomfield Hills	200.00
Gossett, Ms. Elizabeth H., Bloomfield Hills	1,000.00
Griffith, Mr. and Mrs. G. W., Ann Arbor	100.00
Kline, Mr. and Mrs. Robert H., Troy	100.00
McGarry, Mr. and Mrs. Robert J., Rochester	100.00
McKinnon, Mr. and Mrs. John W., Rochester	200.00
Miscellaneous Donors	670.00
Snelham, Mr. and Mrs. Thomas, Birmingham	100.00
Snyder, Mrs. Carl J., Bloomfield Hills	100.00
Underwood, Mr. and Mrs. Arthur, Rochester	100.00
VanDegrift, Mr. and Mrs. Thomas, Bloomfield Hills	100.00
Williams, Richard E., Charitable Trust, Grosse Pointe	700.00
XII. Gifts in support of Meadow Brook Hall - Patrons Party:	
Aldrich, Mr. and Mrs. James G., Pontiac	120.00
Automobile Leasing Inc., Troy	120.00
Baechle, Mr. and Mrs. G. Robert, West Bloomfield	180.00
Batten, Barton, Durstine & Osborn, Inc., Troy	180.00
Blackmon, Mr. Albert W., Grand Blanc	120.00
Boensch, Lawrence B., Company, Oxford	360.00
Brogan, Ms. Isabelle Spring, West Bloomfield	120.00
Brown, Dr. Ivory, Detroit	240.00
Burton Brothers, Southfield	120.00

XII. Gifts in support of Meadow Brook Hall -  
Patrons Party (Continued):

Cafiero, Mrs. E. A., Bloomfield Hills	\$ 100.00
Carey, Mr. Walter F., Bloomfield Hills	120.00
Castor, Mr. Clinton E., Ann Arbor	180.00
Central Transport, Sterling Heights	180.00
Cody, Mr. Fred, St. Clair Shores	120.00
Crissman, Mr. L. Keith, Birmingham	180.00
Dawson, Dr. Howard A., Bloomfield Hills	120.00
Delaney, Mr. William F., Grand Blanc	120.00
Dolik, Z. H., Birmingham	120.00
Dykstra, Mrs. John, Birmingham	150.00
Fabricated Materials, Inc., Bloomfield Hills	120.00
Fauber, Mr. and Mrs. B.M., Bloomfield Hills	120.00
Frost, Mr. and Mrs. George E., Birmingham	120.00
Gornick, Mr. and Mrs. Alan L., Bloomfield Hills	240.00
Headbloom, Mr. Gust, Jr., Detroit	120.00
Holmes, Mr. Richard P., Orchard Lake	120.00
Howes, Mrs. Altha, Lake Orion	120.00
Hyslop, Mr. James R., Ferndale	180.00
International Business Machines Corporation, Southfield	540.00
J. C. Industrial Motor Service, Inc., Roseville	240.00
Laffrey Steel Corporation, Royal Oak	180.00
Landry, Mr. Richard, Troy	120.00
McDonald, Mr. and Mrs. F. James, Bloomfield Hills	120.00
Miscellaneous Donors	6,720.00
Pitts, Mr. and Mrs. Guy H., Bloomfield Hills	100.00
Pritchard, Mr. Frank, Flushing	120.00
Roat, Dr. and Mrs. Gary, Burton	120.00
Rutt, Mr. and Mrs. Robert E., Bloomfield Hills	120.00
Sherby, Mr. Ronald J., Sterling Heights	180.00
Stange, Mr. and Mrs. Herbert J., Troy	120.00
Sterritt, Mr. and Mrs. John C., Bloomfield Hills	120.00
Stevens, Mr. and Mrs. Roy, Bloomfield Hills	120.00
Stone, Mr. Jerry E., Bloomfield Hills	180.00
Timken Company (The), Birmingham	240.00
Truesdell, Mr. Robert, Rochester	300.00
Tweddle, Mr. and Mrs. Michael E., St. Clair Shores	180.00
White, Jay E., Sales & Engineering, Bloomfield Hills	120.00
Wilson-Crissman Cadillac, Inc., Birmingham	120.00

## XIII. Gifts in support of Meadow Brook Music Festival:

Dayton Hudson Foundation, Minneapolis, Minnesota	\$5,000.00
Miscellaneous Donors	60.00

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

Bright, Mr. Rinehart S., Bloomfield Hills	500.00
Goad Foundation (The), Birmingham	100.00
Lendt, Mr. and Mrs. Robert C., Troy	100.00
Miscellaneous Donors	75.00
Mosher, Mr. W. E., Jr., Birmingham	400.00
Rheem, Rassini, S.A., Eagle Pass, Texas	100.00
Riccardo, Mr. and Mrs. John J., Birmingham	500.00

XV. Gifts in support of the Music Department -  
Meadow Brook Estate:

UAW Region 1B Leadership Institute, Madison Heights	100.00
Wilton, Mr. Robert and Ms. Sharon, Clarkston	100.00

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

Aldrich, Mr. and Mrs. James, Pontiac	140.00
Hrabec, Mr. Robert, Orchard Lake	100.00
Huntoon Funeral Home Inc., Pontiac	100.00
McIntyre, Mr. and Mrs. Bruce, Pontiac	100.00
Miscellaneous Donors	120.00

## XVII. Gift in support of the O. U. Foundation:

Acme-Cleveland Foundation, Troy	500.00
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XVIII. Gifts in support of the O. U. Foundation -  
President's Club:

Answering Service, Inc., Southfield	1,000.00
Baylis, Dr. and Mrs. Shelby, Bloomfield Hills	1,000.00
Fisher, Max M. and Marjorie S., Foundation, Inc., Franklin	1,000.00
Milzow, Forrest E., Builder, Inc., Pontiac	1,000.00
Monks, Mr. and Mrs. Douglas E., Rochester	1,000.00

XVIII. Gifts in support of the O. U. Foundation -  
President's Club (Continued):

Paige, Mr. and Mrs. Bernard P., Bloomfield Hills	\$1,000.00
Petersen, Mr. and Mrs. Donald E., Bloomfield Hills	1,000.00
Poos, Mr. and Mrs. John A., Bloomfield Hills	1,000.00
Portnoy, Dr. Harold D., Bloomfield Hills	1,000.00
Shelton, Mr. and Mrs. Clarence M., Rochester	800.00
Stoops, Mr. and Mrs. John, Bloomfield Hills	1,000.00
Wagner, Mrs. Richard, Birmingham	1,000.00
Warner, Mr. and Mrs. Harold G., Bloomfield Hills	1,000.00
West Bloomfield Professional Center, Orchard Lake	1,000.00

XIX. Gift in support of the Provost's Office  
Discretionary Fund:

Bunger, Mr. Robert H., Troy	100.00
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## XX. Gift in support of the Psychology Department:

Zepelin, Mr. Harold, Rochester	100.00
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XXI. Gift in support of the William G. Shaw  
Charitable Trust Fund:

Shaw, William G., Charitable Trust, Detroit	350.00
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XXII. Grants in support of Departments, Staff, Schools  
and Colleges:

Iowa, University of, Iowa City, Iowa, under the direction of Dr. Nan K. Loh of the School of Engineering, to be used in support of the program entitled, "Development, Analysis and Validations of Computer Models for a Class of Vehicle Systems." Period of Performance: September 1, 1978 to June 20, 1979.	40,073.00
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Iowa, University of, Iowa City, Iowa, under the direction of Dr. Nan K. Loh of the School of Engineering, to be used in support of the program entitled, "State Space Design for Helicopter Pointing and Tracking Systems." Period of Performance: September 1, 1978 to June 30, 1979.	58,902.00
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XXII. Grants in support of Departments, Staff,  
Schools and Colleges (Continued):

Michigan Council for the Arts, Detroit, under the direction of Dr. Adeline Hirschfeld-Medalia of the Communication Arts Department, to be used in support of the program entitled, "Turn of the Screw." Period of Performance: October 1, 1978 to October 30, 1979.

\$ 1,500.00

National Institutes of Health, Bethesda, Maryland, under the direction of Dr. Charles B. Lindemann of the Department of Biological Sciences, to be used in support of the program entitled, "Controlling Factors in Mammalian Sperm Motility." Period of Performance: December 1, 1978 to November 30, 1979.

27,697.00

National Institutes of Health, Bethesda, Maryland, under the direction of Dr. Virinder K. Moudgil of the Department of Biological Sciences, to be used in support of the program entitled, "Interaction of Nucleotides and Steroid Receptors." Period of Performance: December 1, 1978 to November 30, 1979.

33,184.00

National Science Foundation, Washington, D.C., under the direction of Dr. Joseph D. Hovanesian and Dr. A. J. Durelli of the School of Engineering, to be used in support of the program entitled, "Scanning Moire for Studies of Large Structures." Period of Performance: January 1, 1979 to June 30, 1981.

97,000.00

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

37,386.00

XXIII. A gift to Meadow Brook Art Gallery of an art work by Mon Levinson titled, "Black Moving Planes," from Dr. and Mrs. George Brewer, Brighton. Appraised value:

2,000.00

XXIV.	A gift to Meadow Brook Art Gallery of offset lithographs by Eduardo Paolozzi titled, "General Dynamic F.U.N." and a sculpture by George Segal titled, "Girl on a Chair," from Mr. George Friedman, New York, New York. Appraised value:	\$ 5,150.00
XXV.	A gift to Meadow Brook Art Gallery of the book, "The Rime of the Ancient Mariner," by Samuel Taylor Coleridge with 12 aquatints by Patrick Proctor, from Mrs. Nicolas Herpin, Paris, France. Appraised value:	1,650.00
XXVI.	A gift to Meadow Brook Art Gallery of four lithographs by Karel Appel, from Mr. John Horne, New York, New York. Appraised value:	2,800.00
XXVII.	A gift to Meadow Brook Art Gallery of an album of five original serigraphs by Richard Lindner titled, "Shoot," and six organic screenprints by Edward Ruscha titled, "News, Mews, Pews, Brews, Stews & Dues," from Mr. Richard Roth, Chappaqua, New York. Appraised value:	10,000.00
XXVIII.	A gift to Meadow Brook Art Gallery of five lithographs by Mark Tobey from Mr. Ben Wunsch, Greenwich, Connecticut. Appraised value:	<u>3,000.00</u>
Total Gifts and Grants		\$366,661.97

## REPORT ON STOCK TRANSACTION

A gift of sixty (60) shares of Core Industries, Inc. common stock from Mr. Robert A. Carter to the Jewell Wibby Women's Athletic Scholarship Fund:

	<u>Value</u> <u>Date of Gift</u>	<u>Sale Price</u>	<u>Comm. &amp;</u> <u>Taxes</u>	<u>Net</u> <u>Proceeds</u>
Gift 12/01/78	\$971.25			
Sale 12/04/78		\$952.50	\$27.29	\$925.21

Mrs. Adams moved to accept the gifts and grants with gratitude. Mr. Mair seconded the motion which was voted on and unanimously approved.

Request from Owner of Property at Northwest Corner of Adams and  
Walton Boulevard for Approval of Development Plans

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

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

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

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

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

Mr. Headlee moved to approve the recommendation which was seconded by Mrs. Adams.

Trustee Alan Schwartz stated that it was necessary for him to abstain because of a possible conflict of interest. Trustee David Lewis stated that he would also abstain from voting on this issue because of a possible conflict of interest.

Mr. Schwartz asked if deferring action on this item would inconvenience the purchasers of the property.

Mr. Robert Swanson stated that in his opinion the lack of approval this evening would not inconvenience the purchasers, however, they had hoped that there would be a quorum voting on the matter at this meeting. He added that at the last Board meeting four Board members approved the request and one member abstained. This action was sufficient assurance to the bank that the request would be ultimately approved. Mr. Swanson stated that there was some construction activity on the land at the present time.

Mr. Schwartz questioned whether or not it was necessary to have the approval of five members.

Mr. James Howlett, university counsel, responded that under the present bylaws it takes a voting majority of five affirmative votes at one meeting for approval.

Mr. John De Carlo informed the Board that the university's enabling legislation also provided that actions by the Board must be by a majority of its members.

Mr. O'Dowd stated that a total of five members of the Board at two different meetings had approved the action. Therefore, the item will be brought back to the Board for approval at a later meeting since it appears to be the intention of a majority of the members to approve the request.

The Board decided to vote on the question to determine the status of this issue.

Mr. Saltzman moved to approve the recommendation. Mr. Headlee seconded the motion. Trustees Adams, Headlee, Mair and Saltzman approved the resolution. Trustees Lewis and Schwartz abstained. The resolution did not pass since a majority of the Board did not vote for approval.

#### Approval of Name Change for the School of Education

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

RESOLVED, That the academic unit heretofore designated as the School of Education be named School of Human and Educational Services.

Mr. O'Dowd called upon Mr. Obear to provide some background information on this subject.

Mr. Obear noted that altering the name of the School of Education had been contemplated for more than a year because the programs of the school were broader than pre-service or in-service teacher training. The current name did not accurately reflect the scope of the school's activities. There was considerable debate in the university as to a comprehensive name for the school and the compromise choice was the School of Human and Educational Services. This name has been approved by the faculty and the Senate.



Mr. O'Dowd noted that the changing of the name was not an uncommon practice among former schools or colleges of education since the services provided in this area represented a broader array of programs than the traditional school of education.

Mr. Saltzman inquired as to the meaning of "human services."

Mr. Obear suggested that Mr. George Coon, Acting Dean of the School of Education, respond to the question.

Mr. Coon stated that the faculty was of the opinion that this terminology was more descriptive since the school's activities included such items as the day care center, programs in infant care, employment and training, counseling, job development, drug and alcohol abuse, youth assistance, social justice, correction, vocational guidance and rehabilitation, mental health, community development, and assistance to elderly citizens.

Mr. Schwartz moved to approve the recommendation for the name change. Mr. Headlee seconded the motion which was voted on and passed unanimously.

#### Approval of Recommendation on State Building Authority Lease Arrangement

Trustee Lewis stated that he would absent himself from the discussion and action on this item as in the past due to a potential conflict of interest. (Trustee Lewis left the room at this time.)

Mr. O'Dowd called upon Mr. De Carlo to comment on this recommendation relating to the Lease with the State Building Authority for the construction and funding of Classroom Office Building No. 2.

Mr. De Carlo stated that the Board was advised at previous meetings about the funding for Classroom Office Building No. 2 through bonds issued by the State Building Authority. The university has been negotiating the terms of the Lease agreement covering the financing of the project with representatives of the State Building Authority and the State Attorney General's Office. There is still a professional difference of opinion regarding the terms and conditions of the Lease relating to the ultimate title to the construction site in the event of a court challenge to the bond issue.

Mr. De Carlo stated that he would also attempt to further amend the Lease to exempt Board members from personal liability. Mr. De Carlo noted that the Legislature must approve the State Building Authority's proposals.

Mr. Headlee inquired if the other universities had approved the Lease.

Mr. De Carlo responded that they did approve the Lease. The University of Michigan approved the Lease as to "form."

Mr. De Carlo recommended that the Board of Trustees:

1. Approve the Lease as to form.

2. Authorize the university General Counsel to inform the State Building Authority and the Legislature of the Board's objections to the Lease provisions relating to title to the facilities. Request that the Legislature clarify this issue prior to the final execution of any lease since the State is also confronted with the same problem.

3. Authorize the President and the Vice President for Business Affairs to execute a lease in accordance with the recommendation of the Legislature and in substantially the form submitted by the State Building Authority. The President and Vice President for Business Affairs may execute a lease with modifications more favorable to the interests of the university if such terms are acceptable to the parties to the agreement.

Mr. De Carlo also recommended the adoption of the following resolution:

RESOLUTION OF OAKLAND UNIVERSITY  
APPROVING LEASE

A RESOLUTION of the Board of Control of Oakland University authorizing a lease between the State Building Authority and the State of Michigan and Oakland University for the purpose of acquiring and leasing to the State and the University a Classroom-Office Building and to provide matters relating thereto

WHEREAS, the State Building Authority (the "Authority") has been incorporated under and in pursuance of the provision of Act 183, Public Acts of Michigan, 1964, as amended ("Act 183"), for the

purpose of acquiring, constructing, furnishing, equipping, owning, improving, enlarging, operating, mortgaging and maintaining buildings, necessary parking structures or lots and facilities and sites therefor, for the use of the State of Michigan (the "State"), including institutions of higher education created pursuant to Sections 5, 6 and 7 of Article VIII of the Michigan Constitution of 1963, or any of its agencies; and

WHEREAS, Oakland University (the "University") has been created and is maintained pursuant to Section 6 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the State and the University desire that the Authority acquire a Classroom-Office Building (the "Facilities"), and lease the same to the State and the University, and the Authority is willing to acquire the Facilities and lease the same to the State and the University; and

WHEREAS, the Authority, by resolution adopted June 21, 1978, did determine, subject to the conditions set forth in such resolution, to acquire the Facilities and to lease them to the State and the University; and

WHEREAS, the site of the Facilities (the "Site") is presently owned by the University and the Facilities are now under construction by the University and the University may designate the Department of Management and Budget of the State as construction agent of the University (the "Agent") and it is intended that the Site be conveyed to the Authority and the Facilities be conveyed by the University to the Authority as acquired; and

WHEREAS, the acquisition of the Facilities by the Authority for use by and lease to the University and the State is necessary in order for the State and the University to carry out necessary governmental functions and enterprises and to provide necessary services to the people of the State, as mandated or permitted by Constitution and law, and the use of Act 183 to accomplish such acquisition represents the most practical means to that end; and

WHEREAS, a lease between the Authority and the State and the University providing for the acquisition of the Site and the Facilities by the Authority and the lease of the Site and the Facilities to the State and the University has been prepared and is attached hereto as Exhibit A (the "Lease"); and

WHEREAS, Section 7 of Act 183 provides that the Lease shall be approved by the State Administrative Board of the State and by concurrent resolution of the Legislature of the State concurred in by a majority of the members elected to and serving in each house and if the Lease is for an institution of higher education existing or created pursuant to Sections 5, 6 and 7 of Article VIII of the State Constitution, then in addition the Lease shall be authorized by the institution of higher education and signed by its authorized officers and, accordingly, it is necessary that the Board of Control of the University authorize the Lease;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF CONTROL OF THE UNIVERSITY THAT:

1. The Board of Control of the University hereby approves the Lease in substantially the form attached as Exhibit A and the President and Vice President for Business Affairs of the University are hereby authorized and directed to execute and deliver the Lease in substantially the form attached as Exhibit A for and on behalf of the University at such time as shall be agreeable to the State, the Authority and such university officers, and such officers are hereby designated as authorized officers of the University for purposes of Section 7 of Act 183.

2. The plans for the Facilities, as filed with the University, are hereby approved and the proposed designation of the Agent for construction management services is hereby approved.

3. The conveyance of the Site and the Facilities, as heretofore and hereafter constructed and acquired, to the Authority as provided in the Lease is hereby approved and the President and Vice President for Business Affairs of the University are hereby authorized and directed to execute deeds and bills of sale to accomplish such conveyance in such form as may be from time to time approved by counsel for the University.

Note: Exhibit A, the State Building Authority "Lease," is on file in the Office of the Board of Trustees.

4. The University further confirms its obligations to pay the rent and perform the other duties and obligations specified in the Lease.

Mr. Saltzman asked if Oakland and the University of Michigan were the only institutions not agreeing to the specific lease document provided by the State Building Authority.

Mr. De Carlo responded "yes," and added that some members of the Legislature also questioned some of the Lease terms.

Mr. Mair moved to approve the recommendation of the General Counsel and adopt the resolution. Mr. Headlee seconded the motion which was voted on and passed unanimously.

Trustee Lewis returned to the meeting at this time.

Mr. O'Dowd stated that there was another issue relating to the construction contract on Classroom Office Building No. 2 which Mr. De Carlo would present to the Board.

Mr. De Carlo informed the Board that at the September 28, 1978 meeting the Trustees raised the question about funding for this project and inquired about protection for the university if funds were not available from the State. It was suggested that a termination provision should be inserted in the contract in the event that State funding ceased. A provision was drafted by the university and inserted in the contract. The provision was called to the attention of Etkin, Johnson & Korb, the construction firm, by the university engineer when the contract was signed. The contract was signed by the contractor a few days prior to the bid expiration date. Subsequently, the contractor called Mr. Coffman and expressed concern about the clause and requested that it be amended or stricken from the contract. The contractor also submitted an alternative termination clause guaranteeing the firm a "10 percent" profit. Mr. De Carlo stated that he is of the opinion that the university has a binding agreement which carries out the Board's intentions. In addition, the contractor's request raises some legal issues which would require a careful analysis.

In view of these facts, Mr. De Carlo stated that it would be inappropriate for him to review this matter without Board approval.

Mr. O'Dowd asked if the clause was ordinarily included in contracts between State agencies and universities to which Mr. De Carlo responded, "No."

Mr. Kenneth Coffman, Vice President for Campus and Student Affairs, stated that the standard A.I.A. termination clause was in the contract which provides that the contractor may recover from the owners payment for all work completed and for any proven loss, including reasonable profit and damages. The additional clause which Oakland inserted provided for termination on the institution's part should the State cease funding before the building is completed. Mr. Coffman stated that the contractor is responding to this additional clause since it does not protect their interest. In his opinion the contractor went further than the university would wish by inserting a 10 percent recovery feature. Mr. Coffman recommended that approval be granted to Mr. De Carlo to review this matter with the contractor to arrive at language that would be mutually agreeable to both parties.

Mr. De Carlo called upon Mr. James Howlett for his comments.

Mr. Howlett stated that the clause only becomes an issue if the State fails to fund the project, at which time an equitable arrangement could be worked out. He said that he did not feel it was necessary to rework the contract at this time in anticipation of a very unlikely circumstance.

Mr. Coffman reminded the Board of the importance of a good working relationship between the contractor and the university and stated that he felt it wise to start out on a friendly basis. He reminded the Board of the contractor's expeditious signing of the contract in order to avoid having the university go through the re-bid process; also during the course of building the project, there will undoubtedly be occasions for other negotiations, and a good working relationship was most important.

Mr. Headlee recommended that Mr. De Carlo review the matter.

Mr. O'Dowd noted that the building is now under way and that the provision was put in at the Board's request and that therefore the university did not have the authority to approve its removal.

Mr. Schwartz said there could be a circumstance in which the State would not be able to fund the completion of the project. For this reason he felt there should be a provision protecting the university. He said he had no objection to discussing this subject with the contractor. He noted, however, that 1979 could be a fiscally difficult year. He was not sure that adding such a clause was totally unrealistic. He said perhaps Oakland was the first



university to have such protection, but might not be the last. Mr. Schwartz said he also agreed with Mr. Coffman that it was important that the contractor and the university start out on the right foot. He expressed the hope that the matter could be resolved without changing the contract.

The Board authorized a review of the contractor's request.

#### Report on North Connector Road

Mr. O'Dowd asked Mr. Coffman to elaborate on the report submitted to the Board members on this subject.

Mr. Coffman stated that on March 28, 1973 the Board of Trustees approved the construction of a new entrance off Adams Road to Meadow Brook Estate to eliminate a traffic hazard. As part of this construction project a new road identified as the North Connector Road was included, but due to lack of funds the road was terminated at the east side of the Festival Grounds. The project cost \$100,000 and was paid for from the Michigan Institutional Road fund. For approximately one and one-half years, Oakland has been working with the State to complete the road in order to provide access between the east and west sides of the campus. Funding is now available from the Michigan Institutional Road program, and Oakland's project is included among those to be completed by the Michigan State Highway Department during the coming year. The cost of the project is estimated at \$270,000. Bids will be taken in February, 1979 with work to begin in the spring. The total project will be handled by the Michigan State Highway Department.

Mr. Coffman presented sketches so that the Board might visualize the project. He also noted it was hoped that when the project was completed, there would be a cushioning of traffic noises which in the past had disturbed audiences at the Music Festival.

Mr. Saltzman inquired if an accoustical consultant had been used.

Mr. Coffman replied that the State Highway Department had provided that service.

Mr. O'Dowd added that another value of the road was for internal accessability.

Approval of Transfer of Funds from the Designated Fund to the Plant Fund for Hamlin Hall

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

That approval be granted to transfer \$148,917.56 from the investment income account in the Designated Fund to the Plant Fund for the purpose of permanently funding the remaining portion of the Hamlin Hall construction project that had been financed through inter-fund borrowing.

Mr. Headlee moved to approve the recommendation which was seconded by Mrs. Adams.

Mr. O'Dowd asked Mr. Robert Swanson, Vice President for Business Affairs, to comment on this recommendation.

Mr. Swanson noted that approximately \$344,000 was financed through inter-fund borrowing at the time of construction of Hamlin Hall since there was a limit of \$3 million available through HUD at 3 percent interest. Mr. Swanson stated that the recommendation, if implemented, would retire the inter-fund borrowing for Hamlin Hall.

The motion was voted on and passed unanimously.

Approval of Allocation of Funds for Acquisition of Instructional Equipment

Mr. O'Dowd stated that due to limited general fund budgets of some past years, instructional equipment needs in the academic area exceeded the university's funding ability. Therefore, he requested Board approval of the following recommendation:

That approval be granted to allocate \$100,000 from the proceeds of the sale of the university owned property, located on the corner of Walton Boulevard and Adams Road, for the purchase of instructional equipment during 1978-79.

Mr. O'Dowd stated he believed this to be a priority item and asked Mr. Obear to expand on this request.

Mr. Obear noted that the last seven or eight years at the university had been "lean" budget periods for equipment purchases. Expansion of university instructional resources and changing technology were contributing factors in making equipment outmoded.



Mr. Schwartz stated that while he was in favor of this item, it bothered him "conceptually" that proceeds from the sale of land were to be used for a "wasting" asset. He said he wished the university were in a position to use the proceeds from the sale in a more creative and lasting manner rather than for equipment which in a number of years would be obsolete or used up. He added that he realized the university desperately needed the equipment.

Mr. O'Dowd stated that he placed the instructional equipment needs at the top of his priority list.

Mrs. Adams moved to approve the recommendation which was seconded by Mr. Mair.

Mr. Saltzman inquired if the university provided a reserve fund for the replacement of obsolete equipment.

Mr. Swanson stated that the State made no provision for such a fund.

The motion was voted on and approved unanimously.

The meeting was adjourned at 8:40 p.m.

Approved,

John De Carlo, Secretary  
Board of Trustees

David B. Lewis, Chairman  
Board of Trustees

Date \_\_\_\_\_

JDeC/mp