

Minutes of the Meeting
of the
Oakland University Board of Trustees
November 16, 1988

Present: Chairman Patricia Hartmann, Trustees Larry Chunovich, Phyllis Law Googasian, David Handleman, Ken Morris, Stephan Sharf, James A. Sharp, Jr., and Howard Sims

Chairman Hartmann called the meeting to order at 5:12 p.m. in the Varner Recital Hall.

Approval of the Minutes of the Meeting of October 12, 1988

Trustee Sims, seconded by Trustee Handleman, moved approval of the minutes of the meeting of October 12, 1988. The motion was unanimously carried.

Recommendation to Accept Gifts and Grants to Oakland University for the period of September 1, 1988, through September 30, 1988

Mr. David Rodwell, Vice President for External Affairs, stated that the gifts and grants to Oakland University for the period of September 1, 1988, through September 30, 1988, totaled \$763,078.50.

Trustee Chunovich, seconded by Trustee Morris, moved acceptance of the gifts and grants with gratitude. The motion was unanimously carried.

Information Report on Gifts and Grants to the Oakland University Foundation for the period of September 1, 1988, through September 30, 1988

Mr. Robert Swanson, Vice President for Developmental Affairs, stated that the gifts and grants to the Oakland University Foundation for the period of September 1, 1988, through September 30, 1988, totaled \$39,956.15.

Trustee Handleman, seconded by Trustee Morris, moved acceptance of the information report. The motion was unanimously carried.

Mr. Swanson added that the President's Club membership is 1,028 and has increased by 127 members in the past year.

Chairman Hartmann stated that the growth of the President's Club was very commendable, and that the Club provides valuable support to the University.

Presentation of Audited Financial Statements for the Fiscal Year
Ended June 30, 1988

Mr. Robert McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, stated that Arthur Andersen & Co. representatives have met with the Finance and Personnel Committee to discuss the audited financial statements in detail. Mr. McGarry called on Mr. Jeff Bergeron, the managing partner, to make a few comments and answer any questions the Trustees may have regarding the statements.

Mr. Bergeron stated the annual audit has been completed for the year ended June 30, 1988. Arthur Andersen & Co. has submitted three separate financial statements to the Board which his firm has rendered "unqualified" opinions. Mr. Bergeron stated that he has met with the Finance and Personnel Committee to discuss the scope of the audit and to make some recommendations to the administration. He stated that the result of the meeting was favorable as was the audit. He welcomed questions from the Board.

Trustee Hartmann asked Mr. John De Carlo, Secretary to the Board of Trustees, Vice President for Governmental Affairs and General Counsel, to read the related recommendation to the Board.

Mr. De Carlo read the following recommendation:

RESOLVED, that the Board of Trustees accepts the following 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, 1988 and 1987 together with Auditors' Report,
2. Oakland University Financial Statement and Supplementary Information as of June 30, 1988 and 1987 together with Auditors' Report,
3. Oakland University Residences and Other Facilities with Pledged Income Financial Statement and Supplementary Information as of June 30, 1988, together with Auditors' Report. (Prepared at request of trust agent for residence halls debt issues.)

Trustee Morris, seconded by Trustee Chunovich, moved approval of the recommendation. The motion was unanimously carried.

Endowment Fund Asset Allocation and Expenditure Policy

Mr. McGarry stated that on July 13, 1988, the Board of Trustees authorized the University to place its endowment funds with The Common Fund for investment management purposes. At this time, the University must advise The Common Fund of its preferred asset allocation mix. Mr. McGarry stated that the administration recommends a sixty percent equity and forty percent fixed income security mix. This is one of the more typical and conservative mixes used by Common Fund participants.

Mr. McGarry added that the University must also adopt a spending policy that allocates endowment fund earnings in a reasonable and balanced manner between current spending and reinvestment for future income and the protection of the fund corpus. A conservative and generally utilized approach in higher education is a five percent spending rule.

Mr. McGarry then made the following recommendation:

RESOLVED, that Oakland University maintain an endowment fund asset allocation mix with The Common Fund of sixty percent South Africa Free Equities and forty percent fixed income securities, and be it further

RESOLVED, that the Oakland University endowment fund expenditures shall be at an annual rate of five percent based upon the twelve quarter moving average of the fund's value at the beginning of each quarter and that all earnings in excess of expenditures shall be reinvested in the corpus of the fund.

Trustee Morris, seconded by Trustee Sharf, moved approval of the recommendation.

Trustee Sims requested a "one-minute explanation of The Common Fund's hedging strategy."

Mr. McGarry stated that the University's portfolio will not vary from a 60/40 asset allocation mix unless the Board takes action to change the ratio. He added that The Common Fund's method to protect against "market swing situations" is its Strategic Asset Allocation Program which deals in futures. When the Fund sees that it is necessary to act, it does not change the portfolio, rather it sells futures. This is its "hedge" to protect the portfolio and has been a very successful tactic. A test was done over an 18-year period and the Strategic Asset Allocation Program

was as successful or more so than normal investment theories in all but three years. In October, 1987, The Common Fund gained 10 percent through this program.

Trustee Sims stated that he was pleased with this response. The motion was voted on and unanimously carried.

Faculty Personnel Actions

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

Appointment

Abbasi, Ali A., Clinical Associate Professor of Health Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Arends, Joseph A., Clinical Assistant Professor of Exercise Science, effective August 15, 1988, through August 14, 1990 (renewal)

Assenzo, Joseph, Adjunct Professor of Mathematical Sciences, effective August 15, 1988, through August 14, 1993 (renewal)

Babcock, Allen L., Clinical Assistant Professor of Physical Therapy, effective August 15, 1988, through August 14, 1990 (renewal)

Back, William R., Clinical Associate Professor of Exercise Science, effective August 15, 1988, through August 14, 1990 (renewal)

Belen, Jack E., Clinical Assistant Professor of Physical Therapy, effective August 15, 1988, through August 14, 1990 (renewal)

Bleil, Carl E., Adjunct Professor of Physics, effective August 15, 1988, through August 14, 1993 (renewal)

Block, Duane L., Consulting Professor of Health Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Boutros, Henry D., Clinical Instructor in Physical Therapy, effective August 15, 1988, through August 14, 1990 (new appointment to an honorary position)

Cahalan, Barbara J., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Chapin, Ellen M., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (new appointment to an honorary position)

Connellan, William W., Adjunct Associate Professor of Journalism, effective August 15, 1988, through August 14, 1993 (renewal)

Cribbs, Michael D., Clinical Instructor in Exercise Science, effective August 15, 1988, through August 14, 1990 (renewal)

Cullen, John P., Consulting Professor of Health Sciences, effective August 15, 1988, through August 14, 1990 (new appointment to an honorary position)

Cummings, Dorothy, Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

DeSole, Daniel E., Clinical Professor of Health Behavioral Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Dorando, A. Charles, Clinical Professor of Physical Therapy, effective August 15, 1988, through August 14, 1990 (renewal)

Doshi, Nitin C., Clinical Assistant Professor of Health Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Helpern, Joseph A., Adjunct Assistant Professor of Medical Physics, effective August 15, 1988, through August 14, 1993 (new appointment to an honorary position)

Joh, Michael M., Clinical Assistant Professor of Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Kantrowitz, Adrian, Adjunct Professor of Physics, effective August 15, 1988, through August 14, 1993 (renewal)

Levin, Murray B., Clinical Professor of Exercise Science, effective August 15, 1988, through August 14, 1990 (renewal)

Libcke, John H., Clinical Associate Professor of Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Maibauer, Frederick P., Clinical Assistant Professor of Physical Therapy, effective August 15, 1988, through August 14, 1990 (renewal)

McDonald, Gary C., Adjunct Professor of Mathematical Sciences, effective August 15, 1988, through August 14, 1993 (renewal)

Moylan, Edward F., Adjunct Professor of Mathematical Sciences, effective August 15, 1988, through August 14, 1993 (renewal)

Nestor, Robert C., Clinical Assistant Professor of Exercise Science, effective August 15, 1988, through August 14, 1990 (renewal)

Pak, Moon J., Clinical Professor of Health Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Pfeifer, John R., Clinical Professor of Health Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Pollard, Richard J., Clinical Associate Professor of Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Prasad, Rajendra, Clinical Associate Professor of Exercise Science, effective August 15, 1988, through August 14, 1990 (renewal)

Schomaker, Thomas E., Clinical Assistant Professor of Exercise Science, effective August 15, 1988, through August 14, 1990 (renewal)

Shalhoub, Carolyn A., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Shumaker, Bryan P., Adjunct Professor of Physics, effective August 15, 1988, through August 14, 1990 (renewal)

Smith, Dorothy J., Clinical Instructor in Physical Therapy, effective August 15, 1988, through August 14, 1990 (renewal)

Tersigni, Anthony R., Clinical Assistant Professor of Health Behavioral Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Weimer, Robert V., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Weiss, Philip, Adjunct Professor of Chemistry, effective August 15, 1988, through August 14, 1993 (renewal)

Wells, James R., Adjunct Professor of Biological Sciences, effective August 15, 1988, through August 14, 1993 (renewal)

Ylvisaker, John R., Clinical Professor of Health Sciences, effective August 15, 1988, through August 14, 1990 (renewal)

Leave of Absence

Schwartz, Roberta C., Associate Professor of Journalism, from January 2, 1989, through April 26, 1989 (with half pay)

Trustee Handleman, seconded by Trustee Morris, moved approval of the recommendation. The motion was unanimously carried.

Recommendation on Conferral of Emeritus Faculty Rank

Mr. Kleckner stated that the administration is recommending a change in a policy regarding emeritus faculty rank approved by the Board of Trustees in 1981. At that time, the emeritus faculty rank was first established at Oakland University. The rank connoted both length of service and distinguished accomplishment. A few years ago, the faculty began reviewing Oakland's policy and other universities' policies, and the prevailing practice across the country was to consider emeritus rank based purely on length of service. The average length of service for consideration of this rank is 15 years.

Trustee Sims stated that the University Affairs Committee reviewed this item, and he moved that the Board approve the recommendation as follows:

RESOLVED, that the Oakland University Board of Trustees establishes the rank of emeritus (or emerita) professor to honor, upon retirement, faculty members who have made long-term contributions to Oakland and to encourage a continuing relationship with the University. Eligibility for emeritus(a) rank shall be governed by the following conditions:

1. To be eligible for nomination to this rank, the faculty member must be tenured at the time of retirement and have had continuous honorable full-time service as a member of the faculty for at least fifteen years prior to retirement; those whose initial appointments were at the level of associate professor or professor must have been tenured at Oakland University for at least 10 years.

2. In exceptional and rare circumstances, and for demonstrated good cause, emeritus(a) title and status may be awarded to a tenured faculty member who resigns (as distinct from retires) his or her appointment for purposes of accepting academic appointment elsewhere, or for other honorable purposes. The case for such exceptional award must be documented powerfully by the nominating academic unit and be found persuasive by the President and the Board of Trustees.

3. Nomination is to be initiated by the eligible retiree's primary academic unit under procedures established by the academic unit itself.

4. In the event an academic unit fails to nominate an eligible retiree within one year from the announcement of intent to retire, the dean may request a recommendation from the faculty or hear an appeal by the retiree and may then elect to put forth a nomination.

5. A professor emeritus(a) shall:

a. Be listed in the appropriate University catalog if he or she so wishes,

b. Be listed in the University telephone directory if residence in the nearby area is maintained and if he or she so wishes,

c. Receive a proper identification card indicating the emeritus(a) title and status,

d. Be invited to attend all University ceremonies, processions, commencements, and convocations,

e. Have the right to attend meetings open to the faculty but without the right of vote on any matter, unless specifically so empowered,

f. Enjoy such additional rights and privileges as Oakland may from time-to-time determine;

and, be it further

RESOLVED, that, notwithstanding the above provisions, the granting of the rank of professor emeritus(a) is totally within the discretion of the Board of Trustees; and, be it further

RESOLVED, that this action supersedes the Board of Trustees' action of April 15, 1981, on this subject.

Trustee Handleman seconded the motion which was voted on and unanimously carried.

Recommendation on Conferral of Distinguished Professor Rank

Mr. Kleckner stated that the conferral of distinguished professor rank issue is a companion to the recommendation on the conferral of emeritus faculty rank. This recommendation covers the matter of distinguished professor rank either for faculty in active service or those who have retired. This issue has been reviewed by the faculty Senate and there is no previous Board action which would affect the criteria for this rank.

Trustee Sims moved the following recommendation:

RESOLVED, that at its sole discretion and upon recommendation of the President and Provost, the Board of Trustees may appoint individuals to the rank of distinguished professor for the duration of the individual's active service at Oakland, except for removal for cause, or distinguished professor emeritus(a); and, be it further

RESOLVED, that the appointment of individuals to distinguished professorships will be based on the criteria for professorships set forth in the document Oakland University Tenure and Promotion Statement, May, 1984, and, in addition, the rigorous application of one or more of the following criteria:

1. Preeminence in Scholarship. Distinction as a scholar, a researcher, an artist, a performer or in some other role that advances learning or enriches the arts. Pertinent evidence will include publications, performances or exhibitions, evaluations by leaders in the field, awards conferred by or office in professional organizations, lectureships or visiting professorships, participation in professional symposia and meetings, memberships in honorary academic and professional organizations.

2. Preeminence in Teaching. Outstanding performance in the classroom; exceptional contributions to the advancement of teaching through such activities as the writing of texts and monographs; the development of courses, laboratories, short courses or other formats of instruction; the development of innovative approaches to the teaching/learning process; and continual concern for the intellectual growth of students by setting high standards, promoting academic excellence, and maintaining thorough and rigorous systems of evaluation. Evidence of accomplishment shall include published materials, evaluations by recognized leaders in the field, teaching excellence awards, widespread adoption of published instructional materials by other institutions, and an office in academic and professional organizations dedicated to the advancement of teaching.

3. Preeminence in Public or Professional Service. Prominence in public or professional service supportive of university programs and missions and accomplishments which have had a substantial and positive effect on external perceptions of the university. Pertinent evidence will include evaluations by recognized civic, corporate, academic or other leaders in the field(s) in which service is performed, elective or appointive offices held, contributions to the organizational work of academic professional associations and societies at all levels and to activities which extend the university's scholarly and instructional capabilities into external agencies and communities, and honors and awards received for meritorious service.

Trustee Googasian seconded the motion which was voted on and unanimously carried.

Other Items

President Joseph E. Champagne stated that the Board of Trustees meeting was held at the Varner Recital Hall in order to provide the Trustees with the opportunity to see the institution's facilities and the condition of the buildings. After the open meeting adjourns, the Trustees will be given a tour of Varner Hall, and more specifically the Studio Theatre and the new computer labs for the School of Business Administration.

Authorization for Closed Board Session

President Champagne stated that he requested a closed meeting to discuss the legal opinion of counsel on pending litigation, as well as for his personnel evaluation. Section 8 of the Open Meetings Act provides that a public body may meet in a closed session for these purposes.

Trustee Handleman, seconded by Trustee Morris, moved that a closed session be approved.

Mr. De Carlo called a roll call vote for approval of the closed session:

Larry Chunovich	<u>yes</u>
Phyllis Law Googasian	<u>yes</u>
David Handleman	<u>yes</u>
Patricia Hartmann	<u>yes</u>
Ken Morris	<u>yes</u>
Stephan Sharf	<u>yes</u>
James A. Sharp, Jr.	<u>yes</u>
Howard F. Sims	<u>yes</u>

The motion was unanimously approved.

Trustee Sharp, seconded by Trustee Chunovich, moved to recess the meeting until after the closed session. The motion was unanimously carried. The meeting was recessed at 5:29 p.m.

The regular meeting of the Board of Trustees reconvened at 6:54 p.m.

Mr. De Carlo requested that the Board ratify certain emergency actions taken by the General Counsel's office for the purpose of preserving the University's interests in computer equipment. The General Counsel's office filed a suit against Computer Repair Corporation (CRC) for the return of computer equipment which the corporation has held for repair purposes but failed to return. This emergency action was taken in order to preserve the

University's right to its property and to avoid complications in the event that CRC was involved in any litigation.

Trustee Morris, seconded by Trustee Sharp, moved ratification of the lawsuit. The motion was unanimously carried.

Mr. De Carlo stated that in March, 1988, the United States Environmental Protection Agency (EPA) filed a complaint against Oakland University alleging that the University had not conducted inspections of its PCB transformers as frequently as required, that it had not maintained adequate records since recording requirements were established in 1978, that it had failed to correct transformer leaks in a prompt fashion, that transformer rooms contained materials not permitted by the regulations, and that three PCB transformers that were in storage had not been disposed of as required. The EPA proposed to fine Oakland University \$31,500.

The University has conducted an investigation which indicates that there were technical violations of a number of provisions of the Environmental Protection Act. However, no significant damage to the environment occurred, and the University's performance in this area has substantially improved. The University has removed most of the PCB transformers, and there has been implementation of a computerized work record control system to ensure periodic inspections.

Mr. De Carlo stated that only two or three PCB transformers remain, and these are located in the Kresge Library. They are scheduled to be removed in connection with the Library expansion project.

The EPA has informally agreed to reduce its penalty assessment to \$12,500 due to the University's cooperation and corrective action, and in recognition of its fiscal situation.

Mr. De Carlo recommended that subject to a formal agreement by the EPA, the Board should approve the settlement of the EPA claim in the amount of \$12,500.

Trustee Morris, seconded by Trustee Sharf, moved to ratify the recommendation. The motion was unanimously carried.

Trustee Morris stated that during the closed session the evaluation of the performance of President Joseph E. Champagne has been brought to conclusion. The Board has unanimously concurred that President Champagne has done an excellent job at the University.

Trustee Morris stated that the Board has recommended, in its closed session, a seven percent increase in salary for the President to be retroactive to July 1, 1988. This increase will place the President's salary in the general range of other Michigan presidents of public institutions of higher education, though some are considerably higher. The Board is of the opinion that its recommendation is appropriate at this time.

Trustee Sharp, seconded by Trustee Googasian, moved to approve the recommendation that President Joseph E. Champagne receive a seven percent salary increase retroactive to July 1, 1988. The motion was voted on and unanimously carried.

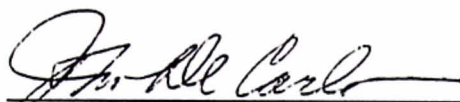
Trustee Hartmann commended President Champagne for doing a fine job for Oakland University.

There being no further items for discussion, Trustee Morris, seconded by Trustee Sharp, moved adjournment of the meeting. The motion was unanimously carried.

The meeting was adjourned at 7:05 p.m.

Submitted,

Approved,


John De Carlo, Secretary
Board of Trustees

Patricia Hartmann, Chairman
Board of Trustees