Minutes of the Special Meeting
of the
Oakland University
Board of Trustees
October 2, 1984

The meeting was called to order at 2:40 p.m. by Chairman Ken Morris in Lounge II of the Oakland Center.

Present: Trustees Donald Bemis, Phyllis Law Googasian, David Handleman, Patricia Hartmann, Ken Morris, and Wallace Riley

Absent: Trustees Alex Mair and Howard Sims

Prior to presenting the agenda, Chairman Ken Morris extended the Board's welcome to the newly appointed Trustees, Donald L. Bemis and Phyllis Law Googasian.

Chairman Morris stated that the agenda would be as follows:.

1. Approval of minutes of August 8, 1984

2. Consideration of resolution on "Voter's Choice" constitutional initiative

3. Approval of proposed agreement with Detroit Symphony Orchestra, Inc., regarding performances at the Meadow Brook Music Festival

Approval of Minutes of August 8, 1984

Chairman Morris asked if there were any comments on the minutes as presented.

Mrs. Hartmann moved approval of the August 8, 1984 minutes. Mr. Handleman seconded the motion which was voted on and approved by all of the Trustees present.

Mr. Riley asked if any action needed to be taken on the August 8, 1984 agenda items that were passed when a quorum was no longer present at the meeting.

Mr. John De Carlo, Secretary to the Board of Trustees stated that ratification for those items would be requested at the next regularly scheduled Board meeting on October 17, 1984.

Consideration of resolution on "Voter's Choice" constitutional initiative

Chairman Morris called upon Mr. John De Carlo to open the discussion with some background information on Proposal C.

Mr. De Carlo stated that the proposed amendment would require a popular vote on the adoption of any new tax or any legislative change in the base or rate of a State or local tax that would increase its yield. This provision would be effective retroactive to December 31, 1981. Any tax increase passed since that date would remain in effect for ninety (90) days following the adoption of the amendment and could be continued only with voter approval.

The amendment also requires a popular vote or a 4/5 approval by a legislative body for the adoption of any new fee, license, user fee or permit or for any legislative change that would increase the yield from any such source in State or local government. This provision would also be effective retroactive to December 31, 1981 and any increase adopted since that date would remain in effect for ninety (90) days following the adoption of the amendment and could be continued only with voter approval or a 4/5 legislative body majority for all such actions not adopted by a 4/5 vote initially. In addition, the amendment prohibits a local non-resident income tax rate of more than 0.5%.

Mr. De Carlo stated that the full text of the amendment is in the agenda material provided the Trustees.

Mr. De Carlo added that the University has been advised by a variety of sources including the State of Michigan Department of Management and Budget that the Voter's Choice Proposal would reduce State revenues by approximately $1 billion. (An additional $600 million in unemployment taxes may also be subject to the provisions of the amendment.) Local units of government may also have their revenue base reduced and this would have an impact on the cities of Detroit and Highland Park, community colleges and school districts.

In discussions with the Department of Management and Budget, the institution has been informally advised that current projections indicate that the appropriations for State agencies, including colleges and universities, would not increase but rather, college and university revenue would be reduced by approximately 7 to 8% of the current level.

It should also be noted that the amendment is not clear with respect to its application to other revenue sources approved by constitutional bodies such as State college and university boards. There is a body of opinion that contends that the limitation on fees and user fees would include tuition and fee charges at colleges and universities. The attorneys from the State colleges and universities have reviewed the proposed amendment and it is their general conclusion that this assumption lacks merit since the amendment is not specific with reference to colleges and universities and speaks in terms of "the legislature" and "political subdivisions", which terms would not appear to include colleges and universities. A note of caution should be added in this regard, however, since no one can predict whether litigation may be brought against the colleges and universities with respect to tuition and other fees. In addition, one cannot predict the outcome of a judicial decision. The language is vague enough to at least provide some basis for contending that colleges and universities are included since the Board of Trustees does possess "legislative" powers which permit it to pass "laws" relating to the university. (As a matter of interest, Wayne State University has adopted the practice of referring to its actions as "statutes".)

There is also the general contention that the constitutional status of colleges and universities elevates the governing bodies of these institutions to the same position as the legislature and the executive branch of government. One could argue that a logical reading of the amendment that requires a 4/5 affirmative vote of the "responsible legislative body" for the approval of any increase and, in the absence of that action, approval by "a majority of the qualified electors voting on the question" would imply that the intent of this provision was not to include colleges and universities, but only generally recognized legislative bodies. This position is being challenged by those who state that the colleges and universities are legislative bodies and are acting as the State with respect to education. On this basis, they contend that fees should be subject to the actions of electors if they become excessive.

Mr. De Carlo drew the Board's attention to Attachment E which sets forth the action taken on Proposal C by the governing boards of Wayne State University, Michigan State University and Ferris State College. He also noted an article in the "University of Michigan Record" which stated that the Regents adopted a resolution in opposition to Proposal C.

According to the Department of Management and Budget, passage of the proposed amendment would result in a reduction in University revenue of 7 to 8%, or approximately $1.8 million.

Mr. Riley asked if the reduction would be "across the board" to State universities or if the funds available would be reduced $1.8 million before apportionment is made.

Mr. De Carlo answered that the intent is not to reduce funds to Oakland University more or less than to any other institution. The state could cut Oakland and other colleges and universities more or less than other State agencies. The present projected reduction in funding will be "across the board". If the proposal passes there could be some changes in the reduction to an agency, such as Social Services, based on emergency needs.

Mr. Bemis asked President Champagne how he would reduce his budget if there was a 7% reduction in funding.

President Joseph E. Champagne stated that if the cut occurred during the current fiscal year with the present budget that has been adopted, which encompasses a $525,000 deficit, Oakland would have a $2.5 million deficit. The University would definitely be faced with a cash flow problem and entire programs would have to be eliminated. He added that he did not wish to speculate on the areas which may be involved since this would result in severe employee morale problems.

Mr. Handleman stated that if funds were borrowed to cover the loss, interest payments would compound the University's fiscal problem.

President Champagne responded that the University would be forced to raise tuition significantly; however, other steps would also have to be taken in order to try to prevent serious cash flow problems.

Mr. Handleman asked if it would be possible to raise tuition.

President Champagne stated that if Proposal C were applicable to the University, it would be possible to raise tuition with a 4/5 affirmative vote of the Board of Trustees.

Mr. Bemis asked how the University would withstand a $1.8 million decrease in revenue without increasing tuition.

President Champagne stated that due to contractual commitments with all employee groups and due to the fact that approximately 78% of Oakland's budget is made up of salaries and employee compensation items, it would be impossible for the University to immediately reduce fund requirements by almost $2 million. The University would simply have to go into a deficit position. It would be impossible to eliminate enough employees to make up the difference. Since 1980 some of Oakland's programs have been reduced due to the economic conditions in Michigan, but the passage of Proposal C would require Oakland to "surgically amputate" entire blocks of programs.

Chairman Morris stated that the issue under discussion was initially scheduled for the next Board meeting to be held October 17, 1984. However, he felt that waiting until that date would have weakened the impact of the Board's decision on any action to be taken regarding Proposal C. This proposal is sufficiently serious, for Oakland University and higher education in general, to warrant asking what the role of the Board of Trustees is in such a matter. Mr. Morris stated that he believes that the role of the Board is to protect Oakland University and higher education in general, and that the Board must take a position on the question. Mr. Morris expressed personal opposition to Proposal C and stated that it is his opinion the passage of the proposal would harm this institution and higher education in general. Mr. Morris stated that the duty of Oakland is to educate as many people as possible on this subject. If Oakland's Board is dedicated to this premise, it is incumbent upon it to take a position on Proposal C.

Mr. Morris added that passage of Proposal C would also have an effect on Michigan's unemployment compensation system, which would result in an additional cost to Oakland. In 1982 a solvency tax was enacted to defray a large debt of the unemployment system to the federal government. This tax has begun to solve the debt position of the unemployment system. Passage of Proposal C would undermine the tax and cause chaos for employers. It would provide some extremely serious consequences to the business community and to this State. A strong education system is important in order to attract business into the State. He stated that it is imperative that this Board take a position of opposition to Proposal C.

Mr. Morris cited an editorial from the Detroit Free Press which stated that passage of Proposal C would eliminate representative government by allowing legislators to pass all tax issues on to the people for vote. Mr. Morris stated his opposition to the proposed amendment in order to save our system of representative government as we know it.

Mr. Bemis stated that, if Proposal C is passed, this University faces a potential loss of about $2 million in revenue. The Board of Trustees has an obligation to inform its constituents of this fact through an aggressive information campaign. Mr. Bemis said that he supports the proposed resolution provided to the Board.

Mr. Riley stated that he believes the Board should definitely take a position and let the people know the potential impact of the amendment on the University. Mr. Riley then asked who wrote the resolution included in the agenda material.

Mr. De Carlo stated that he drafted the resolution based upon discussions held with various individuals, including Chairman Morris. The resolution is a "point of departure" for the Board to work from in developing its position.

Mr. Riley stated that he believes the resolution is too broad and goes beyond an educational program. He said he does not believe the Oakland University Board of Trustees should take a position on what is going to happen to other units of government, and this Board should be concerned with what is going to happen to Oakland University. Mr. Riley added that he would like to see the Board "come on strong" but with its efforts limited to education.

President Champagne commented that past experience has shown that when the State incurs revenue problems, education is the first to be cut. He added that he is not optimistic about the cut that will be made in education and believes it will most likely be more than the projected 7 to 8%. One reason is that the State has certain fixed costs and emergency programs that cannot be changed. Funding for education can be adjusted in the minds of some people.

Mr. De Carlo explained that the reason for referring to other units of government in the resolution is that if they are impacted by the proposal in question, the students being prepared to enter Oakland University will be affected. School districts and community colleges will also be affected by the proposal.

Mr. Handleman stated his belief that the Board of Trustees has an obligation to the entire community and should include other institutions in the declaration of the Board's position.

Mrs. Googasian said she does not wish the Board to take a position on Proposal C which is only concerned with Oakland University. She expressed a concern for other units of government and educational institutions.

Mr. Handleman added that passage of Proposal C would affect all institutions of higher education and not just Oakland.

Mr. Morris stated that he is in favor of the resolution as presented with possibly a few small changes. He recommended approval of the resolution's concept subject to ratification by the Board of any changes that may be made by President Champagne and Mr. De Carlo who would more clearly define the Board's position based on the discussion at this meeting.

President Champagne stated that because of the sensitive nature of this resolution, he would feel much more comfortable having the recommendation passed today in order to have a clear understanding of the Board's desires.

Mrs. Googasian said she does not see anywhere in the resolution that this Board urges the voters to reject Proposal C. She stated she would like to make it clear that the Board opposes Proposal C.

President Champagne reminded the Board that it has the right and the authority to include a statement of opposition in the resolution. The question arises in relation to the expenditure of funds on the activities of the institution. It is hoped the University will conduct an information campaign. The resolution is broad in relation to the impact the amendment will have on this institution. Funds can be legally spent on any ballot issue that has significant impact on this institution. However, if a campaign goes beyond being purely informational, it is subject to various federal and State restrictions and limitations. President Champagne stated that he believes it prudent to limit Oakland's campaign to information and education.

Mrs. Hartmann asked how the governing bodies of other universities could urge voters to oppose Proposal C.

President Champagne stated that it could be done through a press release in the form of a statement of opinion. He further stated that he would suggest the undertaking of a campaign of educating the public to the impact and effect of Proposal C rather than one of urging the voters to vote "no" on the amendment. The President's Council has distributed a publication for universities to use in their efforts toward making the public aware of the ramifications of Proposal C. The publication does not tell the voters to vote "no", but sets forth the opinions of certain individuals and explains the consequences of the proposal.

Mr. Morris stated that he believes the Board should notify the press that it voted "no" on Proposal C, and then deal separately with formulating an informational campaign and disseminating it to the public.

President Champagne added that a press release could be issued that states the Board of Trustees urged a "no" vote on Proposal C, and then the University could begin to distribute information about Proposal C's ramifications.

Mr. Riley questioned the term "other governmental entities" on page 8 of the resolution.

Mr. Morris explained that the term refers to counties and all other organizations that make decisions on fees, licenses, etc.

President Champagne added that the resolution was written to "umbrella" the full impact of Proposal C on all government agencies because of the inter-relationship between such agencies and the people served by those agencies.

Mr. Riley then asked where the money will come from to prepare and disperse the desired information to the public.

President Champagne replied that investment income from pension reserves and other funds would be used for this purpose.

Mr. De Carlo added that investment income is State money, but State funds can be legally spent for an educational campaign on a matter that will have an impact on the University. It is believed that gift funds should not be spent for this campaign since some contributors may object to this purpose.

Mr. Handleman asked for an estimate of how much money is projected for the information program.

President Champagne estimated the cost incurred would be a few thousand dollars.

President Champagne suggested the addition of a paragraph to the resolution which would state the Board's opposition to Proposal C.

Mr. Morris agreed.

Mrs. Googasian called the Board's attention to the last page of Attachment E which sets forth the Ferris State College Board of Control's strong opposition to the content and concept of the Voter's Choice proposal. She suggested using similar wording in Oakland's resolution, with the addition of a reference to the adverse effects of the amendment.

President Champagne asked the Board to consider the following addition to the resolution in question:

> RESOLVED, That the Board of Trustees expresses its strong opposition to Proposal C and urges voters to reject Proposal C because of its potentially adverse effects on Oakland University

Chairman Morris moved for a vote by the Board on the resolution under consideration with the inclusion of the suggested additional paragraph. Mr. Handleman seconded the motion on the following resolution:

WHEREAS, the proposed amendment to Article IX, Sections 1 and 2, of the Michigan Constitution known as "Proposal C" would amend the Constitution to require a popular vote on the adoption of any new tax or legislative change in the base or rate of a State or local tax and,

WHEREAS, Proposal C would also require a popular vote or 4/5 approval by a legislative body for adoption of any new fee, license, user fee or permit or for any legislative change that would increase the yield from any such source in State or local government and,

WHEREAS, the effective date of these proposals is retroactive to December 31, 1981 and since that date there have been many appropriately enacted tax and fee provisions and,

WHEREAS, the rescinding of these provisions may not be realistically feasible and may be fiscally irresponsible due to legal and contracted commitments, and

WHEREAS, the University has been advised by the Michigan State Department of Management and Budget and from other sources that the proposed amendments would reduce state revenue by more than $1 billion annually and,

WHEREAS, the Michigan State Department of Management and Budget has advised the University that this would result in a reduction of approximately 7 to 8% of the institution's current appropriations base which, applied to the current year's revenue, would be a loss of approximately $1,867,000; therefore be it

RESOLVED, That the Oakland University Board of Trustees recognizes the right of the electorate to initiate such proposals, but that this body believes that the implementation of this amendment would not be in the best interest of the University or other public educational institutions or governmental entities; and be it further

RESOLVED, That the scope of the referendum provisions of Proposal C are too broad and, in certain areas, unclear, and will unduly restrict necessary governmental functions and result in hardship to students and the citizens of this State; and be it further

RESOLVED, That the Board of Trustees expresses its strong opposition to Proposal C and urges voters to reject Proposal C because of its potentially adverse effects on Oakland University; and be it further

RESOLVED, That the Board of Trustees strongly urges the University community, its alumni and its friends to become fully aware of the provisions of the amendment and its implications on higher education, as well as to other units of government; and be it further

RESOLVED, That the Board of Trustees authorizes and urges the University to undertake an appropriate educational program to inform the University community and the University's constituency of the proposal's provisions and the serious implications and impact on the University.

The motion was voted on and approved by all of the Trustees present.

Mrs. Hartmann asked how the informational campaign would be prepared, what it would consist of and when it would be ready for distribution.

President Champagne said the President's Council is developing a very coordinated approach for the colleges and universities. The Council has prepared a publication which contains a complete explanation of the proposal with appropriate quotations, questions and answers, and facts regarding the likely effects of Proposal C. He suggested distributing this publication, in conjunction with whatever material Oakland generates, to all students, alumni, and parents.

Mr. Riley asked if the materials would all be university oriented.

President Champagne replied that the focus of the publication would be on universities and public schools. It would be a very thorough document.

President Champagne further stated that former Trustee Richard Headlee would be speaking on this subject October 3 at Meadow Brook Hall at a meeting of the Oakland County school superintendents. He invited the Board members to attend if their schedules so allowed.

Approval of proposed agreement with Detroit Symphony Orchestra, Inc., regarding performances at the Meadow Brook Music Festival

President Joseph E. Champagne stated that the Meadow Brook Music Festival's classical program has been operating at a loss for some time. The Festival is approximately 21 years old and it was not until the early 1970's that the variety series was put into place to try to offset the growing losses associated with operating a strictly classical program. Every year the Meadow Brook Festival and Theatre Executive Committee, and a number of other groups, conduct a fund raising campaign to help defray the deficit. This campaign raises a large amount of money in support of the Festival and the Theatre. Losses associated with the classical program for 1984 will approximate $450,000. Approximately 15 % of the total Meadow Brook Theatre and Meadow Brook Music Festival costs need to be raised from outside fund raising sources.

For the past five years Mr. Neville Marriner was the artistic director of the Meadow Brook Music Festival. His contract was to expire in 1985; however, he left in 1984, a year early. Last year the Festival had no artistic director, and the staff put together the classical program for the entire summer.

About two years ago, Mr. Walter J. McCarthy, Jr., Chairman of the Board of the Detroit Symphony Orchestra, approached President Champagne in an effort to improve the relationship with the Detroit Symphony Orchestra and to reduce the losses that each organization suffered in the classical series. While Meadow Brook was raising money through one committee, the Orchestra was raising funds through other committees and both were sustaining losses. Discussions were begun to coordinate these activities to result in a more effective program at Meadow Brook, which is listed as the summer home of the Detroit Symphony Orchestra. This was done this year in the absence of the Symphony's own artistic director because Antal Dorati was not acting as musical director and a new director had not yet been selected. It did not make sense to negotiate an arrangement for the 1984 season whereby the DSO would provide the artistic direction for Meadow Brook on some type of contractual basis when the Orchestra did not have an artistic director. This past year Gunther Herbig was named DSO musical director and conductor. At that point, it made sense to have Mr. Herbig serve as musical director for the DSO and for Meadow Brook, and negotiations were accelerated. After considerable negotiating, an agreement was reached as described in the Memorandum of Understanding distributed to the Board of

Trustees. (A copy of the Memorandum of Understanding is on file in the Office of the Secretary to the Board of Trustees.) The Memorandum of Understanding, which was signed by President Joseph E. Champagne and Oleg Lobanov, President of Detroit Symphony Orchestra, Inc., states that the sixteen classical performances held at Meadow Brook Music Festival in 1985 will be under the artistic direction of Gunther Herbig and the Detroit Symphony Orchestra.

In addition, instead of the spiraling costs that Meadow Brook has had to absorb in the past to purchase the services of the Symphony, ticket revenue and a $275,000 subsidy would be turned over to the Orchestra. This action freezes the potential loss to the University because the Detroit Symphony Orchestra would absorb any financial loss due to declining attendance. The DSO will pay all artist and conductor costs. In 1980, 49,713 people attended the classical concerts at Meadow Brook. This past year 23,578 people attended. In 1980 the losses associated with the classical program at Meadow Brook were $213,000. This year they will approximate $450,000. This trend of growing losses is associated with increased costs for artists and conductors and a declining attendance base, which is a situation not unique to Meadow Brook. On October 10, 1984 Meadow Brook has invited the directors of other similar festival programs to Oakland University to discuss what can be done about declining attendance at summer music festivals. It is hoped some insight into the situation will be gained.

The University's net cost under the new arrangement for 1985 is about $75,000 more than it was this year. The projected total loss under the current arrangement would be about $682,000 for 1985 under the terms requested by the DSO in the 1985 season, which is $175,000 more than the $505,000 loss which will actually be incurred under the new agreement.

It is the firm belief of the Symphony's management that coordination of the summer and winter programs is possible. In fact there are a number of marketing strategies under consideration to increase the level of attendance at the classical programs held at Meadow Brook. There is risk involved for both the Symphony and for Meadow Brook. The University's risk is that costs will be approximately $75,000 more this year than last year. However, this figure represents a much smaller cost increase than would have been incurred under the previous agreement because the Symphony would have requested $200,000 more next year to perform than was charged last year.

It is felt that entering into a new relationship with the Orchestra whereby there is a coordinated twelve month classical season makes far greater sense for everyone.

There is no question that Meadow Brook has operated a good music festival for the last 21 years, but it cannot compete with the programming excellence of a person such as Gunther Herbig. The new arrangement benefits both the Orchestra and the University and caps the spiraling losses of both organizations.

President Champagne stated that there is a certain "delight" in being able to say that the University has artistic control over the classical programs presented at the Meadow Brook Music Festival, but it is important to look at some practical aspects of the situation. He believes that the DSO can do a better job than the University in the selection of classical programs that will attract more people. Under the new agreement, the DSO will bear the cost of soloists, of guest conductors, and of advertising and promotion, all of which have historically been borne by the University.

Mr. Lubonov took the Memorandum of Agreement to his Board and obtained approval just as you, the Oakland University Board, are now being asked for approval. If you approve, a final agreement will need to be negotiated and signed.

There was a press announcement on this matter which was necessary because of the two week time period between the Board meetings of the DSO and of this Board. Both the Detroit Free Press and The Detroit News were carefully watching the negotiations, and it was believed that a formal statement to the press was preferable to speculation on the issue. The press release was put forth with the knowledge that the agreement was subject to the ratification of this Board.

President Champagne recommended the Board's approval of the Memorandum of Understanding and that the Board grant to him the authority to negotiate final and future agreements consistent with the basic provisions of the Memorandum of Understanding.

Mr. Riley asked Mr. Handleman how he was instrumental in arriving at this mutually beneficial arrangement.

President Champagne stated that Mr. Handleman was present at all of the negotiations.

Mr. Bemis asked what date of expiration was incorporated in the agreement.

President Champagne stated that the agreement as it now stands is for the 1985 season. It is expected that the arrangement will continue after 1985 if it is mutually agreeable. It is possible that at some point the agreement may cover a three year period. The DSO plans to invest a considerable sum of money in this project and it is expected that losses next year will be substantial. However, if the outlook is hopeful, a longer agreement is likely to be negotiated.

Mr. Bemis asked for verification that the subsidy to the DSO consists of money generated by fund raising efforts.

President Champagne explained that the subsidy will come from fund raising and from ticket revenue from the pops and variety series. No appropriated or tuition funds will be allocated to the subsidy.

Mr. Bemis asked if investment income would be used as part of the subsidy amount.

President Champagne stated that interest income produced by the cash held by the University from the Meadow Brook Music Festival and Theatre activities, including fund raising, accrues to the University. The Festival also pays an indirect overhead charge to the University.

Mr. Bemis asked what obligation the University would have if fund raising efforts do not match the amount of money needed to pay the subsidy.

President Champagne stated that a deficit may exist next year because this year's deficit was much greater than anticipated. In this event, the Festival may be required to request a loan from the University. If the Board of Trustees so chose, it could approve funds to cover the deficit. In either event, appropriated funds would not be used.

Mr. Riley asked for confirmation that the pops and variety series is separate from the classical program.

President Champagne stated that the pops and variety series is completely separate from the classical programming. The three pops concerts utilizing the DSO cost $25,000 each with the University keeping the ticket revenue. There is about $125,000 net profit on those three concerts.

Mr. Riley asked President Champagne to reconcile the difference between the $275,000 subsidy and the $505,000 loss figure in his report to the Board.

President Champagne stated that under the the old agreement with DSO the University's production expenses for 1985 would be $717,500. This figure consists of $525,000 to the DSO for performing under contract; $26,000 for advertising; and $166,500 for guest conductors, soloists, and related performance costs. From the $717,500 figure, ticket revenue of $275,000 would be deducted making a gross loss of $442,500. Festival overhead is about $240,000 for the season's classical programming. The total net loss would be $682,500.

Under the new agreement the $275,000 subsidy will be paid to the DSO and the University's overhead will be $230,000 for a net loss of $505,000.

Mr. Riley asked Mr. Handleman if it would be possible to schedule twelve classical concerts a season rather than the current 16 and replace part of the classical program with revenue producing pops and variety performances in an effort to reduce losses.

Mr. Handleman replied that such a schedule would be very difficult to arrange for many reasons and would cause a serious problem to the DSO.

President Champagne stated that this year some experimentation was done to generate greater revenue. A musical production of "Oklahoma" was presented which was a program success. The Cleveland Symphony Orchestra was brought in, which was also a financial success.

Mr. Handleman stated that the overall relationship with the DSO is strong and valuable.

Mr. Riley stated that he likes the idea of a ticket package whereby patrons would buy tickets to both winter concerts at Ford Auditorium and to summer concerts at Meadow Brook.

President Champagne stated that the annual budget for the Festival, as in the past, will be reviewed and approved by the Audit and Finance Committee of the Board. He further stated that his reason for bringing this item to the Board at this time is because the management structure is changing and he wished to be sure the Board is in agreement with the change.

Chairman Morris asked for a motion to accept the report and approve the following recommendation presented by President Champagne:

> RESOLVED, That the Board of Trustees grants the authority to President Joseph E. Champagne to negotiate a contract for the 1985 season with Detroit Symphony Orchestra, Inc., and to negotiate future agreements with Detroit Symphony, Inc., in accordance with the general terms and conditions of the Memorandum of Understanding dated September 18, 1984, between Oakland University and Detroit Symphony Orchestra, Inc.

Mrs. Hartmann moved to approve the recommendation. The motion was seconded by Mr. Riley, which was voted on and passed by all of the Trustees present.

Mr. Bemis asked about the parameters in regard to the possible $100,000 increase in subsidy to the DSO referred to in the Memorandum of Understanding.

President Champagne stated that if for some reason, the deficit situation should no longer exist at Meadow Brook, negotiations on the subsidy to the DSO may be reopened. The maximum increase to the DSO would be $100,000. He stated, however, that this is not a likely occurrence.

Mr. Bemis stated that in his opinion point 9 of the Memorandum of Understanding is not clear in regard to whether the reference is to the Meadow Brook Festival or to the University budget.

President Champagne explained that the item refers strictly to the total budget of Meadow Brook Music Festival. This issue will be clarified in the final agreement.

Chairman Morris moved the approval of the resolution as stated. Mr. Handleman seconded the motion which was voted on and passed by all of the Trustees present.

There being no further business, the meeting was adjourned by Chairman Morris at 3:50 p.m.

Approved,

John De Carlo

John De Carlo, Secretary
Board of Trustees

Ken Morris, Chairman
Board of Trustees

Date