Minutes of the Meeting
of the
Oakland University Board of Trustees
April 6, 1995

Present: Chairman David T. Fischer; Trustees David J. Doyle, Ann S. Nicholson, Louis R. Ross, Rex E. Schlaybaugh, Jr., and James A. Sharp, Jr. (Trustee Sharp arrived at the time noted in the minutes.)

Absent: Trustees David Handleman and Howard F. Sims

Chairman David T. Fischer called the meeting to order at 3:05 p.m. in the Gold Rooms of the Oakland Center.

Consent Agenda

Interim President Gary D. Russi presented the following recommendations:

a. Approval of the Minutes of the Meeting of February 2, 1995

b. University Personnel Actions

Promotions

Associate professors with tenure considered for promotion to the rank of professor effective August 15, 1995:

Lizabeth A. Barclay	Management	Promote
Ravindra Khattree	Mathematical Sciences	Promote
Kathleen H. Moore	Chemistry	Promote
Robert M. Schwartz	Reading	Promote
Gary Shepherd	Sociology	Promote
J. Lynne Williams	Medical Laboratory Sciences	Promote

Assistant professor with tenure considered for promotion to the rank of associate professor effective August 15, 1995:

Frances C. Jackson	Nursing	Promote

Assistant professor eligible for early reemployment and promotion with tenure effective August 15, 1995:

Sean F. Moran	History	Promote

New Appointment

Li, Kay Keyu, Assistant Professor of Engineering, effective August 15, 1995

Emeritus Appointments

Hildum, Donald C., Professor Emeritus of Communication and Linguistics, effective August 15, 1995

Johnson, G. Philip, Professor Emeritus of Mathematical Sciences, effective April 6, 1995

Miller, Steven R., Professor Emeritus of Chemistry, effective April 6, 1995

Change of Status

Barnes, Carl F. (Jr.), from Professor of Art History, to Professor of Art History and Acting Chairperson, Department of Art and Art History, effective April 27, 1995, through June 21, 1995

Nesbary, Dale, K., from Instructor in Political Science, to Assistant Professor of Political Science, effective February 1, 1995

Tower, John E., Associate Professor of Management Information Systems, Associate Dean, School of Business Administration, to Interim Dean and Associate Professor of Management Information Systems, School of Business Administration, effective June 5, 1995

Wood, Susan E., from Associate Professor of Art History, to Associate Professor of Art History and Acting Chairperson, Department of Art and Art History, effective June 22, 1995, through August 17, 1995

Leaves with no Pay

Ketchum, Paul A., Professor of Chemistry, leave from August 15, 1995, through August 14, 1996 (with no pay)

Wyatt, Osa Jackson, Associate Professor of Physical Therapy, leave from January 16, 1995, through April 3, 1995 (with no pay)

Professional Development Leaves

Christina, Robert J., Associate Professor of Education, professional development leave from August 31, 1995, through April 25, 1996 (with full pay)

Moran, Sean F., Assistant Professor of History, professional development leave from January 2, 1996, through April 25, 1996 (with full pay)

Sabbatical Leaves

Barnard, John V., Professor of History, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Barrett, Susan M., Associate Professor of Theatre, sabbatical leave from August 31, 1995, through April 25, 1996 (with half pay)

Callaghan, Joseph H., Assistant Professor of Accounting, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Cameron, John B., Professor of Art History, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Chipman, J. Curtis, Professor of Mathematical Sciences, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Connery, Brian A., Associate Professor of English, sabbatical leave from August 31, 1995, through April 25, 1996 (with half pay)

Dow, James W., Professor of Anthropology, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Lepkowski, Frank J., Associate Professor, University Library, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Loh, Robert Nan K., John F. Dodge Professor of Engineering and Director of the Center for Robotics and Advanced Automation, sabbatical leave from August 31, 1995, through April 25, 1996 (with half pay)

Mann, Bruce J., Associate Professor of English, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Murphy, J. Austin, Associate Professor of Finance, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Piskulich, C. Michelle, Associate Professor of Political Science, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Reddan, John R., Professor of Biological Sciences and Adjunct Professor of Biomedical Sciences, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Reddy, Venkat N., Professor of Biomedical Sciences and Director, Eye Research Institute, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Schillace, Ralph J., Associate Professor of Psychology, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Shantz, David W., Associate Professor of Psychology, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Shi, Peter, Associate Professor of Mathematical Sciences, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Srinivasan, Gopalan, Associate Professor of Physics, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Taam, Winsom, Associate Professor of Mathematical Sciences, sabbatical leave from August 31, 1995, through April 25, 1996 (with half pay)

Taylor, R. Craig, Professor of Chemistry, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Walters, Toni S., Associate Professor of Education, sabbatical leave from August 31, 1995, through December 20, 1995 (with full pay)

Sick Leaves

Barnard, V. John, Professor of History, sick leave from January 3, 1995, through April 26, 1995 (with 50% pay)

Wang, Stuart S., Professor of Mathematical Sciences, sick leave from March 2, 1995, through September 1, 1995 (with full pay)

Phased Retirements

Burdick, Harvey, Professor of Psychology, effective August 15, 1995

Mittra, Sid, Professor of Finance, effective August 15, 1995

Resignation

Stevens, George E., Professor of Management and Dean, School of Business Administration, effective June 4, 1995

Retirements

Goudsmit, Esther M., Professor of Biological Sciences, effective August 14, 1995

Hildum, Donald C., Professor of Communication and Linguistics, effective August 14, 1995

Marshall, William K., Director, Oakland Center, effective July 7, 1995

c. Recommendation to Accept Gifts and Grants to Oakland University and the Oakland University Foundation for the Period of December 1 through December 31, 1994

d. Authorization to Apply for Federal Grant for Animal Care Facility

Dr. George Dahlgren, Associate Vice President for Academic Affairs, submitted the following resolution for Board approval:

WHEREAS, faculty and staff of the Office of Grants, Contracts and Sponsored Research at Oakland University have prepared an application to the National Center for Research Resources seeking $1,713,075 in matching funds for the cost of construction and equipping an animal care and use facility; and

WHEREAS, it is required by the National Institutes of Health that the Oakland University Board of Trustees approve the following recommendation; now, therefore, be it

RESOLVED, that Dr. George Dahlgren, Associate Vice President for Academic Affairs, is authorized to file an application, including all understanding and assurances contained therein, and to act in conjunction with the application, providing such additional information as may be required.

e. Reappointment of CPA Audit Firm

Mr. Paul E. Bissonnette, Vice President for Finance and Administration, submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees confirms its policy that the university's financial statements be examined each year by an independent public accounting firm to be named by the Board; and, be it further

RESOLVED, that the firm shall report to the Board the results of its examination, on an annual basis; and, be it further

RESOLVED, that appointment of an accounting firm shall be for a one-year period; and, be it further

RESOLVED, that no firm shall be used for more than six consecutive years; and, be it further

RESOLVED, that after the initial year of appointment of an accounting firm, the Vice President for Finance and Administration is authorized to continue that appointment, on a year-to-year basis, not to exceed the six-year period established above, when the Vice President for Finance and Administration deems it in the university's best interest to do so; and, be it further

RESOLVED, that the Vice President for Finance and Administration shall annually report to the Finance and Personnel Advisory Committee on the accountant's performance; on any decision to continue an appointment, along with the agreed fee; and shall cause the auditors to present the annual audit in draft form to the Committee; and, be it further

RESOLVED, that the Board's actions of March, 1971 and April 1977 are superseded by this action.

f. Handicap Parking Ordinance

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees adopts the following ordinance, which substantially corresponds to section 674(1)(s) of the Michigan Vehicle Code:

No person shall park any motor vehicle on campus in a parking space clearly identified by an official sign as being reserved for use by handicappers unless the person is a handicapper, as described by state law, MCLA 257.19a, incorporated herein by reference, or unless the person is parking the vehicle for the benefit of a handicapper. In order for the vehicle to be parked in the parking space the vehicle shall display one of the following:

(i) A certificate of identification issued under state law to a handicapper on the lower left corner of the front windshield, or a similar certificate issued by another state.

(ii) A special registration plate issued under state law to a handicapper, or a similar registration plate issued by another state.

(iii) A special registration plate to which a handicapper tab is attached;

and, be it further

RESOLVED, that Ordinance 3.17 governing Penalties for Violation of Traffic Regulations shall be amended to include the following:

However, in the case of a civil infraction of the handicapper parking provision, the civil fine shall be not less than $50.00 or more than $100.00 or other amount as determined by law;

and, be it further

RESOLVED, that such ordinances shall be effective upon publication.

g. Approval of Board of Trustees Regular Meeting Dates for 1995-96

Ms. Susan Gerrits, General Counsel and Secretary to the Board of Trustees, submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees approves the following dates for the regular Board meetings for the university fiscal year 1995-96. The meetings will be held at the Oakland Center, Oakland University, Rochester, Michigan at 3:00 p.m. unless otherwise posted:

Thursday, August 3, 1995
Thursday, October 5, 1995
Thursday, December 7, 1995
Thursday, February 1, 1996
Thursday, April 11, 1996
Thursday, June 6, 1996

Trustee Louis R. Ross, seconded by Trustee Rex E. Schlaybaugh, Jr., moved approval of the consent agenda. The motion was unanimously carried.

Interim President's Report

Interim President Russi welcomed Trustee David J. Doyle to the university Board of Trustees.

Interim President Russi stated that as the university community is aware, Dr. Stuart S. Wang, Professor of Mathematical Sciences, was brutally beaten on campus last month. He reported that Professor Wang is recovering from his injuries and making excellent progress. Interim President Russi thanked the caring members of the campus and surrounding communities who generously donated over $8,000 to the Stuart Wang Gift Fund. Dr. James B. McKay, Mathematics Department Chair, Dr. David J. Downing, Acting Dean of Arts and Sciences, and Interim President Russi recently presented a laptop computer from the community to Professor Wang so that he can continue his mathematics work. A representative from Apple Computer, Inc. also provided a laser printer for his use. Professor Wang and his family are very appreciative for the tremendous community support and the individuals who played a role in his discovery and the apprehension of the attackers.

Interim President Russi submitted the following resolutions for Board approval:

a. Resolution Honoring Michigan State Police, Oakland County Sheriff's Department, Auburn Hills Police Department and Rochester Police Department

WHEREAS, on March 2, 1995 during the early morning hours, Professor Stuart Wang of the Department of Mathematics was seriously assaulted by unknown assailants in O'Dowd Hall; and

WHEREAS, upon determining that there were multiple crime scenes, the Michigan State Police K9 Team and Crime Scene Investigation Units were called to assist Oakland University and its Department of Public Safety and Police; and

WHEREAS, it was determined that the assailants were at large and a Law Enforcement Task Force was initiated to identify, locate and arrest the subjects; and

WHEREAS, supervisors and officers from the Oakland County Sheriff's Department, the Auburn Hills Police Department and the Michigan State Police were assigned to the Task Force at Oakland University; and

WHEREAS, at approximately 7:30 p.m., March 3, 1995, two subjects were identified, located and arrested by Oakland University Police Officers with the assistance of the Rochester Police; and

WHEREAS, the Rochester Police Department willingly and courteously offered their police facilities and staff for the retention and processing of the arrested subjects; and

WHEREAS, Oakland University's success in meeting its mission depends on good neighbors and friends like the Michigan State Police, Oakland County Sheriff's Department, Auburn Hills Police Department and Rochester Police Department; and

WHEREAS, Oakland University's commitment to its surrounding community and the State of Michigan can only be strengthened by working together; now, therefore, be it

RESOLVED, that the Board of Trustees, Interim President Gary D. Russi, faculty, staff and students of Oakland University are grateful for the Michigan State Police, Oakland County Sheriff's Department, Auburn Hills Police Department and Rochester Police Department, and for the professionalism, care and promptness of the police officers who responded to the emergency; and be it further

RESOLVED, that the Board of Trustees and Interim President Russi publicly express their deep appreciation to the Michigan State Police, Oakland County Sheriff's Department, Auburn Hills Police Department and the Rochester Police Department; and be it further

RESOLVED, that a copy of this resolution be forwarded to the Michigan State Police, Oakland County Sheriff's Department, Auburn Hills Police Department and Rochester Police Department to convey the appreciation of the Board of Trustees and the entire university community.

Trustee Ann S. Nicholson, seconded by Trustee Schlaybaugh, moved approval of the recommendation. The motion was unanimously carried.

b. Resolution Honoring Oakland University's Department of Public Safety and Police

WHEREAS, on March 2, 1995 during the early morning hours, Professor Stuart Wang of the Department of Mathematical Sciences was seriously assaulted by unknown assailants in O'Dowd Hall; and

WHEREAS, members of the Midnight Shift responded to the discovery of the victim, Professor Stuart Wang, provided first aid, summoned emergency medical care units, secured and protected multiple crime scenes; and

WHEREAS, members of the Day Shift dispatched all police units to respond to the emergency, provided crime scene security until relieved by the crime scene investigators, as well as handled all other police services and maintained continuity of routine service to the university community; and

WHEREAS, an OU Police Task Force was established and directed the criminal investigation regarding the assault, initiated the investigation of leads which provided the identification and the location of the suspects, and secured field admissions which led to the subsequent arrest of the subjects involved; and

WHEREAS, the OU Police Task Force coordinated the interrogation teams which led to the in-custody confessions by the subjects involved, the seizure of evidence and ultimately to criminal charges being brought against the suspects; and

WHEREAS, Oakland University's success in apprehending the suspects and in making the campus a safe and friendly environment once again, was due, in large part, to the Department of Public Safety and Police; now, therefore, be it

RESOLVED, that the Board of Trustees, Interim President Gary D. Russi, faculty, staff and students of Oakland University are grateful for the Department of Public Safety and Police, and for the professionalism, care and promptness of the men and women who responded to the emergency; and, be it further

RESOLVED, that the Board of Trustees and Interim President Russi publicly express their deep appreciation to the Department of Public Safety and Police; and, be it further

RESOLVED, that a copy of this resolution be published in *The OU News* to convey the appreciation of the Board of Trustees, Interim President Russi and the entire university community to the Department of Public Safety and Police.

Trustee Nicholson, seconded by Trustee Ross, moved approval of the recommendation. The motion was unanimously carried.

c. Certificate of Commendation for Mr. Jonathan Burrel

Interim President Russi presented a Certificate of Commendation to Mr. Jonathan Burrel, an Oakland University groundskeeper, who discovered Professor Wang outside O'Dowd Hall. Mr. Burrel's quick notification to the police dispatcher and summoning of medical care units aided in saving Professor Wang's life. The certificate reads as follows:

> The Board of Trustees, administration, faculty, staff and students of Oakland University present Jonathan Burrell with this Certificate of Commendation in recognition of his exemplary efforts to assist a fellow human being in need with great appreciation and sincere gratitude.

d. Certificate of Commendation for Mr. Stephen Patton

Interim President Russi presented a Certificate of Commendation to Mr. Stephen Patton, a graduate student, who reported early observations of suspicious persons on campus. After noticing the subjects in a local bank, Mr. Patton obtained their license plate number and immediately contacted the Oakland University police. The police then responded to the suspect's address in Rochester and made the subsequent arrests. The certificate reads as follows:

> The Board of Trustees, administration, faculty, staff and students of Oakland University present Stephen Patton with this Certificate of Commendation in recognition of his outstanding citizenship with great appreciation and sincere gratitude.

Interim President Russi completed his report with the following information:

- Ms. Janice S. Elvekrog and Ms. Jeanne M. Carter were recognized as Employees of the Month for February and March.

- The Oakland University Foundation has received a generous gift of $2,611,754 through a recent bequest from Dr. Alvin Larson, one of Oakland's earliest friends and benefactors. Dr. Larson was a member of the Chancellor's Club formed by

Oakland's first leader, Chancellor Woody Varner, and an active supporter of many university programs. His gift is the second largest in Oakland's history--second only to that of Matilda and Alfred Wilson.

- Dr. Stanley Hollingsworth, former Professor of Music, has established the Stanley Hollingsworth Fund to further the development of gifted musicians who are dedicated, well-directed, and strong community contributors in music education.

- A significant articulation agreement in the field of criminal justice has been completed between Oakland University and Oakland Community College. Acting Dean Downing stated that it is Oakland's first College of Arts and Sciences articulation agreement. The agreement provides a process by which students majoring in criminal justice can transfer from Oakland Community College to Oakland University for advanced degree work. The labors of many people contributed to the transaction, namely those of Professors Jacqueline R. Scherer, Dale K. Nesbary, and Albert J. Meehan of the Departments of Political Science and Sociology.

- The men's and women's basketball and swimming and diving teams, and the men's soccer team were recognized for their outstanding performances this past year.

Recommendation to Approve the WXOU Radio Station Policy

Dr. Mary Beth Snyder, Vice President for Student Affairs, stated that in 1991 the Board granted permission to the university to apply to the Federal Communications Commission (FCC) for an FM educational broadcast license. The FCC at that time approved a permit to construct an antenna and to broadcast 30 hours per week at 88.3 megahertz under the call letters WXOU. The radio station students, university staff, and faculty members, including Dr. Donald C. Hildum, Professor of Rhetoric, Communication, and Journalism, have obtained all the necessary transmission equipment and completed the preliminary steps to construct an antenna and start operation by August 10, 1995. The proposal is a request to establish the operational policy; to authorize the President of the university to establish the organizational structure, regulations and procedures governing the radio station; and to authorize the President to delegate the responsibility for the daily management of WXOU.

Dr. Snyder submitted the following resolution to the Board for approval:

WHEREAS, the university's student operated public address system radio station has consistently been one of the largest student organizations with high levels of involvement and leadership from the student population; and

WHEREAS, FM broadcast will enable the radio station to better meet its educational mission and serve the campus and immediate surrounding community by offering music, news, sports, educational features, and emergency announcements; and

WHEREAS, Oakland University has been licensed by the Federal Communications Commission (FCC) to operate a noncommercial educational FM broadcast station using the call letters WXOU (Station); now, therefore, be it

RESOLVED, that the Station shall be operated in accordance with the law to advance an educational program consistent with the mission of the university and in the university's best interest as determined by the President; and be it further

RESOLVED, that authority for Station operations is delegated to the University President, who shall establish the organizational structure, regulations, and procedures of the Station in accordance with the law, FCC regulations, and university policies, and who may delegate responsibility for the daily management of WXOU.

In response to a question posed by Trustee Schlaybaugh, Dr. Snyder stated that the regulations will include the Board policy; training features; qualification requirements; programming descriptions, and a violation enforcement mechanism. She added that an advisor will be appointed to give direction on the policy regulations and procedures.

Trustee James A. Sharp, Jr. arrived at this time.

Trustee Schlaybaugh inquired if the Board has to approve the radio station regulations and procedures once they are developed, and Dr. Snyder responded that the Board will not be required to approve them.

Trustee Doyle, seconded by Trustee Ross, moved approval of the recommendation. The motion was unanimously carried.

Approval of the 1995-96 Ancillary Activities Budgets

Mr. Bissonnette stated that the Board is being asked to approve the 1995-96 Ancillary Activities Budgets for 10 of the 12 university enterprises. The Board has already reviewed and approved the Katke-Cousins Golf Course budget, which operates on a calendar year basis. He noted that the Department of Athletics budget has been withheld until the June 8, 1995, Board meeting to allow time to complete an internal review and appoint a new Athletic Director.

Mr. Bissonnette reported the following highlights for some of the ancillary activities budgets:

- The Residence Hall budget is on a "firm financial footing" and reflects increased numbers of students. Aging facilities and changing demands for housing options are challenges being addressed by Dr. Snyder.

- The Oakland Center is intended to be a "break even program" supported by student fees. It generally operates within these parameters with the exception of years when unusual facility renewal expenses are evidenced. In the near future, the administration expects to bring changes to the Board which will revitalize the facility through relocating and expanding the book store and food service operations.

- Meadow Brook Health Enhancement Institute provides voluntary health assessment for employees and the community and is closely aligned with the School of Health Sciences. The university and the community are exploring ways to permanently endow the program and expand its use.

- Meadow Brook Theatre is supported by ticket sales and fund raising. It is in a transition period with the erosion of the subscription base and increase in single ticket sales. With the assistance of the new Artistic Director, Mr. James Chairman, it is hoped that the subscription base will improve.

- Meadow Brook Art Gallery is a small but important part of the university history. With the impending retirement of Mr. Kiichi Usui, Curator of the Meadow Brook Art Gallery, the university will review and refocus efforts in this area.

- Meadow Brook Hall is the cornerstone of the auxiliaries and is financially the strongest. The Meadow Brook Hall Director, Ms. Margaret Twyman-Eustice, is retiring soon and the search process for her replacement is expected to be completed in May.

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees accepts the Residence Hall Budget for the year ending June 30, 1996, with a budgeted net income of $48,722 and an expenditure level not to exceed $3,660,313; and, be it further

RESOLVED, that the Board of Trustees accepts the Meadow Brook Art Gallery Budget for the year ending June 30, 1996, with a budgeted net income of $208 and an expenditure level not to exceed $299,036; and, be it further

RESOLVED, that the Board of Trustees accepts the Department of Continuing Education Budget for the year ending June 30, 1996, with a budgeted net income of $21,421 and expenditure level not to exceed $1,411,468; and, be it further

RESOLVED, that the Board of Trustees accepts the Graham Health Center Budget for the year ending June 30, 1996, with a budgeted net income of -0- and an expenditure level not to exceed $313,682; and, be it further

RESOLVED, that the Board of Trustees accepts the Lowry Child Care Center Budget for the year ending June 30, 1996, with a budgeted net income of $18,848 and an expenditure level not to exceed $363,852; and, be it further

RESOLVED, that the Board of Trustees accepts the Meadow Brook Hall Budget for the year ending June 30, 1996, with a budgeted net income of $21,270 and an expenditure level not to exceed $2,550,430; and, be it further

RESOLVED, that the Board of Trustees accepts the Meadow Brook Music Festival Budget for the year ending June 30, 1996, with a budgeted net income of $122,300 and an expenditure level not to exceed $87,700; and, be it further

RESOLVED, that the Board of Trustees accepts the Meadow Brook Theatre Budget for the year ending June 30, 1996, with a budgeted net income of $12,162 and an expenditure level not to exceed $2,454,838; and, be it further

RESOLVED, that the Board of Trustees accepts the Oakland Center Budget for the year ending June 30, 1996, with a budgeted net income of -0- and an expenditure level not to exceed $1,479,288; and, be it further

RESOLVED, that the Board of Trustees accepts the Meadow Brook Health Enhancement Institute Budget for the year ending June 30, 1996, with a budgeted net income of $10,918 and an expenditure level not to exceed $588,695; and, be it further

RESOLVED, that any expenditure level in excess of the approved amount that is not funded by a direct revenue increase must have the prior approval of the President or his/her designee and these amounts shall be reported on a periodic basis to the Board of Trustees.

Trustee Nicholson, seconded by Trustee Doyle, moved approval of the recommendation.

Mr. Bissonnette clarified for Trustee Ross that the Meadow Brook Art Gallery exhibition expenses are supported through external funding sources and that only overhead expenses are covered by the university.

The motion was unanimously carried.

Approval of Investment Policy for Endowment

Mr. Bissonnette stated that this item reflects a two-year effort to develop the Endowment Investment Policy. It incorporates the input of the Oakland University Foundation Investment Committee, the Board of Trustees Investment Advisory Committee, the resources of the National Association of Colleges and Universities Business Officers (NACUBO), other Michigan universities, and The Common Fund Investment Manager. Mr. Bissonnette stated that the policy is broad enough to allow for responsive investment while providing guidelines reflective of the special fiduciary responsibility of the Board of Trustees and the Foundation Board.

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees adopt the Investment Policy for Endowment dated April 6, 1995, that follows:

OAKLAND UNIVERSITY
INVESTMENT POLICY FOR ENDOWMENT

GENERAL INVESTMENT PHILOSOPHY

In recognition of its fiduciary responsibility, Oakland University has adopted the following investment management policies for its endowment, which is defined to include three principal categories: permanent endowment funds (sometimes referred to as true endowment), term endowment funds, and funds functioning as endowment (sometimes referred to as quasi-endowment funds).

Investments will be made only in those organizations and instruments which follow policies consistent with those of Oakland University and which meet the standards of a prudent trustee investor.

I. INVESTMENT OBJECTIVE

The investment objectives for the management of the endowment assets are to preserve the assets, to manage contributions in a manner that will maximize the benefit intended by the donor, to produce current income based on total rate of return, to support the objectives of the University and donor objectives, and to achieve growth of both principal value and income over time sufficient to preserve or increase the purchasing power of the assets, thus protecting the assets against inflation.

II. ASSET ALLOCATION

The general policy shall be to diversify investments within both equity and fixed-income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

The long-term policy for asset allocation of the university endowment is:

	Long-Term Objective	Range
Equity Investments	65%	50% - 85%
Fixed-income Investments	30%	15% - 40%
Other investments	5%	0% - 7%

A. Equity Investments

The principal category of equity investments will be common stocks in all market capitalization segments. Primary emphasis will be on high quality stocks in
companies that are financially sound and that have favorable prospects for earnings growth and capital appreciation. Diversification will be sought by investing in domestic, international and emerging market securities.

Allocation Percentages and Ranges for Common Stocks are:

	Long-term Objective	Range
Domestic	45%	40% - 60%
International	17%	10% - 20%
Emerging Markets	3%	0% - 5%

B. Fixed-Income Investments

1. General Policy

Fixed income investments shall be invested in portfolios of high quality (primarily A to AAA rated) corporate bonds, U.S. Treasury and agency securities, or issues of supranational organizations and foreign sovereigns. No more than 20 percent of the fixed income portfolio may be invested in securities rated less than A or in illiquid investments.

2. Derivative Investments

No more than 25 percent of the fixed income portfolio may be in derivative-type investments.

The university administration and/or the investment manager(s) shall report at least annually to the Investment Advisory Committee on the role of derivative investments in the overall fixed income portfolio and describe the risks and rewards associated with such investments. Investment managers employed by the university shall have a written policy on the use of derivative investments. A copy of such written policy shall be provided to the university and any subsequent revisions to the written policy shall be immediately communicated to the university administration and to the Investment Advisory Committee.

C. **Other Investments**

1. Real Estate

Equity investment may also include equity real estate investments in professionally managed, income-producing commercial property. Such investments, however, shall not exceed 7 percent of total endowment assets.

Such investments may be made only through professionally managed pooled real estate funds offered by leading real estate managers with proven records of superior performance over time.

Gifts of income-producing real estate may be included in the equity portfolio provided they are consistent with these management policies.

To the extent such gifts of real estate would require more than 7 percent of endowment assets to be committed to this asset class, or would constitute a negative cash-flow, or would be deemed by professional management counsel to constitute undue market risk, such gifts will be sold and the proceeds directed to the general endowment pool for the benefit of programs consistent with the donor's interest, except as provided in III below.

2. Private Equity and Venture Capital

   Private equity and venture capital investments are currently not permitted except as a component of a highly diversified liquid equity pool.

3. Exclusions

   Investments are not permitted in oil, gas or mineral royalties, other interests, or physical commodities therein; real estate or interests therein (although investment in equity securities issued by real estate investment trusts is permissible); or options, futures or forward contracts, the value of which is derived from any of the foregoing assets.

Allocation guidelines for Other Investments are:

	Long-term Objective	Range
Real Estate	5%	0% - 7%

Upon approval of this policy, if the endowment does not meet the minimum percentage allocation, the Investment Manager(s) shall endeavor within a reasonable period to allocate new endowment and reallocate existing endowment to meet the minimum allocation percentages, consistent with existing market conditions.

III. RESTRICTED INVESTMENTS

Certain funds are obtained by the University through donations wherein the donor has placed restrictions on the form of investment to which these amounts may be applied, either directly by specifying qualifying investment vehicles or indirectly by stipulating a higher-than-normal spending rate. Such funds will be invested according to the donor's requirement and will be excluded from the total pool of available funds subject to the asset allocation policy.

IV. SPENDING POLICY

In order to provide for stability in income growth together with preservation of purchasing power, endowment funds, term endowments and funds functioning as endowment shall have funds made available for spending according to the following rule except as the terms of a specific gift instrument or a specific Board action shall otherwise require:

1. Endowment fund distributions shall be at an annual rate of five percent (5%) based upon the twelve quarter moving average market value of the fund's value at the beginning of each quarter, with a one-quarter lag. However, if the market value of any individual endowment is at or below its historic dollar value, distributions with respect to that endowment shall be limited to current yield (such as interest, dividends, and rent). All earnings in excess of distributions shall be reinvested in the corpus of the fund.

2. The Investment Advisory Committee shall periodically review the spending policy against actual returns and may propose changes in the spending policy to the Board as appropriate to preserve the purchasing power of the endowment.

V. INVESTMENT MANAGER SELECTION

1. **Professional Management**

   Generally, Oakland University shall utilize professional management services for the investment of the endowment pool. This does not preclude direct investment and ownership of securities by the University.

2. **Diversified Management**

   No more than 50% of university stock and bond investments respectively shall be assigned to a single specialized manager.

VI. INVESTMENT MANAGER PERFORMANCE EVALUATION

Investment managers and their performance will be measured over periods of the most recent 12, 24, and 60 months, and will be compared to appropriate market indices and the performance of other endowments as published annually by the National Association of College and University Business Officers or other national reporting agencies. Market indices shall include the S&P 500 Index for equities, the Lehman Brothers Aggregate Bond Index for fixed income investments and other indices as may be appropriate for specific portfolios. A manager whose performance falls below the first quartile over a five-year period, or below the Median over the period of one year, shall be a candidate for replacement, absent a satisfactory explanation for the level of performance.

All investment managers must report their performance in writing each calendar quarter, and their portfolio holdings at least annually.

The Investment Advisory Committee may utilize an independent Performance Evaluation service to ensure that all investment managers engaged by the University are competitive in the market and that their performance meets the needs and expectations of the University.

VII. ROLE OF BOARD OF TRUSTEES

The Board of Trustees:

1. Shall exercise its endowment investment responsibilities with the assistance of its Investment Advisory Committee.

2. Shall, upon the recommendation of its Investment Advisory Committee, establish investment policies relating to the administration of its investment portfolio.

3. Shall, upon the recommendation of its Investment Advisory Committee, establish investment objectives.

4. Shall, upon the recommendation of its Investment Advisory Committee, appoint an investment consultant, an investment manager(s) and an investment custodian(s) for the endowment, and specify any investment restrictions deemed appropriate.

5. Shall, upon the recommendation of its Investment Advisory Committee, establish the conditions and parameters under which the University may directly invest in and own securities independent of investment managers and may authorize such investment.

6. Shall receive periodic reports on investment results through its Investment Advisory Committee.

VIII. ROLE OF INVESTMENT ADVISORY COMMITTEE

The Investment Advisory Committee:

1. Shall be responsible for the review of policies relating to the administration of the University's investment portfolio and, when appropriate, shall make recommendations to the Board of Trustees.

2. Shall, in consultation with the investment consultant, the investment manager(s) and the University administration, annually review the investment objectives of the portfolio of the endowment.

3. Shall, in consultation with the University administration, recommend to the Board of Trustees an investment manager(s) and, if appropriate, an investment custodian(s) for the endowment.

4. May, in consultation with the University administration, recommend to the Board of Trustees an investment consultant to advise and assist the Investment Advisory Committee.

5. Shall receive periodic reports on the investment status of the portfolio(s) and shall transmit relevant information to the Board of Trustees.

6. Shall meet with the investment consultant and investment manager(s) at least annually and shall periodically evaluate the performance of the investment manager(s), in consultation with the University administration.

7. Shall consider other investment related matters.

IX. ROLE OF INVESTMENT CONSULTANT

The investment consultant:

1. Shall annually develop and communicate to the administration and the Investment Advisory Committee an appropriate strategy to meet the long-term objectives.

2. Shall advise the administration and Investment Advisory Committee regarding searches for an investment manager(s) and an investment custodian(s).

3. Shall provide a monitoring and measurement program which will permit evaluation of the performance of the investment manager(s) in comparison with the investment markets and with other managers.

4. Shall provide such other information pertaining to the investment program as may reasonably be required.

X. ROLE OF THE INVESTMENT MANAGER(S)

The investment manager(s):

1. Shall report their performance in writing each calendar quarter and their portfolio holdings at least annually to the administration and the Investment Advisory Committee.

2. Is authorized to execute investment transactions within established policy, subject to any restrictions established by the Board of Trustees.

3. Shall report immediately to the administration and the Investment Advisory Committee any major change in the manager's confidence regarding the securities markets or any decline in portfolio value in excess of 10 percent since the last reporting date.

4. Shall be reasonably expected to provide other necessary information for the development of interim reports and shall meet, as necessary, with the Investment Advisory Committee and the Vice President for Finance and Administration.

XI. ROLE OF THE INVESTMENT CUSTODIAN(S)

Ordinarily, the investment manager(s) will utilize the services of an investment custodian and the University may not have a direct contractual relationship with such custodian(s). In the event the University requires the services of an investment custodian; e.g., direct investment and ownership of securities by the University, the following procedures shall apply:

The investment custodian(s):

1. Shall hold all securities under management by the investment manager(s) in an agreed-upon nominee name and form.

2. Shall execute all transactions as directed by the investment manager(s).

3. Shall collect all income pertaining to the securities held, and shall temporarily invest such income in cash equivalents.

4. Shall periodically remit accumulated income to Oakland University pursuant to instructions received from the University administration.

5. Shall provide a full monthly accounting of all transactions, together with a listing of all holdings at cost and market.

6. Shall vote all proxies in accordance with instructions received from the University administration.

7. Shall provide such other information pertaining to the portfolio as may reasonably be required.

XII. ROLE OF THE UNIVERSITY ADMINISTRATION, THROUGH THE VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

The University administration, through the Vice President for Finance and Administration:

1. Is responsible for the continuous monitoring and review of: the investment consultant's reports, the actions of the investment manager(s), and the status of the University's investment portfolio.

2. Shall maintain communications, as appropriate, between the Board of Trustees, the Investment Advisory Committee, the investment consultant, the investment custodian and the investment manager(s).

3. Shall make recommendations to the Investment Advisory Committee concerning investment policies, structure, objectives and selection of investment manager(s).

4. Shall periodically invest available additional funds with the core equity and fixed income managers in consultation with the investment consultant, if any, and within the allocation parameters established by this policy.

5. Shall direct changes in existing allocations in consultation with the investment manager(s) as necessary to remain with the asset allocation parameters.

6. May, in consultation with the investment manager(s) and the investment consultant, if any, and within the allocation parameters established by this policy, direct the reallocation of endowment assets between the investment options and funds managed by the investment manager(s).

7. Shall receive and account for remitted accumulated income.

Trustee Sharp, seconded by Trustee Ross, moved approval of the recommendation. The motion was unanimously carried.

Campus Fire Alarm Reporting System

Mr. Bissonnette stated that the Campus Fire Alarm Reporting System is one of the high priority deferred maintenance items approved by the Board last year. It is proposed to phase in and be upgraded over the next five years, beginning first with the central monitoring system and two residence halls in the 1995-96 budget year. Mr. Bissonnette noted that the project is designed to meet the critical need to improve safety systems while meeting existing code requirements. The projects will be funded from the auxiliaries, deferred maintenance, Detroit Edison reimbursements, and insurance savings.

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Vice President for Finance and Administration be authorized to:

(1) solicit competitive proposals from fire alarm system manufacturers for a central monitoring station, a network communications system, and fire alarm systems (the "System") for twenty-one campus buildings;

(2) evaluate System proposals, and negotiate and execute a contract to purchase the System from that vendor whose product and cost in the judgment of the Vice President for Finance and Administration best meet the interests of the university; and

(3) solicit competitive bids for the installation of the System, and negotiate and execute an installation contract with the lowest-cost responsive and qualified bidder;

and, be it further

RESOLVED, that the purchase and installation contracts shall be reviewed by the Office of General Counsel prior to execution and shall conform to all university policies; and, be it further

RESOLVED, that the total cost for the five-year System project shall not exceed $1,990,000; and, be it further

RESOLVED, that the Vice President for Finance and Administration shall budget for the System project over each of the program years as set forth in the "Summary of CFAR Cash Flow Schedule" dated 3/6/95; and, be it further

RESOLVED, that the Vice President for Finance and Administration shall annually inform the Board of the project's status.

Trustee Sharp, seconded by Trustee Schlaybaugh, moved approval of the recommendation. The motion was unanimously carried.

Extension of Arena Associates, Inc. Operation of the Meadow Brook Music Festival

Mr. Bissonnette stated that Arena Associates, Inc. (AAI) has operated the Meadow Brook Music Festival for the past year under a passive lease agreement with Oakland University. AAI assumed this agreement through assignment by Olympia Arenas, Inc. in 1994 to operate the Music Festival for the 1994 and 1995 seasons. Due to the timing of the contract assignment, AAI did not have the significant lead time required to schedule performances to fully utilize the capabilities of the Festival, during the 1994 season. Therefore, in order to better assess the success of operations after the 1995 season and encourage additional investment in the facilities by AAI, while still allowing the university sufficient time to rebid the contract prior to expiration, the university believes a one year extension of the agreement with AAI will maintain and enhance the reputation of the Festival and be in the best interest of the institution.

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Vice President for Finance and Administration is authorized to execute an extension of the Meadow Brook Music Festival passive lease agreement with Arena Associates, Inc. (AAI) for an additional year under the same terms and conditions, with the agreement subject to the review of the Office of General Counsel.

Trustee Nicholson, seconded by Trustee Sharp, moved approval of the recommendation. The motion was unanimously carried.

Update on the Presidential Search Process

Chairman Fischer asked Trustee Schlaybaugh, Chair of the Presidential Search Advisory Committee, to update the Board on the search process. Trustee Schlaybaugh reported that the following people have been selected to be on the committee: Trustees Ann S. Nicholson and James A. Sharp, Jr.; Professors Sharon L. Howell and Virindil K. Moudgil; Student Angela Dobson; Alumna Marianne Fey; OU Foundation Member George Seifert; Administrative-

Professional Employee Eleanor Reynolds; Non-Faculty Union Member Douglas Godwin; and Academic Dean Ronald E. Olson. The committee formally met for the first time on March 21, 1995.

Trustee Schlaybaugh stated that the presidential search firm of SpencerStuart has been retained as the search consultant. Mr. Ron Zera, of SpencerStuart, met with the search committee and is assisting in crafting an advertisement and a strategy for attracting qualified candidates consistent with the Statement of Qualities and Competencies approved by the Board. Mr.

Zera informed the search committee that Oakland is held in high esteem in the academic community and will have no problem attracting extremely qualified and capable individuals.

Trustee Schlaybaugh noted that the search committee has created two subcommittees: a "communications subcommittee" and a "process subcommittee." The communications subcommittee, consisting of Trustee Nicholson as chair, Dr. Howell, Ms. Fey, and Dr. Olson, is charged with developing appropriate communications with constituencies and prospective candidates, and creating information packets for the candidates highlighting the university and the surrounding community. The process subcommittee, consisting of Dr. Moudgil as chair, Ms. Dobson, Trustee Sharp, and Mr. Siefert, is charged with determining the best methods for the search committee to evaluate and review resumes along with the proper reporting of those evaluations to the Board.

Trustee Schlaybaugh stated that communications will be sent out soon seeking internal and external nominations for presidential candidates. He noted that some responses have been received from an advertisement in The Chronicle of Higher Education.

Amendment to the Presidential Search Advisory Committee Charges (Walk-in Item)

Trustee Schlaybaugh moved the following technical amendments to the Presidential Search Advisory Committee charges:

The Committee shall:

- Compare applications against the leadership qualities statement;

- Interview semi-finalist candidates (subject to the reservation expressed below that no candidate can be eliminated from consideration by the Committee);

The Committee Chair shall make public interim progress reports to the Board of Trustees, and shall report to the Board the names of three to five individuals, unranked, each of whom the Chair believes the Committee considers to be well-qualified to lead Oakland University as its next president.

Trustee Ross seconded the recommendation. The motion was unanimously carried.

Recommendation to Amend the University's Equal Opportunity Policy

Dr. Snyder stated that during the summer of 1993 the Gay and Lesbian Alliance (GALA) student organization requested former President Sandra Packard to amend the university's Equal Opportunity Policy (EOP) to include the prohibition of sexual orientation discrimination. The request was forwarded to the Senate Committee on Human Relations and the University Senate for consideration. The University Senate unanimously approved recommending a modification in the EOP to prohibit sexual orientation discrimination. The University Student Congress and Residence Hall Council also supported the amendment. In addition, the 1994-97 AAUP agreement includes a sexual orientation nondiscrimination clause.

Dr. Snyder stated that the resolution seeks to amend the current EOP by adding sexual orientation, height, weight, and familial status. The latter three traits would make the policy consistent with the Michigan Elliott-Larsen Civil Rights Act. She noted that the resolution further amends the policy by stating that relevant legal provisions will control if the amended EOP conflicts with the First Amendment or other legal rights of individuals in the community. Furthermore, the policy does not modify eligibility criteria for student and employment benefits or the legal definition of the terms spouse or dependent.

Dr. Snyder submitted the following resolution for Board approval:

WHEREAS, faculty and student governance bodies have approved a revision to the university's Equal Opportunity Policy prohibiting discrimination on the basis of sexual orientation; and

WHEREAS, the Michigan Elliott-Larsen Civil Rights Act has been amended to include a prohibition regarding discrimination on the basis of height, weight, and family status; and

WHEREAS, Oakland University has an unwavering commitment to equality of opportunity for the purpose of enabling all members of the community to attain their full potential; now, therefore, be it

RESOLVED, that Oakland University's Equal Opportunity Policy shall read as follows: (additions underlined)

> It is the policy of Oakland University that there shall be no unlawful discrimination against any person on the basis of race, sex, sexual orientation, age, height, weight, handicap, color, religion, creed, national origin or ancestry, marital status, familial status, or veteran status. The university shall strive to build a community that welcomes and honors all persons and that provides equal opportunity in education and employment. The university shall affirmatively follow the provisions of applicable State and Federal anti-discrimination legislation in all of its activities in this area and so reaffirms its policy at this time.
>
> To the extent that this policy conflicts with first amendment or other legal rights of members of the university community, the relevant legal provision shall control. Furthermore, this policy shall not be interpreted to modify eligibility criteria for student and employment benefits or modify the legal definition of the terms "spouse" or "dependent."

Trustee Ross, seconded by Trustee Nicholson, moved approval of the recommendation.

Students Jim Golec, Catherine Crouser, Yeaton Clifton, and Ethan Lee addressed the Board and spoke in opposition to the amendment of the Equal Opportunity Policy. Students Michael Simon, Tiffany Bobek, and Connie Jaracz spoke on behalf of the amendment.

Trustee Ross stressed that whatever the vote on this issue may be, the trustees do not encourage or support adverse or violent actions against any group or organization at the university. He noted that the issue is whether the prohibition against discrimination on the basis of sexual orientation should be expressly stated in the policy.

Ms. Gerrits conducted a roll-call vote on the motion, which failed passage. Trustees Fischer, Nicholson, and Ross voted in favor of the recommendation, and Trustees Doyle, Schlaybaugh, and Sharp voted against the recommendation.

Chairman Fischer asked Dr. Snyder to review the issue again to insure that all concerns have been addressed and to report her findings to him.

Oakland University
Board of Trustees
Minutes of the Meeting of April 6, 1995

The meeting was adjourned at 4:10 p.m.

Submitted,

Rhonda G. Saunders

Rhonda G. Saunders
Administrative Assistant
Board of Trustees

Approved,

David T. Fischer
Chairman
Board of Trustees