

**Minutes of the Formal Meeting
of the
Oakland University Board of Trustees
April 5, 2001**

Present: Chair Ann V. Nicholson, Trustees Henry Baskin, Robert N. Cooper, Penny M. Crissman, David J. Doyle, Louis Grech-Cumbo, and Rex E. Schlaybaugh, Jr.

Absent: Trustee David T. Fischer

Also Present: President Gary D. Russi; Vice Presidents Louis Esposito, Susan Goepp, Lynne C. Schaefer and Mary Beth Snyder; General Counsel and Secretary to the Board of Trustees Victor A. Zambardi; Student Liaisons Bonefacio F. DeLaRosa and Cristina J. Kapustij; and Administrative Assistant Rhonda G. Saunders

I. Call to Order

Chair Ann V. Nicholson called the meeting to order at 2:00 p.m. in the Auditorium of the Elliott Hall of Business and Information Technology.

II. President's Report

President Gary D. Russi reported the following Information:

- Ms. June Fisher and Ms. Filomena Micu were recognized as the February and March Employees of the Month, respectively.
- Mr. Daniel Ring, Assistant Professor Kresge Library, was recognized for development of a very strong body of research in the area of library history, with a special focus on the development of public libraries and their cultural role in a variety of contexts from the mid-nineteenth to the twentieth centuries. He has also done research on Carnegie libraries and why some communities rejected Carnegie grants; studied library development during World War I and the Great Depression; explored the role of women's clubs in the development of early subscription libraries; and written extraordinarily eloquent and insightful biographical studies of library leaders. Mr. Ring has written biographical studies of key public library directors in major U.S. cities, comparative studies of British and

American librarians during World War I, essays on the role of librarians and the impact of faculty status, and numerous book reviews. Ten of Professor Ring's articles and eleven of his book reviews have been published in *Libraries & Culture*, the leading scholarly journal disseminating research in the field of library history. He also edited a landmark book, *Studies in Creative Partnership: Federal Aid to Libraries During the New Deal*, which earned significant national recognition.

- Dr. Arline Savage, Assistant Professor of Accounting specializing in Accounting Information Systems (AIS), was recognized for making ten conference presentations and for publishing five refereed articles, two research monographs, and an advanced financial accounting textbook. She was a keynote speaker and won the best paper award at three conferences. Dr. Savage has been a driving force in developing an AIS major and minor in the School of Business Administration and was instrumental in the complete redesign of the four AIS courses. In 2000, she was a finalist for the American Accounting Association's prestigious "Innovation in Accounting Education Award," based on her innovative teaching approach at Oakland University, resulting in a tremendous amount of publicity for the university and invitations to present workshops at places such as Cambridge University in England.
- Ms. Patricia Heftler, a 1977 psychology graduate from the College of Arts and Sciences (CAS), was recognized for her dedication to Oakland University. In 1996, she joined the CAS advisory board, continuing a legacy of leadership and support of Oakland University begun by her father, Pierre Heftler. During his lifetime, Mr. Heftler was president of the Matilda R. Wilson Fund. Last summer, the Heftler family made a \$100,000 gift to the CAS, inspired by Dean Downing's plans to start a new Distinguished Programs Fund to promote the value of a liberal arts education and to feed the spirit of innovation and outreach across the college's 15 academic departments. The Fund will strengthen CAS opportunities for undergraduate involvement in research, international student and faculty exchange programs, community outreach through the humanities and social sciences, biomedical sciences work, and performing arts excellence. It will also provide seed money for new initiatives and fund the Dean's Distinguished Programs Scholarships for promising incoming students. The Heftler family donation to the Fund led to donations from the CAS advisory board members and alumni. In January, the Heftler family donated an additional \$100,000 toward the Distinguished Program Fund.
- The new Student Congress President is Derek Dickow, and the Vice President is Vesna Saveski.

President Russi concluded by extending an invitation to the April 18th Founders Day activities where there will be a ground breaking for the new student apartments and School of Education and Human Services building.

Chair Nicholson congratulated Ms. Fisher, Ms. Mica, Mr. Ring and Dr. Savage for their service and contributions to Oakland University. She also thanked Ms. Heftler for all of her support for the College of Arts and Sciences.

Chair Nicholson commented on the sensational student production of "Cabaret."

VI. Other Items that May Come Before the Board

A. University Student Congress Report

At this time, Chair Nicholson called on Mr. Adam Kochenderfer, outgoing President of the University Student Congress, to present the University Student Congress Report.

Mr. Kochenderfer highlighted the following Student Congress accomplishments over the 2000-2001 academic year:

Representation

- Strong student presence in the University Senate and its committees
- Highest legislative retention rate in years
- Coherent recycling program in the Oakland Center
- Effective resolutions concerning the Master Planning Report
- Oakland Center computer lab
- Changes in snow removal policies to ensure student accessibility
- Greek merchandise in the Bookstore
- Food Court franchise replacement and improved communication
- Effective voice in new student apartments and other campus projects

Service

- Increased faculty participation in course evaluations program by 30%
- Revamped Student Congress website and received 4400+ visitors
- 500 students attended Voter Registration Barbeque with 200 registered
- 6,000 free scantrons distributed to students
- Increased participation in OU Day at the Capitol by 20%
- Bookswap transactions doubled from last year
- Awarded nearly \$3,000 in scholarships
- Successful student/Board of Trustees luncheon

Infrastructure

- Passed proposal to raise Student Activities Fee by \$6
- Broadened communication through forum, leadership lunch, newspaper
- Changed Student Congress By-Laws

Mr. Kochenderfer commented that appropriate resources will be needed for future growth of these achievements. He noted that the last time the student activities fee was increased was in 1994, when there were about 73 student organizations on campus compared to over 110 today. As a result, the Student Congress recently endorsed, and the students passed, a proposal to increase the student activities fee by \$6 and to alter its distribution. Mr. Kochenderfer stated that discrepancies in the Student Congress By-Laws are also under review to set standards that will better serve a growing student congress.

Mr. Kochenderfer completed his report by stating that, through working closely with administrators, faculty, staff, and other student organizations over the past year, the Student Congress has met its goals in representing the student body and serving their needs. He thanked the student liaisons and the university community for their support in reaching those goals.

Chair Nicholson commended Mr. Kochenderfer and the Student Congress cabinet for their accomplishments over the past year.

III. Roll Call

Mr. Victor A. Zambardi, General Counsel and Secretary to the Board of Trustees, conducted a roll call vote. All of the Board members were present, except Trustee David T. Fischer.

IV. Action Items

A. Consent Agenda

Chair Nicholson moved the following recommendations:

1. Approval of the Minutes of the Formal Meeting of January 31, 2001

2. Approval of the Minutes of the Special Formal Meeting of February 28, 2001

3. Approval of Public School Academy Board Members for Weston Technical Academy, Detroit Edison Public School Academy, Elbert T. Clark Academy, and Summit Academy North

WHEREAS, the Board of Directors of Weston Technical Academy has nominated Queen Ester West to fill the vacancy on the board created by term expiration; and

WHEREAS, the Board of Directors of Detroit Edison Public School Academy has nominated Andre Watson to fill the vacancy on the board created by term expiration; and

WHEREAS, the Board of Directors of Elbert T. Clark Academy has nominated James Anthony Hunt to fill the vacancy on the board created by term expiration; and

WHEREAS, the Board of Directors of Summit Academy North has nominated Allen Earl Parlette to fill the vacancy on the board created by term expiration;

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

1. Queen Ester West, Andre Watson, James Anthony Hunt, and Allen Earl Parlette meet the requirements of the Board and applicable law.
2. The Board hereby approves Queen Ester West as a member of the Board of Directors for Weston Technical Academy for a new two-year term to expire in 2002.
3. The Board hereby approves Andre Watson as a member of the Board of Directors for Detroit Edison Public School Academy for a new two-year term to expire in 2002.
4. The Board hereby approves James Anthony Hunt as a member of the Board of Directors for the Elbert T. Clark Academy for a new two-year term to expire in 2002.
5. The Board hereby approves Allen Earl Parlette as a member of the Board of Directors for the Summit Academy North for a new three-year term to expire in 2003.

6. All resolutions and parts of resolutions in conflict with this resolution shall be and hereby are rescinded to the extent of such conflict.

4. Approval of University Personnel Actions

Emeritus Appointments

Gardiner, George, Professor Emeritus, University Library, effective April 5, 2001.

Gerulaitis, Leonardas V., Professor Emeritus of History, effective August 15, 2000.

Riley, Michael V., Professor Emeritus of Biomedical Sciences, effective April 5, 2001.

Tower, John, Professor Emeritus of Management Information Systems, effective April 5, 2001.

Change of Status

Bhatt, Bhushan L., from Professor of Engineering and Associate Dean, School of Engineering and Computer Science to Professor of Engineering and Interim Dean, School of Engineering and Computer Science, effective February 1, 2001 (\$137,551).

Latcha, Michael L., from Associate Professor of Engineering to Associate Professor of Engineering and Acting Associate Dean, School of Engineering and Computer Science, effective February 1, 2001 (\$79,722).

Lombard, Emmett N., from Assistant Professor of Political Science to Associate Professor of Political Science with tenure, effective August 15, 1999 (this action follows a Tenure Review Commission decision and supersedes the action taken by the Board of Trustees on July 29, 1999).

Mayer, Donald O., from Interim Associate Dean for External Programs and Assessment, School of Business Administration, to Associate Dean for External Programs and Assessment, School of Business Administration, effective April 5, 2001 (\$115,000).

McNair, Mary Shannan, from Assistant Professor of Education to Associate Professor of Education with tenure, effective August 15, 2000 (this action follows a re-review of the faculty member and supersedes the action taken by the Board of Trustees on August 2, 2000).

Faculty Promotions

The faculty bargaining agreement requires that certain reviews for possible promotion be completed by April 15. The following recommendations are made by the President and Vice President for Academic Affairs and Provost. Standard review processes were followed.

Optional Promotions – Effective August 15, 2001:

Associate Professors with tenure considered for promotion to full Professor:

Barber, Gary C.	Engineering and Computer Science	Promote
Follo, Eric J.	Curriculum, Instruction and Leadership	Promote
Gu, Edward Y. L.	Engineering and Computer Science	Promote
Hoeppner, Edward H.	English	Promote
Lauer, Thomas W.	Decision and Information Science	Promote
Mayer, Donald O.	Management	Promote
Severson, Mark W.	Chemistry	Promote
Van Til, Robert P.	Engineering and Computer Science	Promote

Faculty Reappointments

The faculty bargaining agreement requires that certain reviews for possible reemployment and promotion be completed by March 1.

The following recommendations are made by the President and Vice President for Academic Affairs and Provost. Standard review processes were followed:

Reappointments (Probationary) – Effective August 15, 2001, through August 14, 2003:

1. Assistant Professors eligible for reemployment to final, two year probationary terms as assistant professor:

Stein, Mary T.	Curriculum, Instruction and Leadership	Reemploy
Sugumaran, Vijayan	Management Information Systems	Reemploy

5. Approval of Honorary Degrees for Judge Damon Jerome Keith, Dr. C.R. Rao, and Dr. David Dichiera

RESOLVED, that the Board of Trustees authorizes the awarding of the honorary degree of Doctor of Laws to Judge Damon Jerome Keith.

RESOLVED, that the Board of Trustees authorizes the awarding of the honorary degree of Doctor of Science to Dr. C. R. Rao.

RESOLVED, that the Board of Trustees authorizes the awarding of the honorary degree of Doctor of Arts to Dr. David DiChiera.

6. Approval of Recommendation of Final Undergraduate and Graduate School Reports dated December 19, 2000

(The Final Undergraduate and Graduate School Reports dated December 19, 2000 are on file in the Board of Trustees office.)

7. Recommendation to Accept Gifts to Oakland University and the Oakland University Foundation for the Periods of December 1 through December 31, 2000, January 1 through January 31, 2001, and February 1 through February 28, 2001, and to Accept Grants and Contracts to Oakland University for the Period January 15, 2001 through March 15, 2001

(A list of the gifts, grants and contracts is on file in the Board of Trustees office.)

Trustee David J. Doyle seconded the motion. The motion was unanimously approved by those present.

B. Approval of Alfred G. Wilson and Matilda R. Wilson Awards and Human Relations Award

Trustee Robert N. Cooper stated that the Alfred G. and Matilda R. Wilson Awards are presented annually to an Oakland University senior man and woman who have contributed as scholars, leaders, and responsible citizens to the university community. Trustee Cooper also noted that the Human Relations Award is presented annually to a graduating senior who has contributed significantly to the improvement of intergroup relations on the campus.

Trustee Cooper moved approval of the following resolutions:

A Resolution of Commendation to Mr. Charles Archer

WHEREAS, Mr. Charles Archer entered Oakland University as a freshman from Chippewa Valley High School in Clinton Township to pursue a major in History; and

WHEREAS, Mr. Archer demonstrated academic excellence as a member of the Golden Key International Honor Society, Phi Alpha Theta History Honors Society; and

WHEREAS, Mr. Archer served as Co-President of Golden Key International Honor Society, Vice President and Chairman of the Best of America program, Chairman of Cranbrook Activities Committee; served as University Student Congress legislator, holding the positions of student representative to the Senate Planning and Review Committee, Senate Academic Conduct Committee and Senate Academic Career and Advising Committee; served as a member of Student Association for Teacher Education; and

WHEREAS, Mr. Archer has been selected as the 2001 recipient of the Alfred G. Wilson Award given annually to a graduating senior who has maintained high academic standards, who has demonstrated extraordinary leadership capabilities and involvement in the Oakland University community, and who has expressed social concern; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Mr. Charles Archer for his commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Mr. Charles Archer for the quality of his leadership and extends to him its best wishes for continued success in all of his future endeavors.

A Resolution of Commendation to Ms. Cristina Kapustij

WHEREAS, Ms. Cristina Kapustij entered Oakland University from Marian High School in Bloomfield Hills as a freshman to pursue majors in both Biology and Russian Language and Civilization; and

WHEREAS, Ms. Kapustij demonstrated academic achievement as a Student Researcher by performing scientific analysis for Oakland University's Eye Research Institute; presented scientific results at the 2000 Meeting of the Minds Undergraduate Research Conference; served as a Genetics Laboratory Teaching Assistant as well as an exchange student at Herzen University in St. Petersburg, Russia; and

WHEREAS, Ms. Kapustij demonstrated leadership capabilities and commitment to the university and greater community as a Board of Trustees Liaison; founding member and president of the Russian Club; served on the Student Advisory Board; served as a Student Congress Legislator, holding positions on the Research and Review Committee, the Elections Committee, and as Legislative Affairs Committee Assistant Director; received the Don R. Iodice Grant-in-Aid for Foreign Study, Oakland University Undergraduate Research Grant, Commuter Involvement Award, and Campus Activity Award; and

WHEREAS, Ms. Kapustij has been selected as the 2001 recipient of the Matilda R. Wilson Award given annually to a graduating senior who has maintained high academic standards, who has demonstrated extraordinary leadership capabilities and involvement in the Oakland University community, and who has expressed social concern; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Ms. Cristina Kapustij for her commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Ms. Cristina Kapustij for the quality of her leadership and extends to her its best wishes for continued success in all of her future endeavors.

A Resolution of Commendation to Ms. Natasha Vanover

WHEREAS, Ms. Natasha Vanover entered Oakland University's Honors College as a freshman from Pontiac Northern High School in Pontiac to study both Journalism and Japanese Language and Civilization; and

WHEREAS, Ms. Vanover distinguished herself as a conscientious student leader committed to increasing unity and understanding among diverse groups of students; and

WHEREAS, Ms. Vanover demonstrated leadership capabilities and commitment to the university and the community through her untiring participation to improve race relations and multi-cultural understanding as a Board of Trustee's Diversity Ambassador; served as Student Congress Legislator; presented published works at the 1999 Meeting of the Minds Journal of Undergraduate Research; served as teen editor and columnist for the Oakland Press; as writer for United Fronts Newsletter; served as Orientation Group Leader, Connections Peer Leader; served as Office of Equity Peer Mentor; served as King/Chavez/Parks and Wade McCree Peer Mentor; and received the 1999 Keeper of the Dream Award and the 2000 Michigan Association of Governing Boards (M.A.G.B.) Outstanding Student Award; and

WHEREAS, Ms. Vanover has been selected as the 2001 recipient of the Human Relations Award given annually to a graduating senior who has made an outstanding contribution to intergroup understanding and conflict resolution in the Oakland University community; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Ms. Natasha Vanover for her commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Ms. Natasha Vanover for the quality of her leadership and extends to her its best wishes for continued success in all of her future endeavors.

Trustee Penny M. Crissman seconded the motion. The motion as unanimously approved by those present.

Chair Nicholson congratulated the recipients of these awards.

C. Approval of Collective Bargaining Agreement between Oakland University and Police Officers Association of Michigan and Oakland University Police Officers Association, October 1, 1999 - September 30, 2002

Trustee Henry Baskin stated that Oakland University and the Police Officers Association of Michigan and Oakland University Police Officers Association reached tentative agreement on a three-year Agreement on March 1, 2001. He noted that the Agreement includes across-the-board salary increases of 3.45% in 1999-2000; 2.7% in 2000-2001; and 3.35% in 2001-2002. Trustee Baskin added that the Agreement includes retirement 403(b) plan increases of 2% of the base pay for eligible employees in 2000-2001 and 1% of the base pay for eligible employees in 2001-2002.

Trustee Baskin moved approval of the following resolution:

RESOLVED, that the Board of Trustees hereby approves the 1999-2002 contract between Oakland University and Police Officers Association of Michigan and Oakland University Police Officers Association, with the effective date of October 1, 1999 through September 30, 2002.

Trustee Crissman seconded the motion. The motion was unanimously approved by those present.

D. Approval of Part 2 Design-Build Services for Student Apartments

Trustee Crissman commented that she was delighted to have been a part of this project and that she appreciated the students' involvement during the process. She stated that this proposal is to contract with Capstone Development Corporation for the construction of a 459-bed apartment complex on campus at a total project budget of \$21 million, with construction costs of \$16,259,660. Trustee Crissman noted that a list of the major expense categories that make up the \$21 million is on file in the Board of Trustees office, and that Capstone is still developing the estimates for utility fees and connections and telecommunications with utility providers and local municipalities. Trustee Crissman called on Mr. Leland Keller, Capstone Project Manager, and Mr. David Demerest, Capstone Project Architect, to make a brief presentation for the Board.

Mr. Keller highlighted the project and displayed the schematic design of the apartments. He noted that the apartments will have a tudor-style architecture that is complementary to structures in the surrounding neighborhood. Mr. Keller stated that the development will include a

community center with two fireplaces and adjoining sports courts and patio; 2 and 4 bedroom furnished units with two-person bathrooms and shared common living, kitchen and dining areas; and a retention pond necessary to retain drainage from the development.

Mr. Demerest added that, due to the varied site elevations, the apartments will be constructed as split-level L-shaped buildings with accessible entrances. Mr. Keller noted that the construction will commence the first of August 2001 and will be completed the first of July 2002.

Trustee Baskin asked if an interior designer was involved in furnishing the apartments, and if the apartments will be completely furnished. Mr. Keller replied that the interior designer is a member of the Capstone staff and that she has a master's degree in interior design. He noted that the apartments will be completely furnished and that wood furniture was chosen to minimize damage to hallways as students move in and out of the buildings.

Trustees Baskin and Rex E. Schlaybaugh, Jr. questioned the discrepancy between the original estimate for utility connection and telecommunications fees of \$94,000 and Capstone's estimate of \$936,000. Mr. Keller explained that he believed the \$94,000 estimate was determined by the consulting firm who originally worked with Oakland University on the student apartments concept. He noted that the \$936,000 includes the \$750,000 maximum projected cost and the cost of other utility fee connections. Mr. Keller added that the only thing that was in the original bid was the wiring for the project itself.

Trustee Schlaybaugh asked about the certainty of the estimate, based on the pending negotiations with the city. Mr. Rusty Postlewate, Associate Vice President for Facilities Management, replied that the university is comfortable that the estimate is at the upper end and that it will probably be substantially less. He noted that the university has experienced some difficulties dealing with two different cities, since the Auburn Hills and Rochester Hills city limits run down the middle of the project site. Mr. Postlewate stated that the proposal is that the university will receive water service from Auburn hills and sewer service from Rochester Hills; thus, an agreement between the two cities must be reached. Mr. Keller added that the telecommunications fees were determined through actual bidding experience from contractors that have worked with Oakland University.

Trustees Baskin and Schlaybaugh expressed concern over the lack of a guaranteed maximum price on this project. Ms. Schaefer stated that the university is very comfortable that the project will be completed for \$21 million or less, based on the high-end estimates. When asked by Trustee Schlaybaugh how the university will remain committed to the \$21 million limit for the project,

Dr. Mary Beth Snyder, Vice President for Student Affairs, responded that the university would eliminate items such as from the \$810,000 furnishings budget to stay on target.

Trustee Baskin asked Mr. Zambardi if the contract includes language that Capstone and their associates will provide the university with the identical specifications for no more than \$21 million. Mr. Zambardi called on Mr. Robert H. Bunger, Assistant General Counsel, to respond to this question, since he is negotiating the contract with Capstone. Mr. Bunger responded that the contract does include that language and that there will be an attachment to the document that provides the schematics and other conditions and clarifications along with performance bonds.

Trustee Louis Grech-Cumbo asked if the estimate includes a percentage for overruns, and Ms. Schaefer replied that it includes 5% for overruns.

Ms. Cristina Kapustij, Student Liaison, reminded the Board how excited students are about the student apartments. She expressed her confidence in Capstone's ability to identify where costs could be reduced to prevent the project from exceeding \$21 million, since their specialty is in constructing student apartments.

Trustee Crissman moved approval of the following resolution:

RESOLVED, that the Vice President for Finance and Administration be authorized to execute a design-build agreement with Capstone Development Corporation for Part 2 services substantially in the form attached hereto and containing a guaranteed maximum price, with a total price to be such as to keep the total project cost at or below \$21,000,000; and, be it further

RESOLVED, that the agreement shall be reviewed and approved by the Office of the General Counsel prior to execution, and shall be in compliance with the law and university policies and regulations and shall conform to the legal standards and policies of the Board of Trustees; and, be it further

RESOLVED, that the Vice President for Finance and Administration shall report to the Board periodically on the project progress; and, be it further

RESOLVED, that the total cost for the project including design, construction, furnishings, equipment, and project management shall not exceed \$21,000,000, to be funded by bonds; and, be it further

RESOLVED, that the Vice President for Finance and Administration be authorized to proceed with the completion of design for the Student Apartments, consistent with the project scope, budget, and schematic design as approved by the Board on this date and on file with the Secretary to the Board of Trustees.

Trustee Doyle seconded the motion.

Trustee Baskin proposed a friendly amendment to the resolution that the document titled "Student Apartment Project Information Summary" be attached to the resolution. Mr. Zambardi suggested that the following language be added to the fourth resolved clause to reflect Trustee Baskin's amendment:

RESOLVED, that the total cost for the project, including design, construction, furnishings, equipment and project management shall not exceed \$21,000,000, consistent with the Student Apartment Project Information Summary attached hereto, to be funded by bonds; and, be it further

Trustee Grech-Cumbo seconded the motion.

Trustee Grech-Cumbo commented that the Board's intention here is to have a review to make sure that the student apartments are revenue generating, which should be reported to the Board annually or biannually to ensure that they meet that intention. Trustee Baskin stated that he wants people to understand that this project was designed and proposed to be revenue neutral at the very least and that there should not be cost overruns. Trustee Doyle added that the Board will automatically receive a report on the student apartments included in the annual student housing budget recommendation.

The motion to amend the resolution was unanimously approved by those present. The underlying motion, as amended, was unanimously approved by those present.

Trustee Cooper commented that he believes the \$21 million projection will prove to be a pretty liberal figure, and that it will be important to see where the student apartments actually come in, since they are at the high-end of all of the projections.

E. Approval of Campus Master Plan

Trustee Grech-Cumbo stated that in March 1999, the Board authorized the development of a new Campus Master Plan through a two-year, broad-based campus consultation process. He noted that the President

appointed a 22 member task force to investigate and submit a master plan to the Board. During two separate stages, the task force consulted with 30 different groups, including the University Senate, Student Congress, major academic units, employee groups, student groups, Oakland University Foundation, and alumni, whose input was incorporated into the final document. Trustee Grech-Cumbo added that both the University Senate and Student Congress approved resolutions endorsing the overall plan with concerns over green space.

Trustee Grech-Cumbo moved approval of the following resolution:

RESOLVED, that the Board of Trustees endorses the Campus Master Plan as presented by the Campus Master Planning Task Force and included as Attachment A; and, be it further

RESOLVED, that the Board of Trustees directs the administration to periodically review and update the Campus Master Plan at a minimum of every 5 years.

Trustee Doyle seconded the motion.

Trustee Baskin thanked the Campus Master Plan task force committee members for all of their efforts in developing this worthwhile plan for the university.

Trustee Schlaybaugh stated that the planning principles do not appear to address the issue of preserving green space. He asked if, from a planning perspective, the Board is supposed to infer that, other than what is designated as reserve areas, the rest of the property is developable. Ms. Schaefer responded that Principle 16, "The natural features of the landscape should influence the placement of facilities," and Principle 2, "Oakland University's 1,500 acres are a valuable and finite resource," should influence the placement of facilities based on preservation of the natural areas. She also noted that it was clearly a strong theme in the task force and throughout the campus that green space should be maintained if at all possible. Dr. Esposito stated that it is also fair to say that the Campus Master Plan does not preclude designating future additional natural preserves.

Ms. Kapustij stated that preservation of green space was a main concern of the Student Congress, student organizations, and student body during the development of the Campus Master Plan.

The motion was unanimously approved by those present.

Trustee Grech-Cumbo commented that the task force did a nice job in getting everyone within the university community involved in this project. He stated that understanding the faculty and students' concerns for green space, the task force made every effort to contact everyone interested to ensure their support. Trustee Grech-Cumbo congratulated the task force members for their due diligence on this project. Chair Nicholson also thanked all those individuals who were involved in creating the Campus Master Plan.

F. Approval of Request for Authorization to Issue and Deliver Bonds to Finance Various Capital Projects and to Amend the January 31, 2001 Interest Rate Exchange Resolution

Trustee Schlaybaugh stated that this resolution authorizes the issuance of general revenue bonds to fund the following three major Board-approved projects: Student Apartments, Education and Human Services Building, and Electrical Power Upgrade. Trustee Schlaybaugh noted that the Board has also identified the following potential capital improvement projects for funding from the bond proceeds: Automobile Technology Center, Performing Arts Center, Parking Structure, and Oakland Center Expansion. He added that, with respect to the last four projects, the Board has not yet approved any of those projects, but intends to engage in a planning process within the next year that will allow the Board to prioritize which projects will be commenced first.

Trustee Schlaybaugh stated that the bonds would be used to fund the immediate capital improvements in the amount of approximately \$33.7 million. It would also pay for issuance cost, capitalized interest and other miscellaneous costs, leaving some unallocated capital improvement funds at this time.

Trustee Schlaybaugh asked if the resolution was reviewed and found in acceptable form by bond counsel. Ms. Linda Bruton, of Lewis & Munday, confirmed that she had reviewed the resolution and found it acceptable for Board approval.

Trustee Schlaybaugh moved approval of the following resolution:

WHEREAS, the Board of Trustees of Oakland University (the *Board*) is a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, as amended (the *Constitution*), with general supervision of Oakland University (the *University*) and the control and direction of all expenditures from the University's funds; and

WHEREAS, the Board proposes to undertake one or more of the capital improvements listed on *Exhibit A* hereto (any one or more of such, the *Project*); and

WHEREAS, the Constitution as well as Section 6 of Act 35, Public Acts of Michigan, 1970, as amended (*Act 35*), authorizes the Board to issue bonds for the purpose of the Project, payable from the sources therein provided; and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University's funds, the Board determines it is necessary and desirable to authorize the issuance and delivery of the Board's General Revenue Bonds, Series 2001 (the *2001 Bonds*), pursuant to its constitutional and statutory authority in order to provide funds which, together with other available funds, will be used to pay the costs of the Project, to fund capitalized interest, and to pay costs related to the issuance of the 2001 Bonds; and

WHEREAS, the financing of the Project will serve proper and appropriate public purposes; and

WHEREAS, Lehman Brothers (the *Investment Banker*) has been engaged to provide financing options to the University with regard to the Project and, together with such other financial institutions as the Investment Banker may select (the *Underwriters*), to underwrite the 2001 Bonds; and

WHEREAS, in order to sell the 2001 Bonds at the most opportune time, it is necessary and appropriate for the Board to authorize each of the Authorized Officers herein identified to take the actions herein authorized in the name and on behalf of the Board within the limitations set forth herein; and

WHEREAS, the Board has full power under its constitutional authority and supervision of the University and control and direction of expenditures from the University funds, as well as under Act 35, to acquire and construct the Project, and to pay all or part of the cost of the acquisition, construction and installation of the Project by issuance of the 2001 Bonds and to take the other actions herein contemplated; and

WHEREAS, the Board authorized a swap agreement (the *Swap Agreement*) in a notional amount not to exceed \$45,000,000 by resolution adopted on January 31, 2001 (the *Swap Resolution*), and the Board now desires to correlate the notional amount with the maximum aggregate principal amount of 2001 Bonds authorized hereby; now, therefore, be it

RESOLVED, that undefined capitalized terms used herein and defined in the preamble hereto are used herein as therein defined; and, be it further

RESOLVED, that the Board hereby authorizes the issuance of not more than \$47,000,000 aggregate principal amount of 2001 Bonds of the Board in one or more series to be designated "General Revenue Bonds, Series 2001", with any appropriate additional series designations, for the purpose of financing the Project and for providing funds for purposes ancillary to such financing, such as capitalized interest, costs of issuance and other ancillary matters, which may include (i) the cost of credit enhancement in the form of bond insurance, a letter of credit, line of credit, purchase agreement, or other financial arrangement intended to protect holders of 2001 Bonds from loss arising from a failure of the University to timely pay principal (and premium, if any) of and interest on 2001 Bonds (*Credit Enhancement*) and (ii) in connection with any 2001 Bonds issued as variable rate demand bonds (*VRDBs*), the cost of any letter of credit, line of credit, purchase agreement, or other financial arrangement intended to provide funds for the purchase of such 2001 Bonds in the event of a failure of the remarketing thereof (a *Liquidity Facility*); and, be it further

RESOLVED, that the 2001 Bonds shall be issued under a trust indenture executed in the name and on behalf of the Board, as its corporate act and deed, by either the President of the University or the Treasurer to the Board (each, an *Authorized Officer*), which shall be in the form of a supplement to an existing trust indenture, appropriately amended to serve as a general trust indenture, or to a new general trust indenture suitable for financing other capital improvements in addition to the Project (such supplemental indenture together with the general trust indenture, whether in the form of an amended existing trust indenture or a new general trust indenture, the *Trust Indenture*); and, be it further

RESOLVED, that the Trust Indenture shall include terms suitable for VRDBs and may include terms suitable for the below defined Auction Securities, *all subject* to the following limitations for the 2001 Bonds:

(a) The first maturity of the 2001 Bonds shall not be earlier than March 1, 2002, and the last maturity shall not be later than March 1, 2031, and the maturity or maturities themselves may be serial or term maturities or a combination thereof;

(b) The interest rates or manner in which the interest rates are determined for 2001 Bonds may include 2001 Bonds in the form of capital appreciation bonds, *but* in no event shall (i) the stated rate

(or the implicit rate in the case of capital appreciation bonds) for any maturity exceed 6% per annum or (ii) any variable rate, whether established at initial issuance, upon remarketing (which may include a Dutch auction method; any 2001 Bonds bearing interest determined by such method, *Auction Securities*), by index or otherwise, exceed the maximum rate allowed by law;

(c) The maximum debt service on the 2001 Bonds (including any mandatory sinking fund redemption) due in any single fiscal year of the University shall not exceed \$7,000,000; *provided that* for the purposes of calculating debt service under this paragraph, (i) the interest rate on 2001 Bonds that have the benefit of the Swap Agreement (*Swap Bonds*) shall be deemed to be the rate set forth therein as the "Fixed Rate" for so long as such Swap Agreement is in effect and (ii) the interest rate on 2001 Bonds bearing interest at a variable rate (whether as VRDBs or Auction Securities or otherwise) that are not Swap Bonds shall be deemed to be 6% per annum;

(d) The 2001 Bonds may be subject to redemption prior to maturity with or without premium, *but* no redemption premium shall exceed 2% of the principal amount (or accreted value of 2001 Bonds in the form of capital appreciation bonds) of the 2001 Bonds to be redeemed;

(e) The faith and credit of the University shall not be pledged in any way to payment of principal or interest on the 2001 Bonds;

(f) The 2001 Bonds shall be limited and not general obligations of the Board payable from and secured by a lien on the General Revenues (as shall be defined in the Trust Indenture to include generally student tuition and other fees, housing and auxiliary revenues, unrestricted gifts and grants, unrestricted investment income and other miscellaneous revenues, subject to certain reductions, limitations and exceptions) and funds from time to time on deposit in certain funds created pursuant to the Trust Indenture;

(g) Except as provided in the Trust Indenture, no recourse shall be had for the payment of the principal amount of or interest or premium on the 2001 Bonds or any claim based thereon against the State of Michigan, the Board or any officer or agent thereof, as individuals, either directly or indirectly, nor shall the 2001 Bonds and interest with respect thereto become a lien on or be secured by any property, real, personal or mixed of the State of Michigan or the

Board, other than the General Revenues and the moneys from time to time on deposit in certain funds established by the Trust Indenture;

(h) The right shall be reserved to issue additional bonds, notes or other obligations payable from and secured on a parity basis with the 2001 Bonds from the General Revenues, upon compliance with the terms and conditions as shall be set forth in the Trust Indenture; and, be it further

[Selection of Trustee; Trust Indenture]

RESOLVED, that either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select a financial institution to serve as trustee (the *Trustee*), and to enter into the Trust Indenture with the Trustee in form acceptable to University General Counsel upon the advice of Bond Counsel and, as regards the 2001 Bonds, *subject* to the limitations herein contained; and, be it further

[Investment Agreement]

RESOLVED, that either Authorized Officer may, in the name and on behalf of the Board, and as its corporate act and deed, enter into one or more investment agreements for amounts held under the Trust Indenture as s/he determines to be financially advantageous to the University and in form acceptable to University General Counsel upon the advice of Bond Counsel; and, be it further

[Credit Enhancement; Liquidity Facility]

RESOLVED, that either Authorized Officer may, in the name and on behalf of the Board, and as its corporate act and deed, enter into such Credit Enhancement as s/he determines to be financially advantageous to the University and in form acceptable to University General Counsel upon the advice of Bond Counsel, which may provide for the University's obligations thereunder to be payable from General Revenues of the University on a parity with or subordinate to the 2001 Bonds; and, be it further

RESOLVED, that either Authorized Officer may, in the name and on behalf of the Board, and as its corporate act and deed, enter into a Liquidity Facility for VRDBs as s/he determines to be financially advantageous to the University and in form acceptable to University General Counsel upon the advice of Bond Counsel, which may provide for the University's obligations thereunder to be payable from General Revenues of the University on a parity with or subordinate to the 2001 Bonds; and, be it further

[VRDBs – Tender Agent, Remarketing Agent]

RESOLVED, that either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select a financial institution with an office located in New York, New York (which may be the New York City office of the Trustee if it has such an office), to serve as the tender agent for 2001 Bonds issued as VRDBs (the *Tender Agent*), and to include provisions in the Trust Indenture relative to the duties of the tender agent in form acceptable to University General Counsel upon the advice of Bond Counsel; and, be it further

RESOLVED, that either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select a broker-dealer (which may be the Investment Banker or an affiliate of the Investment Banker) to serve as remarketing agent (the *Remarketing Agent*) for 2001 Bonds issued as VRDBs and to enter into a remarketing agreement among the Tender Agent, the Remarketing Agent and the University in form acceptable to University General Counsel upon the advice of Bond Counsel; and, be it further

[Auction Securities – Auction Agent, Auction Broker-Dealer]

RESOLVED, that if the Trust Indenture provides for Auction Securities, either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select, or provide for the selection of, a financial institution with an office located in New York, New York (which may be the New York City office of the Trustee if it has such an office or the Tender Agent) to serve as the auction agent for Auction Securities (the *Auction Agent*) and to include provisions in the Trust Indenture relative to the duties of the auction agent in form acceptable to University General Counsel upon the advice of Bond Counsel; and, be it further

RESOLVED, that if the Trust Indenture provides for Auction Securities, either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select, or provide for the selection of, a broker-dealer (which may be the Investment Banker or an affiliate of the Investment Banker) to serve as broker-dealer for 2001 Bonds in the form of Auction Securities and to enter into a broker-dealer agreement among the University, the Auction Agent and such broker-dealer in form acceptable to University General Counsel upon the advice of Bond Counsel; and, be it further

[Sale and Delivery of 2001 Bonds]

RESOLVED, that either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to sell the 2001 Bonds at such price (plus interest accrued, if any, to the date of delivery) that such Authorized Officer determines to be appropriate under the then current market conditions, *but* no underwriters' discount, if any, shall exceed 0.534%, *and* no original issue discount, if any, shall exceed 2.0%, pursuant to a Bond Purchase Agreement with the Investment Banker as representative of the Underwriters, in form acceptable to University General Counsel upon the advice of Bond Counsel; and, be it further

RESOLVED, that either Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the 2001 Bonds by placing his or her manual or facsimile signature or signature thereon, and, after authentication by the Trustee as provided in the Trust Indenture, to deliver the 2001 Bonds to the Underwriters against payment of the purchase price thereof pursuant to the Bond Purchase Agreement; and, be it further

[Preliminary Official Statement; Official Statement]

RESOLVED, that either Authorized Officer is hereby authorized to cause the preparation of a Preliminary Official Statement and an Official Statement with respect to the 2001 Bonds, and to execute and deliver the Official Statement. The Underwriters are authorized to circulate and use, in accordance with applicable law, the Preliminary Official Statement and Official Statement in connection with the offering, marketing and sale of the 2001 Bonds; and, be it further

[Increase in Swap Notional Amount]

RESOLVED, that the Swap Resolution is hereby amended to increase the maximum notional amount of the Swap Agreement so that it equals the maximum principal amount of 2001 Bonds authorized hereby; and, be it further

[Further Authority]

RESOLVED, that each Authorized Officer and any other appropriate officer of the Board or the University are hereby authorized to perform, execute and deliver all instruments and documents for and on behalf of the University required by this resolution, the Trust Indenture, the Bond Purchase Agreement or any other agreement or instrument herein authorized, or necessary or appropriate in connection with the issuance, sale and delivery, and ongoing administration of the 2001 Bonds or the Trust Indenture and to take any and all actions related thereto, as contemplated hereby; and, be it further

[Approval by University General Counsel]

RESOLVED, that prior to the execution by either Authorized Officer or other officer of the Board or the University of instruments and documents authorized to be executed hereunder, University General Counsel shall have reviewed and approved any and all such instruments and documents; and, be it further

[Repeal]

RESOLVED, that all resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.

Trustee Grech-Cumbo seconded the resolution.

Trustee Schlaybaugh proposed and moved that the second resolved clause be amended as follows by changing the \$47,000,000 to \$48,000,000:

RESOLVED, that the Board hereby authorizes the issuance of not more than \$48,000,000 aggregate principal amount of 2001 Bonds of the Board in one or more series to be designated "General Revenue Bonds, Series 2001", with any appropriate additional series designations, for the purpose of financing the Project and for providing funds for purposes ancillary to such financing, such as capitalized interest, costs of issuance and other ancillary matters, which may include (i) the cost of credit enhancement in the form of bond insurance, a letter of credit, line of credit, purchase agreement, or other financial arrangement intended to protect holders of 2001 Bonds from loss arising from a failure of the University to timely pay principal (and premium, if any) of and interest on 2001 Bonds (*Credit Enhancement*) and (ii) in connection with any 2001 Bonds issued as variable rate demand bonds (*VRDBs*), the cost of any letter of credit, line of credit, purchase agreement, or other financial arrangement intended to provide funds for the purchase of such 2001 Bonds in the event of a failure of the remarketing thereof (*a Liquidity Facility*); and, be it further

Trustee Grech-Cumbo seconded the motion.

Trustee Baskin asked that, with \$33.7 million of the \$48 million allocated for the three Board-approved projects, at what point in the process does the university need to draw on the remaining unallocated bond proceeds of approximately \$12.8 million. Trustee Schlaybaugh replied that the \$12.8 million will remain in a construction fund and will be invested, since, as he stated before, the Board has not yet approved or prioritized the specific projects for those proceeds. He added that the university will have an interest cost and interest income on the \$12.8 million until the proceeds have been allocated. Trustee Grech-Cumbo

stated that, if the proceeds are not used, money cannot be made on the money that is borrowed. Trustee Schlaybaugh and Ms. Bruton clarified that it is an arbitrage issue whereby the university is entitled to earn interest on the money up to 3 years and use that interest to pay the interest cost. Ms. Schaefer noted that the money actually has to be spent within the 3 year period. Ms. Bruton stated that it really depends on how those funds are being invested and how soon they can be spent once the other projects are completed. She stated that she believes the intent is to spend the money within the time period so that an arbitrage rebate is not owed to the federal government.

Trustee Grech-Cumbo commented that, with the number of proposed university projects, twice the \$48 million could easily be spent. He inquired if the university would have to unwind the swap and pay associated costs if the money is not all used within 3 years and the arbitrage savings has to be returned. Ms. Schaefer replied that Trustee Grech-Cumbo was correct, assuming that, in accordance with the resolution, there is an interest rate exchange on the \$12.8 million.

Trustee Schlaybaugh stated that one of the important agreements with the underwriters was in the swap agreement where they have agreed to pay, under almost every circumstance, the floating fixed rate obligation and guarantee that obligation by placing government securities in escrow. He asked Ms. Bruton if that provision is still part of the documentation, and she stated that it is in the documentation.

Trustee Baskin referred to the following statement on page 6 of the resolution in the first full paragraph of the topic "Sale and Delivery of Bonds 2001":

" . . . but no underwriters' discount, if any, shall exceed 0.534%, and no original issue discount, if any, shall exceed 2.0%, pursuant to a Bond Purchase Agreement with the Investment Banker as representative of the Underwriters, . . . "

Trustee Baskin asked how the 2.0% limitation impacts the university, and Ms. Bruton replied that the 2.0% relates to an original issue discount at which the bonds can be sold, or a discount of 2.0% of 100% of par, which impacts the amount of proceeds the university actually gets. For example, on every \$100 if the university sells the bonds at a 2.0% discount, then the university gets \$98. Ms. Schaefer stated that these figures are in accordance with the underwriters' proposal made to the university last fall and approved by the Board. She added that the market basically sets that discount, which means that as Lehman Brothers tries to sell the bonds, they are not authorized to go beyond the 2.0% discount according to this resolution. Ms. Schaefer also stated that this provision is standard language consistent with the 1995 and 1997 university bond resolutions. Trustee Baskin stated that Trustee David T. Fischer previously commented that borrowing money at the effective rate of 4.9% was a good move

for the university; however, the 2.0% rate is a higher rate and not much of a bargain compared to today's rates. Ms. Bruton added that a 2.0% discount is not unusual for similar universities with comparable credit standings.

The motion to amend the resolution was unanimously approved by those present. The underlying motion, as amended, was unanimously approved by those present.

Trustee Grech-Cumbo commented that he understands from Ms. Schaefer that there is no danger that the \$48 million bond will affect the university's credit rating or financial health.

G. Approval of Agreement between Oakland University and China Education Network, Inc.

Trustee Doyle moved to table the following resolution:

RESOLVED, that the Board of Trustees authorizes the President or the Vice President of Academic Affairs to enter into an agreement with China Education Network, Inc. for the facilitation of an MBA program at Beijing Capital Economic and Trade University and China Southern University; and, be it further

RESOLVED, that the Board of Trustees authorizes an exception to the Board of Trustees' policy regarding Residency Classification for Admission and Tuition Purposes in connection with the agreement with China Education Network, Inc., only; and, be it further

RESOLVED, that the agreement shall be reviewed and approved by the Office of the General Counsel prior to execution, and shall be in compliance with the law and university policies and regulations and shall conform to the legal standards and policies of the Board of Trustees.

Trustee Baskin seconded the motion. The motion was approved with seven affirmative votes and one negative vote by Trustee Cooper.

V. Discussion of June 6, 2001, Board of Trustees Meeting Agenda

The Board reviewed the June 6, 2001, proposed agenda and made no changes.

VI. Other Items that May Come Before the Board

Chair Nicholson called on Mr. Bonefacio DeLaRosa, Student Liaison, who requested to address the Board.

Mr. DeLaRosa expressed the following concerns regarding campus safety and Latino or Hispanic recruitment:

Campus Safety

Mr. DeLaRosa referred to the following "Creating the Future" initiative:

To ensure the safest possible campus environment, the focus of policing activities must be a community model that is proactive and preventative.

Mr. DeLaRosa commended the Oakland University Police Department for their exceptional crime response and prevention record. He relayed some incidents he has experienced as a Resident Assistant on campus where a greater police force would have been helpful. Mr. DeLaRosa noted that the campus police force appears to be behind the national average ratio of police officers per students. He stated that the national ratio is 1.5 police officer per 1,000 students, compared to Oakland University's ratio of 1 police officer per 1,000 students. He commented that there is a need for more police officers with the current enrollment growth, the projected resident student growth as the student apartments come on line, and the increased Recreation Center activities.

Mr. DeLaRosa called on Mr. Michael Murphy, Director of Fitzgerald House, who shared an incident where the only two police officers on duty had to leave a student in the Fitzgerald dormitory who was experiencing some medical problems to tend to a life-threatening situation at the Recreation Center.

Mr. DeLaRosa stated that President Russi, Dr. Snyder, and Ms. Eleanor Reynolds, Director of University Housing, all support his proposal to increase the police force.

Latino or Hispanic Recruitment

Mr. DeLaRosa also expressed his personal concern over the low Latino or Hispanic recruitment rate at Oakland University. He noted that in 1992 only 1.5% of the total student population was Hispanic, and that the rate is the same today. He commented that, although he supports international programs such as the proposed Master's Program in China, he believes that the university needs to dedicate more time and effort towards outreach and recruitment of Hispanic students in the surrounding greater Detroit communities.

Chair Nicholson thanked Mr. DeLaRosa for his comments.

**Oakland University
Board of Trustees
Minutes of the Formal Meeting of April 5, 2001**

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VII. Adjournment

Chair Nicholson adjourned the meeting at 3:40 p.m.

Submitted,



Victor A. Zambardi
Secretary to the Board of Trustees

Approved,



Ann V. Nicholson
Chair, Board of Trustees