

**Minutes of the Formal Meeting  
of the  
Oakland University Board of Trustees  
June 7, 2006**

**Present:** Chair Penny M. Crissman; Vice-Chair Dennis K. Pawley;  
Trustees Henry Baskin, David J. Doyle, David T. Fischer,  
Jacqueline S. Long, Ann V. Nicholson, and Rex E. Schlaybaugh, Jr.

(Trustees David J. Doyle, David T. Fischer, and Ann V. Nicholson  
joined the meeting when indicated in the minutes.)

**Also Present:** President Gary D. Russi; Vice Presidents John W. Beaghan,  
Susan Davies Goepf, Virinder K. Moudgil, and Mary Beth Snyder;  
General Counsel and Secretary to the Board of Trustees  
Victor A. Zambardi and Assistant Rhonda G. Saunders; and Student  
Liaisons Frederick A. DeNault and James V. Gammicchia

**A. Call to Order**

Chair Penny M. Crissman called the meeting to order at 2:00 p.m. in the Auditorium of Elliott Hall of Business and Information Technology.

**B. Roll Call**

Mr. Victor A. Zambardi, General Counsel and Secretary to the Board of Trustees, conducted a roll call. All of the Board members were present except Trustees David J. Doyle, David T. Fischer, and Ann V. Nicholson who joined the meeting when indicated in the minutes.

**C. Reports**

**Tab 1. Fiscal Year 2007 Budget Preparation Briefing**

Mr. John W. Beaghan, Vice President for Finance and Administration, reported the following budget preparation highlights that were also presented to the Finance, Audit and Investment Committee on June 1, 2006:

- Base State Appropriations FY 1996 – 2006 indicates some gains for Oakland University (University) the last few years; however, the University still trails its 2001 gross State base appropriations by \$2 million.

- FY 2006 Base Appropriations per FYES Resident Students ranks the University as one of the lowest in the State, second only to Grand Valley State University.
- Base Appropriation per FYES and FYES indicates a steady increase in enrollment and a steady decline in appropriation per student. Appropriations are approximately 30% of the University's General Fund budget, while tuition and fees make up most of the balance.
- FY 2006 Tuition and Required Fees Resident Students – per FYES (State Reported Rates) indicates the University rates are the sixth lowest in the State.
- FY 2006 Tuition and Required Fees Resident Students – per FYES (Lower Division) are the fourth lowest in the State.
- Michigan Universities 10-Year Change (FY 1996-FY 2006) in Resident Student Tuition and Required Fees indicates the University's tuition and required fees have increased at the third slowest rate in the State, just above Central Michigan University and Saginaw Valley State University.
- Michigan Universities Total Tuition and Required Fees and State Appropriation per FYES indicates the total cost to educate students and the University ranks fourth lowest above Central Michigan University, Grand Valley State University, and Saginaw Valley State University.

Mr. Beaghan added that a decision on State appropriations for FY 2007 is expected by the end of June.

Trustees David J. Doyle and Ann V. Nicholson joined the meeting at this time.

Chair Crissman thanked Mr. Beaghan for his report.

#### **D. Action Item**

##### **Tab 2. Consent Agenda**

##### **Tab 3. Approval of the Minutes of the Formal Meeting of April 5, 2006**

##### **Tab 4. Approval of Resolution Honoring LaToya D. Hearn, Student Liaison to the Oakland University Board of Trustees**

WHEREAS, Ms. LaToya D. Hearn, an undergraduate student majoring in sociology, was appointed by the President as Student Liaison to the Oakland University Board of Trustees in June 2005 with her term of office to end June 30, 2006; and

WHEREAS, Ms. Hearn attended Board meetings and provided a cross-section of student views and opinions; and

WHEREAS, Ms. Hearn demonstrated a concern for facilitating communication between the Board and the student body; and

WHEREAS, Ms. Hearn informed student groups of her Student Liaison responsibilities and made periodic Board activity reports to those student groups; and

WHEREAS, Ms. Hearn at all times demonstrated leadership skills at the Board meetings in her role as Student Liaison; now, therefore, be it

RESOLVED, that the Oakland University Board of Trustees recognizes the fact that Ms. LaToya D. Hearn has served as a Student Liaison with dedication and distinction; and, be it further

RESOLVED, that the Oakland University Board of Trustees commends Ms. Hearn for her outstanding academic achievements, involvement in diverse extracurricular activities at Oakland University, and service as a Student Liaison to the Oakland University Board of Trustees; and, be it further

RESOLVED, that a copy of this resolution be provided to Ms. Hearn to convey the esteem in which she is held by the Oakland University Board of Trustees; and, be it further

RESOLVED, that the Oakland University Board of Trustees publicly expresses its deep appreciation to Ms. Hearn and extends to her its best wishes for continued success in all of her future endeavors.

#### **Tab 5. Approval of University Personnel Actions**

##### Administrative Appointments

Crabill, Scott L., Director, Bachelor of General Studies and Special Instructor in Communication, effective May 1, 2006 (\$52,000.00) pursuant to the Employment Agreement between Mr. Scott L. Crabill and Oakland University that was reviewed and approved by the Office of the General Counsel and is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Board of Trustees.

Tracy, Ronald L., Associate Dean, School of Business Administration and Associate Professor of Economics with tenure effective July 1, 2006 (\$128,000.00) pursuant to the Employment Agreement between Dr. Ronald L. Tracy and Oakland University that was reviewed and approved by the Office of the General Counsel and is in compliance with the law and University policies and regulations and conforms to the legal standards and policies of the Board of Trustees.

##### Emeritus Appointments

Abiko, Bonnie F., Professor Emerita of Art History, effective August 15, 2006.

Change of Status

Mili, Fatma, from Professor of Engineering to Professor of Engineering and Acting Chairperson, Department of Computer Science and Engineering, effective August 30, 2006 through December 12, 2006.

Roth, Bradley J., from Associate Professor of Physics to Associate Professor of Physics and Acting Chairperson, Department of Physics, effective May 15, 2006 through July 14, 2006.

Sethi, Ishwar K., from Professor of Engineering and Chairperson, Department of Computer Science and Engineering, to Professor of Engineering, effective August 30, 2006 through December 12, 2006.

Slavin, Andrei N., from Professor of Physics and Chairperson, Department of Physics, to Professor of Physics, effective May 15, 2006 through July 14, 2006.

**Tab 6. Recommendation to Accept Gifts to Oakland University for the Period of March 1 through April 30, 2006 and to Accept Grants and Contracts to Oakland University for the Period of March 1 through April 30, 2006**

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

**Tab 7. Approval of Oakland University Trustee Academic Success Fund Proposal for 2006-07**

WHEREAS, the Oakland University Trustee Academic Success Fund (OUTAS Fund) supports the University goal to recruit and retain a diverse student body; and

WHEREAS, the OUTAS Fund also expands the cultural horizons of all students to prepare them for employment in an increasingly multicultural world upon graduation; and

WHEREAS, the OUTAS Fund enhances students' skills, understanding and ability to effectively function across gender, nationality, and cultural lines; and

WHEREAS, the OUTAS Fund instills respect for diversity throughout the University; and

WHEREAS, the OUTAS Fund directly responds to the Oakland University 2010 goal of a scholarly community strengthened by its diversity; now, therefore, be it

RESOLVED, that the Board authorizes the President to direct the Center for Multicultural Initiatives to expend up to \$250,685 for the OUTAS scholarship program and other new and ongoing initiatives as described in Attachment 1 for the 2006 – 07 academic year.

**Tab 8. Approval of Specialization in Biological Communication within the Doctor of Philosophy in Biomedical Sciences**

WHEREAS, implementation of the Specialization in Biological Communication within the Doctor of Philosophy in Biomedical Sciences is an important initiative for the College of Arts and Sciences and is strongly consistent with the *Oakland University in 2010* statement; now, therefore be it

RESOLVED, that the Board of Trustees authorizes the College of Arts and Sciences to offer a Specialization in Biological Communication within the Doctor of Philosophy in Biomedical Sciences; and, be it further

RESOLVED, that the Specialization in Biological Communication within the Doctor of Philosophy in Biomedical Sciences shall be reviewed annually by the Provost to determine whether the program should be continued.

**Tab 9. Approval of Board Members for Public School Academies**

WHEREAS, the Board of Directors of the **Universal Academy** nominated Hassib Ismail for reappointment for a three-year term to expire on June 7, 2009; and Leila Chammout to fill a vacancy created by term expiration for a three-year term to expire on June 7, 2009; and

WHEREAS, the Board of Directors of the **Weston Technical Academy** nominated Nikisha Kimbrough and Tuoanyene Natt to fill vacancies created by term expirations for three-year terms to expire on June 7, 2009; and

WHEREAS, the Board of Directors of the **Star International Academy** nominated Allie Khalifeh to fill a vacancy created by term expiration for a one-year term to expire on June 7, 2007; and

WHEREAS, Hassib Ismail, Leila Chammout, Nikisha Kimbrough, Tuoanyene Natt, and Allie Khalifeh each meet the requirements of the Oakland University Board of Trustees and applicable law; now, therefore, be it

RESOLVED, that the Oakland University Board of Trustees hereby approves Hassib Ismail for reappointment to the Board of Directors of the Universal Academy for a three-year term to expire on June 7, 2009; and Leila Chammout to fill a vacancy on the Board of Directors of the Universal Academy for a three-year term to expire on June 7, 2009; and, be it further

RESOLVED, that the Oakland University Board of Trustees hereby approves Nikisha Kimbrough and Tuoanyene Natt to fill vacancies on the Board of Directors of the Weston Technical Academy for a three-year term to expire on June 7, 2009; and, be it further

RESOLVED, that the Oakland University Board of Trustees hereby approves Allie Khalifeh to fill a vacancy on the Board of Directors of the Star International Academy for a one-year term to expire on June 7, 2007; and, be it further

RESOLVED, that all resolutions and parts of resolutions in conflict with this resolution shall be and hereby are rescinded to the extent of such conflict.

**Tab 10. Approval of Addition of Kindergarten through Fifth Grades for Weston Technical Academy**

WHEREAS, the Board of Trustees approved the original Agreement for Weston Technical Academy to Organize and Administer a Public School Academy on August 1, 1998; and

WHEREAS, the Board of Trustees approved the addition of the sixth grade to Weston Technical Academy on October 4, 2000; and

WHEREAS, the kindergarten through fifth grade curriculums for the Academy is in accordance with Michigan Department of Education Curriculum Framework; now, therefore, be it

RESOLVED, that the Board of Trustees approves Weston Technical Academy's resolution to add kindergarten through fifth grades to the Academy's curriculum; and, be it further

RESOLVED, that the original Agreement for Weston Technical Academy to Organize and Administer a Public School Academy be amended to include the addition of kindergarten through fifth grades; and, be it further

RESOLVED, that the Amended Agreement for Weston Technical Academy shall be reviewed and approved by the Office of the General Counsel prior to execution and must 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.

**Tab 11. Approval to Proceed with the Automotive Antenna Instrumentation Project**

RESOLVED, that the Vice President for Finance and Administration is authorized to execute a contract with MI-Technologies for the Automotive Antenna Measurement Instrumentation Project that is the same in all material respects as the AIA Document

A141 - 2004 Standard Form of Agreement Between Owner and Design-Builder, as modified by Oakland University attached to this Resolution, upon receipt of payment and performance bonds as required by the terms of the contract; and, be it further

RESOLVED, that seed funding in the amount of \$220,000 will be provided by the School of Engineering and Computer Science's discretionary fund until all funds are received.

**Tab 12. Approval of Authorization to Enter into Real Estate Lease Agreement – School of Nursing**

RESOLVED, that the Oakland University Board of Trustees authorizes the President or his designee to execute a lease with St. John Health System that is the same in all material respects as the Lease Agreement by and between Oakland University and St. John Health System – Detroit – Macomb Campus d/b/a St. John Northeast Campus attached to this Resolution.

**Tab 13. Approval of 2006-2007 Oakland University Board of Trustees Meeting Dates**

RESOLVED, that the Board of Trustees approves the following dates for the Board's formal meetings and informal working sessions for the University fiscal year 2006-2007. The meetings will be held at Oakland University, Rochester, Michigan, in the Auditorium of the Elliott Hall of Business and Information Technology on Wednesdays at 2:00 p.m.:

|                    |                      |
|--------------------|----------------------|
| July 7, 2006       | Working Session      |
| August 2, 2006     | Formal Board Meeting |
| September 13, 2006 | Working Session      |
| October 4, 2006    | Formal Board Meeting |
| November 1, 2006   | Working Session      |
| December 6, 2006   | Formal Board Meeting |
| January 10, 2007   | Working Session      |
| February 7, 2007   | Formal Board Meeting |
| March 7, 2007      | Working Session      |
| April 4, 2007      | Formal Board Meeting |
| May 2, 2007        | Working Session      |
| June 6, 2007       | Formal Board Meeting |

**Tab 14. Approval of Ancillary Activities Operating Budgets for the Fiscal Year Ending June 30, 2007**

RESOLVED, that the Board of Trustees approves the budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Meadow Brook Music Festival, and Meadow Brook Theatre for the year ending June 30, 2007, with expenditures and transfers not to exceed the budgeted expense total for each unit, except as next set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved budget must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

Trustee David T. Fischer joined the meeting at this time.

Trustee Nicholson, seconded by Trustee Doyle, moved approval of the Consent Agenda. The motion was unanimously approved by those present.

### **E. Action Item**

#### **Tab 15. Approval of Hamlin Hall Refurbishing Project**

Dr. Mary Beth Snyder, Vice President for Student Affairs, stated that during divisional planning this year a decision was made to make a major change in the University Housing (Housing) program. She noted the strategy is to assign most of the incoming freshmen to Hamlin Hall (Hamlin) in order to consolidate residential freshman programs in one building. Dr. Snyder stated freshman residential programs are becoming the norm in higher education as universities have realized how much a positive academic and social experience in the freshman year impacts retention and graduation rates. She noted that Housing's goal is to improve the quality of living on campus and the overall freshman year experience by addressing the unique needs of these students in a single residence hall environment. To prepare for the change, Housing sought Board approval to spend up to \$626,500 from the FY 2006 Housing budget net revenue and accumulated reserves in order to refurnish and carpet all Hamlin rooms. She stated that with this additional capital expense, the fiscal year-end Housing balance would be \$400,000 less than the amount approved by the Board last June, resulting in a positive fund balance of \$407,920.

Dr. Snyder presented the following recommendation for Board approval:

WHEREAS, Oakland University is strengthening efforts to improve the first-year experience for incoming freshmen; and

WHEREAS, the Department of University Housing seeks to support these efforts with the implementation of a freshman residential learning community in Hamlin Hall that includes upgrades to the furnishings that are more appropriate for first-year students; now, therefore, be it

RESOLVED, that the Board of Trustees authorizes the Department of University Housing to incur an additional capital expenditure in FY 2006 not to exceed \$626,500 for the Hamlin Hall refurnishing project bringing the Department of University Housing's total fiscal year capital expenditures to \$891,394; and, be it further

RESOLVED, that University Purchasing Procedures will be followed in the acquisition of all Hamlin furnishings and materials.

Chair Crissman called on Mr. Michael McGinnis, University Student Body President, who requested to address the Board on this item. Mr. McGuinness commented that from the student perspective, Hamlin is very much in need of the proposed improvements, especially since it is the largest residential building on campus and is now targeted for a specific purpose that requires it to be in a satisfactory quality condition.

Trustee Rex E. Schlaybaugh, Jr. asked if Hamlin is fully subscribed for the fall and what the historical occupancy has been. Dr. Snyder replied that freshman contracts are currently being received. Ms. Eleanor Lewellen Reynolds, Assistant Vice President for Student Affairs and Director of Admissions, added that historically, Hamlin is almost completely occupied because it is one of the buildings that offer suites with shared bathrooms rather than community bathrooms. Dr. Snyder noted that last year Hamlin occupancy was at 86%. Trustee Fischer asked what occupancy is anticipated after the renovations have been completed, and Ms. Reynolds replied she believes it will be close to 100%. She noted that 172 more contracts have been received than at this time last year, and she believes occupancy will be extremely high.

Trustee Schlaybaugh asked about the timing of the project and what impact it would have if the Board decided to have it done mid-year during winter break. Dr. Snyder responded that she believes the project can be completed by fall if it is approved now, but to do it mid-year would not be feasible since all of the students' possessions would have to be moved out of the rooms to complete the project.

Trustee Dennis K. Pawley stated he does not question the need for the enhancements, but he expressed concern about the timing of when the request had been brought to the Board, when the Board has to make some major decisions on the University budget. He commended Dr. Snyder and Ms. Reynolds on managing Housing reserves for projects of this nature, but questioned how long those reserves will be available given the tough budgetary decisions the Board is facing.

Trustee Fischer concurred with Trustee Pawley's concern, and asked for an explanation on the lower occupancy rates in Van Wagoner and Hill House. Ms. Reynolds replied that both buildings have community bathrooms, which are projected to be refurbished in FY 2007. She also noted that those buildings were designed in the 1960's with very small rooms that are not as desirable; however, since they are now being leased as single rooms the response has been better.

Trustee Long asked if there are any other infrastructure changes for Hamlin proposed in the near future. Dr. Snyder replied that she anticipated none. Ms. Reynolds agreed adding that Housing is working with the Campus Housing Master Plan to follow through on those steps. She noted that no structural changes are anticipated other than modernizing the elevators.

Dr. Snyder clarified for Trustee Baskin that non-resident students do not pay towards the cost of the Hamlin facility or any other residence halls. Mr. Beaghan added that the \$626,500 proposed for the Hamlin enhancements is from residence halls reserves and not the General Fund. Trustee Baskin asked if the proposal anticipates an increase in Housing rental rates, and Ms. Reynolds explained that the Hamlin project proposal cost would be funded from the FY 2006 budget totaling \$906,000 in the all-funds budget, and if the proposed 5% room and board increase is approved then the proposed FY 2007 all-funds budget will either be over \$1 million or \$600,000, depending on the decision regarding the Hamlin project. Dr. Snyder explained that students pay a Board-approved room and board rate over and above tuition, which has been between 4% and 6% every year for the past nine years, and over time reserves are accumulated to maintain the eight buildings and apartments.

Trustee Doyle asked if the Housing reserve has ever been used for any other purpose besides Housing. President Gary D. Russi replied it has not been used for other purposes in recent years. Trustee Pawley commented that very few of the reserve funds have been reallocated for anything other than what they were intended, but the University is in a different economic situation and that process may change.

Trustee Schlaybaugh asked why the Hamlin project was not in the capital budget last year for FY 2006. Dr. Snyder explained that the Hamlin project decision was made during this academic year through a University-wide initiative called the *Foundations of Excellence* created to identify ways to improve the first-year student experience and retention. Dr. Snyder stated this proposal was Housing's strategic idea to focus on freshmen who attend the University, especially since the freshman retention rate has declined over the past few years.

Trustee Nicholson, seconded by Trustee Doyle, moved approval of the recommendation. The motion was approved with six affirmative votes and two negative votes by Trustees Baskin and Pawley.

#### **F. Action Item**

#### **Approval of Ancillary Activities Operating Budgets for the Fiscal Year Ending June 30, 2007:**

##### **Tab 16. Lowry Early Childhood Center**

Dr. Virinder K. Moudgil, Vice President for Academic Affairs and Provost, called on Dr. Mary L. Otto, Dean of the School of Education and Human Services, to present this item. Dr. Otto stated the Lowry Early Childhood Center (Lowry Center) provides early childhood education to children 18 months to 5 years of age. She noted its primary purpose is to provide a laboratory setting for the study of human family and child development for students in programs in the School of Education and Human Services and students in other parts of the campus. Dr. Otto stated the proposal is for Board

approval of the FY 2007 Lowry Center budget with a 5% increase over the FY 2006 fees, which is industry standard. She noted the FY 2006 budget year will end with a positive balance, and the FY 2007 budget reflects strong enrollments that meet capacity enrollment targets with fluctuating available time in programs. Dr. Otto added that a Lowry Center internal audit was conducted, and a response was made to all aspects of the audit to the satisfaction of the Director of Internal Audit.

Trustee Schlaybaugh called on Mr. David Vartanian, Director of Internal Audit, to comment on the Lowry Center audit issues and responsiveness. Mr. Vartanian stated, pursuant to Board policy, a quarterly follow up is conducted on all open items for every audit. He noted the Lowry Center audit was completed on March 31, 2006, with only one outstanding issue concerning Michigan licensure for child care. Mr. Vartanian stated in response, the Lowry Center has developed a proactive rather than a reactive approach to address this issue. He stated he will continue to monitor the issue to ensure the Lowry Center is taking the proposed corrective action.

Trustee Pawley asked what the impact on the Lowry Center budget would be without the \$18,000 General Fund Budget support. Dr. Otto explained that the \$18,000 is actually from the academic program to cover the cost of instructors to teach Lowry Center classes to University students. She stated if it were removed, the Lowry Center tuition would have to subsidize the cost to teach those University students. Dr. Otto noted the \$18,000 is reported in the General Fund Budget for the Lowry Center because the students are actually doing their program in the Lowry Center. Trustee Schlaybaugh commented that he believes the manner in which this is reported could be misleading to some, since the cost for instruction actually comes from the departmental budget rather than the General Fund and should be reported in that manner. Dr. Otto stated that the cost for instruction could be reflected in the Human Development and Child Studies budget rather than the Lowry Center budget.

Trustee Schlaybaugh then asked if a competitive rate analysis has been conducted for the Lowry Center, and Dr. Otto replied an analysis is done every year which she will share with the Board. She commented that based on that analysis, the Lowry Center falls in the mid-range of the industry standards at a little higher rate. Dr. Otto noted the Lowry Center has a much smaller ratio of child to teacher, and it meets the criteria and the national standards for early childhood education

Trustee Schlaybaugh requested that a competitive analysis be included in future Lowry Center budgets.

Dr. Moudgil presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approves the budget for the Lowry Early Childhood Center for the year ending June 30, 2007, with expenditures and transfers not to exceed the budgeted expense, except as next set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved budget must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

Trustee Long, seconded by Trustee Doyle, moved approval of the recommendation. The motion was unanimously approved by those present.

### **Tab 17. Oakland Center**

Mr. Richard D. Fekel, Director of the Oakland Center, stated the proposed FY 2006 Oakland Center year-end budget is \$48,366 before major capital expenses. He noted that FY 2006 revenues fell within \$21,000 of budgeted projections and FY 2006 expenses were contained to the budgeted amount. Mr. Fekel stated the \$232,994 Gold Room capital improvement project was completed in January 2006 and resulted in a FY 2006 year-end net revenue shortfall of \$184,518; however, the projected FY 2006 fund balance at year-end is \$803,523. Mr. Fekel stated the proposed FY 2007 Oakland Center budget reflects an overall 3.5% revenue increase over last year's estimated actual budget. He noted on the expense side, employee compensation costs related to full staffing operations and a 15% utility hike account for the greatest increase in FY 2007 Oakland Center expenditures. Mr. Fekel added the year-end net revenue is projected to be \$4,709.

Mr. Fekel added that, based on discussion at the June 1, 2006 Finance, Audit and Investment Committee meeting, he eliminated a \$125,000 capital expenditure for window replacement from the proposed FY 2007 Oakland Center budget, which increased the proposed FY 2007 fund balance to \$848,232.

Dr. Snyder presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approves the budget for the Oakland Center for the year ending June 30, 2007, with expenditures and transfers not to exceed the budgeted expense, except as next set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved budget must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

Trustee Fischer asked if the window replacement will be done from a separate budget or if it will be deferred, and if so what impact that will have to the University. Mr. Fekel replied the project is being deferred, and he noted it is not part of the current energy program, so other funding options will be pursued. Mr. Fekel added that the windows are safe but pose an energy issue.

Trustee Baskin questioned the impact on the Oakland Center budget if the 3% student tuition support allocation increase assumption for FY 2007 is not correct. Mr. Fekel replied if that targeted revenue figure is not met, the Oakland Center would reduce expenses to meet targeted budget.

Trustee Baskin moved the following friendly amendment revising the first clause of the recommendation for Board approval:

RESOLVED, that the Board of Trustees approves the budget for the Oakland Center for the year ending June 30, 2007, provided however, that if necessary, expenditures shall be reduced so as not to exceed actual revenue; and, be it further

Trustee Fischer seconded the amended motion. The motion, as amended, was unanimously approved by those present.

### **Tab 18. University Housing**

Ms. Reynolds stated the number of students living on campus was the same as last year, and the student apartments remain the most popular living area. She projected an estimated revenue shortfall for FY 2006 of \$122,000 due to Housing's assigned portion of the University's bad debt being larger than budgeted and investment income being less than projected for the year. Ms. Reynolds noted that shortfall was erased through cost reductions in supplies and services, insurance, and utilities prior to major capital expenditures at an estimated total of \$396,000. She stated based on Board approval of the Hamlin project the projected FY 2006 year-end fund balance will be \$407,920. Ms. Reynolds reiterated that the proposed FY 2007 Housing budget reflects a 5% room and board increase which will generate revenue for anticipated increases in utility and food service fixed costs in addition to anticipated increases in compensation, supplies and services, repairs and maintenance, and insurance. She stated the proposed budget projects a positive year-end balance of \$286,482, and a projected all-funds balance of \$694,403. Ms. Reynolds reiterated that 172 more Housing contracts have been received than last year at this time reflecting a 22% increase. She stated she is confident the FY 2007 Housing budget projections will be met.

Dr. Snyder presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approves the budget for the University Housing for the year ending June 30, 2007, with expenditures and transfers not to exceed the budgeted expense, except as next set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved budget must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

Ms. Reynolds clarified for Trustee Baskin that, in working with the Facilities Management Department, an analysis was conducted of all of the Housing elevators that addressed repair issues and a modernization project starting with seven elevators in the residence halls. She noted that Housing is also working with the Purchasing Department to develop a proposal for the project. Mr. Terry Stollsteimer, Associate Vice President for Facilities Management, added that an analysis was done in terms of the conditions of the elevators, with two Housing elevators were identified with critical repair needs. He added the projects will have to be engineered using specifications through a bidding process, at which time the projects will be brought back to the Board for approval.

Chair Crissman asked if the elevators pose a safety issue, and Mr. Stollsteimer replied when an elevator is not operating it poses a temporary access problem for disabled students.

Trustee Pawley asked if the projects only include the mechanical portion of the elevators or the interiors as well and who will be contracted to do the repairs. Mr. Stollsteimer stated it will include both the mechanisms and the interiors to be done by manufacturers due to State certification requirements. He added that service contracts will be purchased through the manufacturers.

Trustees Baskin and Pawley questioned whether the proposed \$200,000 will cover the project, and Ms. Reynolds stated it will only cover a portion, or two elevators, of the total project which will take three to five years to complete.

Trustee Pawley requested that after the elevator project cost is determined, the proposal be returned to the Board for approval.

Trustee Nicholson, seconded by Trustee Fischer, moved approval of the recommendation. The motion was unanimously approved by those present.

### **G. Action Item**

#### **Tab 19. Approval to Purchase High Performance Digital NMR Spectrometer Console**

Dr. Virinder K. Moudgil, Vice President for Academic Affairs and Provost, called on Dr. Kathleen Healy Moore, Associate Dean of the College of Arts and Sciences, to present this item. Dr. Moore stated the request is for a much needed upgrade to a long-term existing High Performance Digital NMR Spectrometer Console instrument. She noted the heart of the instrument is a magnet, which is still in very good condition; however, the console that runs, collects and analyzes the data for the instrument was obsolete some years ago. Dr. Moore added that colleagues in Physics and Chemistry have used the instrument for years, but it has become antiquated and is in urgent need of an upgrade. She noted that progress in several University research laboratories that receive NIH

grants and generate indirect cost recovery depend on this equipment. Dr. Moore stated that both the College

of Arts and Sciences and the Department of Chemistry will utilize funds returned to the unit as part of the Indirect Cost Recovery Incentive Model to help cover the console cost. In addition, discretionary funding from the Center for Biomedical Research will be used to support a portion of the total cost.

Dr. Moudgil presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to purchase a High Performance Digital NMR Spectrometer Console from Bruker BioSpin Corporation at a total cost not to exceed \$299,500.

Trustee Nicholson, seconded by Trustee Schlaybaugh, moved approval of the recommendation. The motion was unanimously approved by those present.

#### **H. Action Item**

##### **Tab 20. Approval of Lease and Agreement to Provide Bookstore Services**

Mr. Beaghan stated after a formal bid process for bookstore services, Barnes and Noble, the current University bookstore, offered the best financial and student services proposal to include the following terms:

- Percentage of gross sales, excluding Grizz Merchandise:
  - 11% of all gross sales up to \$3,000,000
  - 12% of all gross sales from \$3,000,000 to \$5,000,000
  - 13% of all gross sales over \$5,000,000
- Percentage of gross sales on Grizz Merchandise
  - 20% of all gross sales
- Capital investment for renovations of \$550,000, amortized over a five-year period. Should the University terminate the agreement without cause before the end of the five-year period, the University will reimburse Barnes & Noble for the unamortized balance of the investment. The \$550,000 will fund all of the capital improvements.
- Payment of \$100,000 in year two of the agreement
- Payment of \$100,000 in year four of the agreement
- \$5,000 in each year of the agreement that the University intends to use to support textbook scholarships
- Continued emphasis on customer service for students and faculty.
- Discounts for faculty and staff, departmental purchases, Alumni Association members, and to students when purchasing textbooks with the SpiritCard.

Mr. Beaghan noted the selection committee consisted of a broad representation including students and faculty, and the University is confident this agreement is in the University's best interest.

Mr. Beaghan presented the following recommendation for Board approval:

WHEREAS, Oakland University's current agreement with Barnes & Noble College Booksellers, Inc. to provide bookstore services expires on June 15, 2006; and

WHEREAS, through a competitive bidding process, the University determined that Barnes & Noble College Booksellers, Inc. offers the best overall proposal to the University based on bookstore operations, store design, and financial return; now, therefore, be it

RESOLVED, that the Vice President for Finance and Administration is authorized to execute the attached Oakland University Lease and Agreement for Bookstore Services.

Trustee Baskin questioned why the students do not receive the same discounts as faculty and staff, and Mr. Beaghan replied the agreement does provide students with discounts on textbooks when they use their SpiritCard, a student I.D. card with debit capability. He added that students also get competitive pricing if they pay cash for their textbooks, and Ms. Peggy S. Cooke, Director of Business Operations Analysis, clarified that the faculty and staff discounts are not for textbooks, but for peripheral materials only.

Trustee Schlaybaugh asked if each of the vendor proposals were costed out and if the Barnes and Noble proposal produces the most revenue to the University. Mr. Beaghan replied that the proposals were costed out, and Barnes and Noble's proposal offered the most revenue projected over the term of the agreement.

Trustee Doyle, seconded by Trustee Long, moved approval of the recommendation. The motion was unanimously approved by those present.

### **I. Action Item**

#### **Tab 21. Approval of Agreement Between Oakland University and Police Officers Labor Council July 1, 2005 – June 30, 2008**

Mr. Beaghan stated the Board is being asked to approve the Agreement Between Oakland University and Police Officers Labor Council representing the police sergeants who unanimously ratified the agreement on May 18, 2006. He highlighted the following agreement changes:

- Three-year agreement retroactive to July 1, 2005 through June 30, 2008.
- Salary increases of 2.8% in year 1 and 3% in years 2 and 3.
- Cost saving plan design changes for health care.
- Elimination of 4% escalator on retiree health care in 2008.

- “Access Only” to retiree health care for sergeants hired or promoted after July 1, 2005.

Mr. Beaghan presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approve the agreement between Oakland University and the Police Officers Labor Council, with the effective date of July 1, 2005 through June 30, 2008.

Trustee Schlaybaugh asked how many total compensatory days are provided under the current contract, and Mr. Ronald P. Watson, Assistant Vice President for University Human Resources, replied they will only have one compensatory day per year of the contract. He explained that a compensatory day is actually a personal day they can take off of work with prior approval to take care of personal business.

Trustee Fischer, seconded by Trustee Pawley, moved approval of the recommendation. The motion was unanimously approved by those present.

#### **J. Action Item**

#### **Tab 22. Approval of Agreement Between Oakland University and Police Officers Association of Michigan October 1, 2005 – September 30, 2008**

Mr. Beaghan stated the Board is being asked to approve the Agreement between Oakland University and Police Officers Association of Michigan representing the police officers and dispatch operators who unanimously ratified the agreement on May 31, 2006. He highlighted the following agreement changes:

- Three-year agreement retroactive to October 1, 2005 through September 30, 2008.
- Salary increases of 2.8% in year 1 and 3% in years 2 and 3.
- Cost saving plan design changes for health care.
- Expanded career development benefits for classes taken at Oakland University.
- Changes to the Officer in Charge pay and the court time pay.

Mr. Beaghan presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approve the agreement between Oakland University and the Police Officers Association of Michigan, with the effective date of October 1, 2005 through September 30, 2008.

Trustee Schlaybaugh asked for an explanation of the change to delete the accrued sick leave pay out at retirement. Mr. Beaghan replied a paragraph in the last agreement was deleted since it does not apply to any of the police officers.

Trustee Doyle, seconded by Trustee Schlaybaugh, moved approval of the recommendation. The motion was unanimously approved by those present.

**K. Action Item**

**Tab 23. Approval of Administrative Professional (AP) Benefit Plan Design Changes and Revisions to the Administrative Professional Manual**

Mr. Beaghan stated the Board is being asked to approve changes to the benefits offered to the Administrative Professionals. He highlighted the following changes:

- Cost saving plan design changes for health care.
- An adjustment to the early retirement fund.
- Elimination of 4% escalator on retiree health care in 2008.
- "Access Only" to retiree health care for Administrative Professionals hired after July 1, 2006.
- Expanded career development benefits for classes taken at Oakland University.

Mr. Beaghan presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approve the following benefit plan changes for Administrative Professional Employees, to be reflected in a revised Administrative Professional Manual:

- Benefit plan design changes for Health Maintenance Organizations – HAP and BCN

| <u>Year</u> | <u>Changes</u>   |
|-------------|--|
| Year 1      | No changes   |
| Year 2      | Increase (2) Tier Rx \$7/\$15 to (3) Tier \$7/\$15/\$30  |
| Year 3      | Increase Emergency Room co-pay from \$50 to \$100<br>Increase Office/Urgent Care co-pays from \$10 to \$15 |

- Early Retirement Fund The current budget is \$38,816. To recognize that no adjustments were made to this benefit when AP's (191) were combined with IC's (136) in 2004, add \$25,503 to annual budget. Eliminate AP early retiree one-time funding language in the AP Manual. Remove from the AP manual the \$30,000 rollover limitation.
- Medicare Complementary four percent (4%) escalator The 4% escalator on Medicare complementary coverage will continue in Calendar years 2006 and 2007 and will be eliminated (0%) in Calendar year 2008.

- Employees hired after July 1, 2006 will be eligible for participation in the University's Medicare complementary coverage, dental and optical as "access only" for retirees and spouse, at retiree rates, paid in full by the retiree.
- Career Development (tuition waiver) The University will cover 100% of tuition costs up to sixteen (16) hours per fiscal year (previously 24 credits) provided agreed upon criteria is met. Cost of books, fees, travel and other expenses are not included. Limit to covering only classes offered at Oakland University, require a 2.0 GPA for undergraduate and 3.0 GPA for graduate level courses and limit payment for dependents and spouses to 50% up to a maximum of 32 credits per fiscal year.

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

Trustee Nicholson asked how the early retirement fund is used, and Mr. Watson explained that employees with 15 years of service and age 62 are eligible for a monthly contribution toward health care benefits between ages 62 and 65.

Trustee Schlaybaugh asked how many bargaining units the University has with escalators on Medicare, and Mr. Beaghan replied there are five bargaining units, four of which have the escalator. In addition, the Administrative Professionals, the Executives, Deans, and Academic Administrators, and the Excluded Clerical Technical Employees, which are all non-bargain for groups, currently have the escalator. Trustee Schlaybaugh commented he believes this is a constructive contract, and he hopes this is the approach the University uses with all of the bargaining units relative to the University's ability to continue to afford these benefits in light of the economic circumstances.

Trustee Pawley, seconded by Trustee Doyle, moved approval of the recommendation. The motion was unanimously approved by those present.

#### **L. Action Item**

#### **Tab 24. Approval of Executives, Deans and Academic Administrators Benefit Plan Design Changes**

Mr. Beaghan stated the Board is being asked to approve changes to the benefits offered to the Executives, Deans and Academic Administrators. He highlighted the following changes:

- Cost saving plan design changes for health care.
- Elimination of 4% escalator on retiree health care in 2008.
- "Access Only" to retiree health care for Executives, Deans and Academic Administrators hired after July 1, 2006.

Mr. Beaghan presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approve the following benefit plan changes for Executives, Deans, and Academic Administrators:

- Plan design changes for Health Maintenance Organizations – HAP and BCN

|        |  |
|--------|--|
| Year 1 | No changes   |
| Year 2 | Increase (2) Tier Rx \$7/\$15 to (3) Tier \$7/\$15/\$30  |
| Year 3 | Increase Emergency Room co-pay from \$50 to \$100<br>Increase Office/Urgent Care co-pays from \$10 to \$15 |

- Medicare Complementary four percent (4%) escalator The 4% escalator on Medicare complementary coverage will continue in Calendar years 2006 and 2007 and will be eliminated (0%) in Calendar year 2008.
- Employees hired after July 1, 2006 will be eligible for participation in the University's Medicare complementary coverage, dental and optical as "access only" for retirees and spouse, at retiree rates, paid in full by the retiree.

Trustee Nicholson, seconded by Trustee Fischer, moved approval of the recommendation. The motion was unanimously approved by those present.

### **M. Action Item**

#### **Tab 25. Approval of Excluded Clerical-Technical Employees Benefit Plan Design Changes**

Mr. Beaghan stated the Board is being asked to approve changes to the benefits offered to the Excluded Clerical-Technical Employees. He highlighted the following changes:

- Cost saving plan design changes for health care.
- Elimination of 4% escalator on retiree health care in 2008.
- "Access Only" to retiree health care for Excluded Clerical-Technical Employees hired after July 1, 2006.

Mr. Beaghan presented the following recommendation for Board approval:

RESOLVED, that the Board of Trustees approve the following benefit plan changes for Excluded Clerical-Technical Employees:

- Plan design changes for Health Maintenance Organizations – HAP and BCN
  - Year 1 No changes
  - Year 2 Increase (2) Tier Rx \$7/\$15 to (3) Tier \$7/\$15/\$30
  - Year 3 Increase Emergency Room co-pay from \$50 to \$100  
Increase Office/Urgent Care co-pays from \$10 to \$15
- Medicare Complementary four percent (4%) escalator The 4% escalator on Medicare complementary coverage will continue in Calendar years 2006 and 2007 and will be eliminated (0%) in Calendar year 2008.
- Employees hired after July 1, 2006 will be eligible for participation in the University’s Medicare complementary coverage, dental and optical as “access only” for retirees and spouse, at retiree rates, paid in full by the retiree.

Trustee Doyle, seconded by Trustee Pawley, moved approval of the recommendation. The motion was unanimously approved by those present.

#### **N. Other Items that May Come Before the Board**

Chair Crissman called on Mr. David A. Szczesny who requested to address the Board.

Mr. Szczesny stated he is an employee and alumnus class of '78. He asked if the Board has any formal policy to forbid the services contract that individual administrators have been using as a method to reinstate Medicare supplemental insurance in retirement.

Chair Crissman referred Mr. Szczesny’s request to Mr. Beaghan for review and response.

#### **I. Adjournment**

Chair Crissman adjourned the meeting at 3:10 p.m.

Submitted,

Approved,

\_\_\_\_\_  
Victor A. Zambardi  
Secretary to the Board of Trustees

\_\_\_\_\_  
Penny M. Crissman  
Chair, Board of Trustees