

MINUTES OF THE MEETING
OF THE
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES

October 11, 2002

The Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 9:00 a.m. on Friday, October 11, 2002. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the meeting of the Board of Trustees to order at 9:30 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel I. Ferguson, Dorothy V. Gonzales, Colleen M. McNamara, Donald W. Nugent, Randall L. Pittman, David L. Porteous, and G. Scott Romney.

University officers present: President McPherson, Provost Simon, Vice President Poston, Secretary Carter, Vice President and General Counsel Noto, Vice Presidents Denbow, Greenleaf, Huggett, June, and Webb, and Senior Advisor and Director Granberry Russell. Faculty Liaisons present: Jonathan Hall, Linda Lou Smith, Steven Spees, Brian Teppen, and Gwen Wyatt. Student Liaisons present: Jim Ciszewski, Misty Staunton, and Matthew Weingarden.

All actions taken were by unanimous vote of the Trustees present, unless otherwise noted.

1. On a motion by Mr. Nugent, supported by Mr. Ferguson, **THE BOARD VOTED to approve** the agenda.
2. On a motion by Ms. McNamara, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the minutes of September 13, 2002 and September 20, 2002.
3. President's Report
 - A. President McPherson noted that Homecoming would take place the following weekend, and Lloyd Ward, the CEO of the U.S. Olympic Committee would be the Grand Marshal of the Homecoming parade. He said that members of the entire University community look forward to Homecoming events each year.
 - B. President McPherson commented on an agreement recently reached between Michigan State University and Syncor International to bring a PET cyclotron to campus. He said this combines MSU's expertise with service to the community at large.

- C. President McPherson talked about an initiative between East Lansing and the University. The "One Book, One Community" initiative encourages members of the campus community to read Ray Bradbury's Fahrenheit 451 over a six-week period, and then come together to discuss the book. He said that this is just one of many positive community-building projects that are occurring between the city of East Lansing and the University.

4. Public Participation on Items Germane to the Agenda

There were no requests to address the Board of Trustees on issues germane to the agenda.

5. Personnel Actions

There were no personnel actions to be presented to the Board.

6. Gift, Grant and Contract Report

Vice President Huggett presented the Gift, Grant and Contract Report for the period of August 30, 2002 through September 25, 2002. The report is a compilation of 221 Gifts, Grants and Contracts and 32 Consignment/Non-Cash Gifts with a total value of \$18,362,809.35. The Gift, Grant and Contract Report is included with the agenda materials in the Office of the Secretary of the Board of Trustees.

On a motion by Mr. Nugent, supported by Mr. Pittman, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report.

7. The Trustee Finance Committee report and recommendations were presented by Committee Chairperson Nugent.

A. Relocation of MSU AMEES

It was recommended that the administration be authorized to negotiate and execute any necessary and appropriate deeds, lease terminations and other agreements to effectuate the relocation of the Michigan State University Advanced Materials Engineering Experiment Station (AMEES) from Midland to East Lansing, including the return of real property previously transferred to the University by the Herbert H. and Grace A. Dow Foundation for use by the AMEES.

On a motion by Mr. Nugent, supported by Mr. Pittman, **THE BOARD VOTED to approve** the recommendation.

Trustee Porteous noted that the agreement between the Dow Foundation and MSU stipulated that the land would be returned at this time. He said that Ted Doan and others at the Dow Foundation have been wonderful supporters of the University, and that this action is appropriate. MSU and the Dow Foundation enjoy a wonderful

partnership, he commented, because it helps to advance both MSU and the Foundation.

Trustee Cook asked where the Experiment Station would be located when it returns to campus. Provost Simon responded that it would be consolidated with the Materials Research group, but she did not yet know the exact final location. Vice President Poston added that he does not believe that decision has yet been made.

B. Bid and Contract Award

It was recommended that a contract in the amount of \$250,000 be awarded to Irish Construction Company, Inc. of Howell, Michigan, and that a budget in the amount of \$385,000 be established for the project entitled Psychology Research – Replace Chiller, Tower, and Pumps.

On a motion by Mr. Nugent, supported by Mr. Porteous, **THE BOARD VOTED to approve** the recommendation.

C. Design/Build Contract Award

It was recommended that Fuel Tech, Incorporated, of Batavia, Illinois, be appointed as design/build contractor to perform design/build services for the project entitled: T. B. Simon Power Plant - Selective Non-Catalytic Reduction of NOx.

On a motion by Mr. Nugent, supported by Mr. Pittman, **THE BOARD VOTED to approve** the recommendation.

Trustee Pittman asked if this action is required in order to comply with federal regulations. Vice President Poston responded that the EPA has a plan in place to reduce nitrous oxide levels by the year 2004. Dr. Poston added that this is a design and build process because of the customization required for the boiler.

D. 2003-2004 Appropriation Request

It was recommended that the Board adopt the Appropriation Request, including needs for the University General Fund, the Michigan Agricultural Experiment Station, and the Michigan State University Extension.

On a motion by Mr. Nugent, supported by Ms. Cook, **THE BOARD VOTED to approve** the recommendation.

President McPherson commented that the concepts and objectives set forth in the draft are being adopted by the Board, and that the administration will put together the final version that will be submitted to the State of Michigan.

Trustee Pittman indicated that everyone is very concerned with the revenue base and maintaining tuition at levels that are the most affordable for students. This appropriation request, Mr. Pittman emphasized, is merited and the University has done a good job of maintaining costs

E. 2003-2004 Five-Year State Capital Outlay Plan

It was recommended that the Board adopt the five-year plan for State-supported capital outlay projects.

On a motion by Mr. Nugent, supported by Ms. McNamara, **THE BOARD VOTED to approve** the recommendation.

Vice President Poston explained that the administration is required to submit to the State its five-year plan for construction approved by the Board of Trustees. It prioritizes construction projects for which the University will seek State support for renovations, new construction, and major systems maintenance.

Trustee Porteous noted that the plan is reviewed on an annual basis and individual projects are reconsidered based on changing needs. Dr. Poston said that the plan can be altered as priorities dictate. The plan is a work in progress, President McPherson added, and said that the State understands this as well.

Trustee Pittman commented that this is consistent with the University's long-term 2020 Vision Campus Master Plan. President McPherson said that the 2020 Plan gains strength as time progresses, and it is a good process to continue to revisit 2020.

Trustee Porteous complimented those who put the Capital Outlay plan together. He said that it is a broad-based, grass-roots approach that gathers ideas to be presented to the Board, and this complements the 2020 Vision Master Plan. Vice President Poston recognized Assistant Director of Planning and Budgets, Bill Latta, for his hard work on the project.

8. The Trustee Policy Committee report and recommendations were presented by Committee Chairperson McNamara.

A. Notice of intent to negotiate the following contracts was given to the Board of Trustees. Board approval for these agreements will be requested at a subsequent meeting.

- 1) Ledebuhr Industries. Dr. Richard Ledebuhr, a Specialist in the Department of Agricultural Engineering, and his immediate family cumulatively own or have options to buy an equity

interest of more than 5% of the company. Dr. Ledebuhr is also an officer of the company.

- 2) InfoPoem, Inc. Drs. Henry Barry and Mark Ebell, both Professors in the Department of Family Practice, and their immediate families cumulatively own or have options to buy an equity interest of more than 5% of the company. Drs. Barry and Ebell are also officers of the company.

B. Faculty Conflict of Interest

- 1) It was recommended that the Board approve the administration's recommendation for execution of a contract with DPD, Inc., consistent with earlier public notice given at the September 13, 2002 Board meeting, and with the applicable "Contract Term Sheet."
- 2) It was recommended that the Board approve the administration's recommendation for execution of a contract with Technova Corporation, consistent with earlier public notice given at the September 13, 2002 Board meeting, and with the applicable "Contract Term Sheet."
- 3) It was recommended that the Board approve the administration's recommendation for execution of a research contract with Intellicon, consistent with earlier public notice given at the February 13, 2002 Board meeting, and with the applicable "Research Contract Term Sheet."

On a motion by Ms. McNamara, supported by Ms. Cook, **THE BOARD VOTED to approve** the recommendations.

Trustee Romney requested that, in the future, the Board receive the entire contracts as part of the process of approving these agreements.

C. Update on University Relations Initiatives

Vice President for University Relations, Terry Denbow, indicated that there is a new branding effort to combine efforts to develop an identity and image, and to introduce the mindset of the Capital Campaign, "Advancing Knowledge. Transforming Lives." Mr. Denbow then introduced JT Forbes, Assistant Vice President for University Relations, who continued with the presentation.

Mr. Forbes explained that University Relations produces the MSU News Bulletin, communicates the administration's agenda, and is engaged in supporting the stories of events and activities on campus. The office also produces the MSU Morning News, a daily report of news coverage that MSU receives. In addition, the University Relations Division works

with the Athletic Department to administer Sports Information, communicating athletic successes on the field, and the successes of student athletes off the field.

Mr. Forbes talked about the MSUToday Initiative, which draws content from around the University to impact the way MSU's friends and supporters perceive the University. He said that this program reaches thousands of people, and staff are working hard to communicate in ways that reflect the unique history, heritage, values and mission of MSU.

He described several cooperative initiatives with the various colleges and departments, including work with University Development, the College of Veterinary Medicine, the Cyclotron, the College of Agriculture, and the College of Education.

University Relations also partners with MSU Global, helping to establish MSU's online global presence. MSU Global currently has a goal of enrolling 10,000 students by the year 2005.

The Michigan State University DCL College of Law enjoys a collaborative relationship with University Relations. Efforts have helped to increase college inquiries by 40%, applications by 32%, and enrollment by 27%. University Relations also enjoys a good relationship with the MSU Office of Admissions, helping to launch a website that will increase applications and enrollments to the University, and help to promote a high level of diversity.

Mr. Forbes presented two different versions of MSU's current video public service announcement. Trustee Cook asked where each announcement would be used. Mr. Forbes responded that different people respond differently to each of version. The upbeat version is broadcast more during sporting and high-energy events, while the more low-key announcement is shown when the atmosphere is more subdued.

Mr. Porteous asked how many of MSU's supporters, donors and alumni could be reached by e-mail. He said that most folks would probably be happy to receive messages from MSU, and anyone who does not wish to receive e-mail messages would probably let the University know. Mr. Forbes said that various colleges and departments around campus maintain different e-mail lists, and approximately 10,000 people can be reached that way. He indicated that users must voluntarily subscribe to receive e-mail messages from the University because it is a violation of MSU's acceptable use policy to send unsolicited messages. Mr. Forbes said that instructions for signing up are printed in MSUToday, which is sent to 300,000 alumni around the world.

Mr. McPherson added that the University must be careful about how and when it sends electronic messages to people, and that University Relations is sensitive to that concern. Dr. Simon pointed out that the College of Communication Arts and Sciences is conducting research as to how people use their e-mail accounts, and how they sort through unwanted e-mail messages.

Trustee Cook asked if University Relations is involved in producing the excellent publications that come from individual colleges around campus. Mr. Forbes responded that there is some content sharing through MSUToday, and that they do work with some of the colleges in their communications. Vice President Denbow added that University Relations is sharing staff with many of the colleges so that both the college and University messages are getting out simultaneously.

Vice President Denbow also talked about University Relations' relationship with the Athletic Department. He said that it is important that the voice of the Athletic Department be the voice of the University and vice versa. The Director of Sports Information reports to both University Relations and to the Athletic Department. Mr. Denbow indicated that athletic venues provide huge audiences for the distribution of the University's message.

9. Chairperson's Report and Trustees' Comments

A. Chairperson's Report

Trustee Nugent thanked Trustee Dee and Byron Cook, and Trustee Randall and Mary Pittman for their generous gifts to the University. He also recognized Vice President Chuck Webb and his staff for a successful launch of the University's Capital Campaign. Mr. Nugent said that donations from faculty and staff continue to grow, and this speaks so highly of the total team approach that will make the Campaign a success.

B. Trustees' Comments

- 1) Trustee Porteous echoed the comments of Trustee Nugent. He said that the gifts from Trustees Cook and Pittman set a wonderful tone for the kickoff of the Capital Campaign.

Mr. Porteous said that MSU's positive branding and image efforts are evident in that MSU was recently featured as a site for a presidential "visit" on one of the most popular shows on television, NBC's The West Wing.

- 2) Trustee Romney said that he was inspired by the Capital Campaign kickoff and enjoyed the day very much.

Trustee Romney noted that Trustees had talked that morning with students about bringing outside speakers to campus. He encouraged the administration to work with student organizations to help provide economic means to continue to bring additional speakers to campus.

Trustee Romney pointed out that recently there have been positive discussions between students and East Lansing residents to try to resolve concerns regarding noise and other problems. This is an important relationship to maintain, he emphasized.

- 3) Trustee Gonzales thanked Trustees Cook and Pittman for their generous gifts to the University for the Capital Campaign.

Trustee Gonzales mentioned that Trustees had a good discussion with faculty earlier that morning. She said these discussions give Trustees a good perspective of the issues that faculty are facing daily.

Trustee Gonzales thanked the Provost for recruiting so many outstanding women faculty to the University. She noted that the University is heading in the right direction and expects great things from all faculty on campus.

- 4) Trustee Cook said that the Capital Campaign Kickoff was a historic moment. She pointed out that preparations for the kickoff were made entirely by University staff, and this made for an extraordinary event. It was wonderful to see the former presidents of the University, Ms. Cook said, and to hear them talk about the history of MSU. The kickoff gala in the Big Ten Room at the Kellogg Center was absolutely magnificent, and President McPherson commented that the only time he has seen a dinner as beautiful was a State dinner at the White House. Trustee Cook said that people will long remember that day, and she thanked Dr. Webb and the Development staff for their hard work in making every detail perfect.
- 5) Trustee Pittman said that the University Development staff did an excellent job with the Capital Campaign kickoff. He added that the hard work is still ahead, but the University is moving in the right direction in the right way. Mr. Pittman emphasized that he is confident that the University will achieve the Campaign goal.

10. Public Participation on Issues Not Germane to the Agenda

Scott Henkel, a student representative of the Graduate Employees Union, addressed the Board regarding the contract recently reached between MSU and the Graduate Employees Union. He said that the contract includes

specific, mutually agreed-upon terms that were determined after a year of negotiations. He urged MSU administrators to abide by the contract that they signed. If the administration is unwilling to abide by the contract, he indicated, then the GEU is willing to follow the grievance procedure to allow an external arbitrator to resolve the matter. Mr. Henkel asked that the Board of Trustees take an active role in ensuring that the MSU administration stands by the guiding principles of the GEU contract.

11. An Executive Session was not requested.
12. On a motion by Mr. Ferguson, supported by Ms. McNamara, the Board voted to adjourn at 10:33 a.m.

Respectfully submitted,

L. Susan Carter, J.D.
Secretary of the Board of Trustees