

MINUTES OF THE MEETING  
of the  
MICHIGAN STATE UNIVERSITY  
BOARD OF TRUSTEES  
April 22-23, 1982

The Board opened its meeting with a work session at 3:36 p.m., April 22, in the Board Room, Administration Building.

Present: Trustees Bruff, Fletcher, Howe, Lick and Martin (arrived at 4:16 p.m.); President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Stewart, Thompson and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, and Faculty Liaison Group.

Absent: Trustees Krolikowski, Reed and Sawyer (excused).

Academic  
Program Review:  
Research and  
Creative  
Activity on  
Campus

1. Academic Program Review: Research and Creative Activity on Campus

During the work session, the Trustees discussed, as part of their annual calendar and academic program review, Research and Creative Activity on Campus (copy of report on file in the Secretary's Office). Vice President Cantlon introduced this topic with the following remarks:

Dr. Cantlon stated that the Research and Creative Activity was one of the major aspects of the University's academic program. He said that faculty not only pass on information, but create, facilitate, and improve our understanding of our natural and cultural role. In the United States, this responsibility has been assigned primarily to our universities and colleges.

Dr. Cantlon commented that research and creative activities have a wide variance between basic and applied research. The funding for research activities varies from zero in certain areas to multiple dollars in support of major activities. Dr. Cantlon stated that the core of any research activity is the creative faculty person. The quality of a research program depends upon the faculty themselves and their peer review. He stated that the research program feeds both the instructional and public service activities of the University. He further stated that this is particularly important for a land-grant university, especially in the area of applied research and the relationship to its extension activities. The research activity also supports the quality of the instructional program, including the undergraduate program. He stated the quality of scholarship is supported by research activity.

Discussion of  
Board Policy  
Manual

2. Discussion of Board Policy Manual

President Mackey introduced the draft Board of Trustees Policy Manual which was recently compiled by Vice President Thompson, following a review of the records of the Board of Trustees. President Mackey stated that this draft document is the result of reviewing all materials in all forms relating to past actions by the Board of Trustees. The effort was to identify current Board policy and to codify this material. President Mackey stated this was not an effort to assess all policies or to determine their appropriateness or the lack of policy in a particular area. This effort did consolidate several policies, however, on certain subjects. He further stated that through review by the Deans, academic governance system, administrators, and the members of the Board of Trustees, recommendations will be forthcoming to add, delete, or amend this document. He stated the final objective is to achieve a statement of Board policy which is comprehensible, accessible to everyone, and establish a process for amendment and additions.

Vice President Thompson then summarized the process used in developing the document and responded to several Trustees' questions concerning the relationship between this policy document and the Board of Trustees Bylaws. Trustee Bruff requested that Vice President Thompson review the policy statements to determine how they may have modified the Bylaws of the Board of Trustees.

Discussion of  
Funding of  
Wharton Center

3. Discussion of Funding of Wharton Center

Associate Vice President Wilkinson reviewed the proposed funding plan for the Wharton Center (copy on file in the Secretary's Office). It was the consensus that the staff proceed to review this matter with the Ann Arbor Trust Company and develop a final plan for approval by the Board of Trustees.

The Board recessed at 5:35 p.m.

The Board reconvened at 9:18 a.m. in Room 106 of the Kellogg Center, April 23.

Present: Trustees Bruff, Fletcher, Howe, Krolikowski, Lick, Martin and Reed; President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, Stewart, Thompson and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Faculty Liaison Group, and Student Liaison Group.

Absent: Trustee Sawyer (excused).

#### 4. Approval of Proposed Agenda

Trustee Bruff moved approval of the proposed agenda, seconded by Trustee Howe. Approved by a vote of 7 to 0.

#### 5. Approval of the April 1-2 Minutes

Moved by Trustee Bruff, seconded by Trustee Reed, to approve the minutes of the April 1-2, 1982, Board meeting. Approved by a vote of 7 to 0.

#### 6. Procurement Set-aside Concepts

Associate Vice President Wilkinson, Assistant Vice President Terry, Director of University Services Lewis, and Associate Purchasing Agent Wiseman reviewed the document discussing procurement set-aside concepts (copy on file in the Secretary's Office).

The Board recessed at 9:55 a.m. During the recess there were meetings of the Investment Committee, followed by the Land and Physical Facilities Committee.

The Board reconvened at 11:05 a.m. to receive the following reports.

Provost Winder reported that spring term enrollment is 38,105, which is close to the University's projection. He stated that this compares to a figure of 40,235 for last year. Provost Winder stated that the fall term enrollment projection is 39,659.

Provost Winder also reported on the recent All-University Open House. He indicated that approximately 7,000 persons visited the campus during the Open House week. He said that the media coverage was very positive, receiving state-wide television, radio and newspaper coverage. Reports back from prospective students and their parents were very positive. Dr. Winder stated that we will now conduct a debriefing of the Open House to determine future planning for similar events. The Trustees made several suggestions as to furthering the University's outreach.

Vice President Thompson reported on the financial condition of the General Fund for the current fiscal year. He stated that the \$9,547,274 projected savings from implementing the three cash management plans was on target, and he felt we would close the fiscal year in meeting our overall objectives.

Vice President Breslin commented on recent activities in the Legislature including the Executive Order for the fourth quarter withhold, the projection of current state revenues, and the possible enactment of an increase in the state income tax.

The Board recessed at 11:50 a.m.

The Board reconvened for its Action Session at 1:05 p.m., April 23, in the Board Room of the Administration Building.

Present: Trustees Bruff, Fletcher, Howe, Krolikowski, Lick, Martin (arrived at 1:22 p.m.), and Reed; President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, Stewart, Thompson and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Faculty Liaison Group, and Student Liaison Group.

Absent: Trustee Sawyer (excused).

#### 7. Public Comments

Therese Grossi, ASMSU, briefed the Board of a meeting she attended recently of the Intercollegiate Conference of the American Association of University Students, held in Philadelphia, PA.

Ms. Grossi introduced the newly-elected Executive Director of the ASMSU Student Board, Ron Tempas, and the Interim Chairperson of ASMSU, Kevin Baker.

Procurement  
Set-aside  
Concepts

Public  
Comments

Gifts &  
Grants

A. GIFTS AND GRANTS

April 22-23, 1982

Gifts and Grants totaling \$3,990,895 were approved by a vote of 7 to 0 on motion by Trustee Bruff, seconded by Trustee Lick.

B. BIDS AND CONTRACT AWARDS

Olds Hall  
Fire Safety  
Improvements

1. Olds Hall Fire Safety Improvements

The following bids were received on March 25, 1982, for Fire Safety Improvements in Olds Hall. This project includes structural changes at each floor to provide direct egress to the fire escapes and modifications to the fire escapes and mechanical and electrical systems to comply with fire safety and construction codes.

<u>Contractor</u>	<u>Base Bid</u>
Charles Featherly Construction Co.	\$138,584
Hanel-Vance Construction Co.	139,800
McNeilly Construction, Inc.	144,287
Haussman Construction Company	145,100
Darin & Armstrong, Inc.	168,900

Notification and/or plans and specifications were sent to the offices of Builders Exchange and Dodge Reports in Detroit, Grand Rapids, Lansing, and Kalamazoo as well as Michigan Contractors and Builders, Inner-City Business Improvement Forum, Greater Lansing Minority Business Association, Association of Minority Contractors, and the City of Detroit Community and Economic Development Department. No minority owned or female owned firms bid on this project.

It is recommended that a contract in the amount of \$138,584 be awarded to Charles Featherly Construction Company of Lansing, Michigan, and that the following project budget be established:

Contract - Charles Featherly Construction Co.	\$138,584
Design, Coordination, and Inspection	27,416
Contingencies	<u>20,000</u>
Total	\$186,000

This project was estimated at \$237,000 in November 1981.

The funding for this project is from a special Bureau of Facilities Appropriation.

RESOLVED that the above contract be awarded and project budget be established as recommended.

Approved by a vote of 7 to 0 on motion by Trustee Bruff, seconded by Trustee Howe.

Phase III  
Building  
Reroofing of  
University  
Village

2. Phase III Building Reroofing of University Village

The following bids were received on March 31, 1982, for Phase III of the 1982 Building Reroofing of University Village. This project provides for replacing the roofs on twenty buildings and is the last phase of reroofing in University Village. The project includes removing existing roof gravel, installing a new waterproof membrane, and installing roof insulation to reduce energy consumption.

<u>Contractor</u>	<u>Base Bid</u>
Bright Roofing and Sheet Metal, Inc.	\$490,400
McNeilly Construction, Inc.	569,715
Hanel-Vance Construction Co.	571,750
Haussman Construction Company	590,400

Advertisement for bids and/or plans and specifications were sent to the offices of Builders Exchange and Dodge Reports serving Detroit, Grand Rapids, Lansing, and Kalamazoo, as well as the Inner-City Business Improvement Forum, Greater Lansing Minority Business Association, Association of Minority Contractors, Michigan Contractors and Builders, and the City of Detroit Community and Economic Development Department. No minority or female owned firms bid on this project.

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B. BIDS AND CONTRACT AWARDS, cont.

April 22-23, 1982

2. Phase III Building Reroofing of University Village, cont.

Phase III  
Building  
Reroofing of  
University  
Village, cont.

It is recommended that a contract in the amount of \$490,400 be awarded to Bright Roofing and Sheet Metal, Inc. of Detroit, Michigan, and that the following project budget be established:

Contract - Bright Roofing and Sheet Metal, Inc.	\$490,400
Contingencies	23,600
Design, Coordination, and Inspection	24,000
Total	\$538,000

In February 1981, this project was estimated at \$550,000.

This project will be funded from the Auxiliary Activities Fund.

RESOLVED that the above contract be awarded and project budget be established as recommended.

Approved by a vote of 7 to 0 on motion by Trustee Bruff, seconded by Trustee Lick.

3. Union Building Alterations

Union Building  
Alterations

The following bids were received on March 31, 1982, for Alterations to the Union Building. This project consists of energy conserving alterations including removal of the large Ballroom windows and closing of the openings and updating the mechanical and electrical systems. Other work in the Ballroom includes replacing the floor, closing in the stage, replacing the lighting and sound systems, and installing new entrance doors. The base bid specifies polymer wall paneling in the Ballroom which would be substituted with 1/2" composite marble by Alternate 1 or 3/4" natural marble by Alternate 2.

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate 1</u>	<u>Alternate 2</u>
Charles Featherly Construction Co.	\$222,188	+\$19,410	+\$52,144
McNeilly Construction, Inc.	229,907	+10,000	+54,400
Hanel-Vance Construction Co.	245,900	- 1,890	+36,473
Haussman Construction Co.	246,600	- 330	+34,000
B. J. Siwek Construction Co.	261,700	- 5,000	+28,200

Ralph Calder & Associates, Inc., the professional services contractor, estimated the construction cost at \$250,000 in March 1982.

Notification and/or plans and specifications were sent to the offices of Dodge Reports and Builders Exchange in Detroit, Flint, Grand Rapids, Lansing, and Kalamazoo as well as the Inner-City Business Improvement Forum, Greater Lansing Minority Business Association, Association of Minority Contractors, Michigan Contractors and Builders, and the City of Detroit Community and Economic Development Department. No minority owned or female owned firms bid on this project.

Based upon an evaluation of the bids it is recommended that a contract in the amount of \$239,907 (Base Bid \$229,907 plus alternate 1 \$10,000) be awarded to McNeilly Construction, Inc., of Lansing, Michigan, and that the following budget be established:

Contract - McNeilly Construction, Inc.	\$239,907
Architect/Engineer Fees	25,500
MSU Coordination and Inspection	5,500
Furnishings and Equipment	105,000
Contingency	24,093
Total	\$400,000

This project will be funded from the Auxiliary Fund.

Darin & Armstrong, Inc., also submitted a bid in the amount of \$221,500 plus bids of \$54,000 for Alternate 1 and \$20,000 for Alternate 2. A company official notified the University orally, and confirmed by letter, that an error had been made in their bid in that the Alternate bids had been inverted. Darin & Armstrong, Inc., has requested that it be allowed to withdraw its bid without penalty. Representatives of Ralph Calder & Associates have reviewed the bidder's work papers and confirmed the error.

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B. BIDS AND CONTRACT AWARDS, cont.

April 22-23, 1982

3. Union Building Alterations, cont.

It is recommended that Darin & Armstrong, Inc., be allowed to withdraw its bid without penalty. This recommendation is supported by the professional services contractor and the University legal counsel.

RESOLVED that the above contract be awarded and project budget be established as recommended. Further resolved that Darin & Armstrong, Inc., be allowed to withdraw its bid without penalty.

Approved by a vote of 7 to 0 on motion by Trustee Bruff, seconded by Trustee Lick.

C. OTHER ITEMS FOR ACTION1. Director of Major Gifts Program

It is recommended that a Director of Major Gifts Program position be established. This is an executive management position.

RESOLVED that the above recommendation be approved.

Approved by a vote of 7 to 0 on motion by Trustee Bruff, seconded by Trustee Lick.

D. REPORTS TO THE BOARD1. Board Committee Reportsa. Investment Committee

Trustee Krolikowski reported that the Committee discussed the Board's current investment policies and directed the Administration to draft language amending those policies to provide for current involvement on the part of the Administration in evaluating investment performance and in making recommendations for changes.

The Committee also discussed recent correspondence from Scudder, Stevens & Clark pertaining to an updated listing of firms subject to the University's South African investment policy.

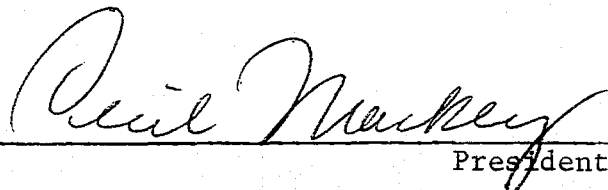
The Committee also reviewed the Administration's recommendations with respect to the study being conducted by Cambridge Associates, Inc., and discussed the format of its May meeting at which the Committee members will interview alternative investment managers.

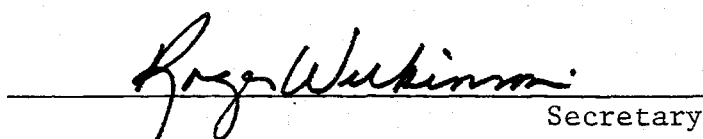
b. Land and Physical Facilities Committee

Trustee Lick reported that the Land and Physical Facilities Committee met to review the Annual Report with respect to University Property Holdings.

After discussion, the Committee unanimously accepted the report.

Adjourned at 1:35 p.m.

  
President

  
Secretary

Union Building  
Alterations,  
cont.

Director of  
Major Gifts  
Program

Board  
Committee  
Reports

Investment  
Committee

Land & Physical  
Facilities  
Committee