

MINUTES OF THE MEETING
of the
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
December 1-2, 1983

President Mackey called the meeting to order in the Lincoln Room of the Kellogg Center at 7:18 p.m., December 1.

Present: Trustees Crim, Dade, Fletcher, Lick, Martin, Sawyer and Wilson; 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 Reed.

1. Approval of Proposed Agenda

President Mackey stated that an Executive Session has been requested following this session under Section 8. e. of the Open Meetings Act to consult with the University Attorney on pending litigation. The approval of this Executive Session requires a roll call vote. President Mackey stated that the Secretary will call the roll following the approval of the regular agenda.

Executive
Session on
Pending
Litigation

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

Secretary Wilkinson called the roll for the Executive Session. The following Trustees voted in the affirmative: Crim, Dade, Fletcher, Lick, Martin, Sawyer and Wilson. Secretary Wilkinson then announced the approval of the Executive Session. Approved by a vote of 7 to 0.

2. Approval of the October 13-14, 1983, Minutes

Trustee Fletcher moved approval of the October 13-14, 1983, Minutes. Seconded by Trustee Martin. Approved by a vote of 7 to 0.

3. Review of the Draft Board of Trustees Policy Manual

President Mackey stated that distributed with the agenda was a revised draft of the Board of Trustees Policy Manual which incorporates the changes agreed upon by the Board of Trustees during previous reviews. President Mackey called upon Vice President Thompson to review the following policies.

A. Courtesies to Former Trustees - Policy No. 01-01-08

Vice President Thompson stated that the Secretary of the Board of Trustees currently administers a policy known as Trustee Emeriti Courtesies, which was adopted by the Trustee Audit Committee in March of 1978 (copy on file in the Secretary's Office). President Mackey said that the Trustees should determine whether this policy should be included as part of the Policy Manual and determine the substance of the policy.

Trustee
Emeriti
Courtesies
Policy No. 01-01-08 to be
included as
part of the
Policy Manual

Trustee Sawyer moved that the policy be included as part of the Board of Trustees Policy Manual, seconded by Trustee Lick. Approved by a vote of 6 to 1. Trustee Fletcher voted No.

Trustee Crim moved that the name of the policy be changed to Courtesies to Former Trustees, that the policy include the option to purchase two tickets to the Michigan/Michigan State football game when played in Ann Arbor, that the availability of a library pass be incorporated in the policy, and that the informational items be excluded from the policy with the understanding that the Secretary's Office will continue the practice of making these informational items available to former Trustees. Seconded by Trustee Sawyer. With these changes, the proposed policy is as follows:

Upon request, the University will provide, through the Office of the Secretary of the Board of Trustees, the following courtesies to former members of the Board of Trustees: two complimentary season football, basketball, and hockey tickets with parking privileges; the option to purchase two tickets to the Michigan/Michigan State football game when played in Ann Arbor; car registration permit, parking lot gate pass, and library pass; and a subscription to The Chronicle of Higher Education.

Courtesies
Provided to
Trustee
Emeriti

Approved by a vote of 6 to 1. Trustee Fletcher voted No.

continued - - -

3. Review of the Draft Board of Trustees - Policy Manual, cont.B. Access to the University - Policy No. 06-08-01

Provost Winder stated that included in the revised Policy Manual is a two-paragraph statement which is a compilation of two current Board policies on Access to the University. He stated it was suggested during the prior Policy Manual review that these statements be combined. Provost Winder indicated that he is now distributing a redraft of this policy, which is a four-paragraph statement (copy on file in the Secretary's Office). He further stated that there are three other items which relate to this policy:

- (1) Article 4 of the Board of Trustees Bylaws states that,

Subject to the President and the Board, the Provost:

Shall be responsive for supervising procedures and policies related to the admission of students, and liaison with high schools and community colleges.

- (2) Article 8 of the Board of Trustees Bylaws states that,

Upon the recommendation of the President, the Board may determine and establish the qualifications of students for admission at any level, or readmission to the University, and fix the amount of fees to be charged for attendance at the University.

- (3) The Bylaws for Academic Governance state that the Provost shall consult with the University Committee on Faculty Affairs with regard to admission standards for undergraduate students and consult with the Graduate Council on admission standards for graduate students.

Provost Winder stated that the policy under consideration is to delegate to the Provost the development of admissions criteria and procedures for compliance with the way the University functions in the admissions area and to make that explicit in the Board policy on Access to University. This would result in a future modification of the Board of Trustees Bylaws.

Following these remarks, there was an extensive discussion on the term "qualified disadvantaged" and its meaning in the admissions process. Following this discussion, it was agreed that language changes would be made to this proposed policy for consideration by the Board of Trustees at its December 2 meeting.

C. Equal Opportunity, Nondiscrimination, and Affirmative Action - Policy No. 02-03-01

Vice President Thompson stated that the policy included in the draft Policy Manual is a compilation of several current University policies on this subject matter. Trustee Fletcher inquired as to the word "age" as used in this policy. General Counsel Carr indicated that it is within the legal definition of the law. Trustee Sawyer questioned the relationship between the revised draft policy and Article 8 of the Board of Trustees Bylaws. President Mackey commented that the revised draft is a compilation of current policy, the intent of Article 8, and the Anti-Discrimination Judicial Board (ADJB) Policy and Procedures. There then followed an extensive discussion on the application of the revised policy and, in particular, its jurisdiction to fraternities and sororities. Following this discussion, Trustee Wilson requested that the administration again review the relationship of fraternities and sororities to the University and place this item on the agenda for future review by the Board of Trustees.

President Mackey stated that, in line with the discussion and the differences of opinion expressed by the Board as to the applicability of this policy, he would not be prepared to recommend the revised policy for adoption until he received further guidance from the Board as to its interpretation. It was agreed that this policy statement would receive further administrative review and be discussed at the next meeting of the Board of Trustees.

continued - - -

Review of
Policy Manual -
Board of
Trustees Draft

Access to the
University
Policy No.
06-08-01
Language
Change

Equal Opportunity,
Nondiscrimination,
and Affirmative
Action
Policy No.
02-03-01
To Receive
Further
Administrative
Review

3. Review of the Draft Board of Trustees - Policy Manual, continuedD. Expenditure Policy - Policy No. 05-02-02

Trustee Fletcher questioned whether this revised policy statement reflected the concerns that he has expressed during the previous review. He stated that it did not cover the reporting of unusual or extraordinary expenditures and asked that this be incorporated into the policy. It was agreed that a statement as to reporting extraordinary expenditures would be incorporated into the recommended policy.

Review of
Policy Manual -
Board of
Trustees Draft

Expenditure
Policy No.
05-07-02

4. Review of the Board of Trustees Bylaws

President Mackey stated it was agreed that, following the review of the draft Board of Trustees Policy Manual, a review would be undertaken of the Board of Trustees Bylaws. He stated that a draft of the Bylaws was distributed with the agenda which indicated an overlap between the Bylaws and the Board of Trustees policies (copy on file in the Secretary's Office). He recommended that the Board delete from its Bylaws those items which overlap with the proposed Policy Manual. The following articles were reviewed in detail:

Review of
Board of
Trustees Bylaws

A. Article 16 - Emeritus Title

It was agreed that the words "shall be bestowed" should be changed to "may be bestowed." It was also agreed that a non-gendered, neutral word would be found to substitute for the male form of the word "emeritus."

Article 16 -
Emeritus
Title

B. Article 15 - Corporate and University Seals

It was agreed that the Board of Trustees would discontinue the use of the corporate seal of the Board of Trustees and would use the seal of the University for all actions of the Board of Trustees. This seal shall contain in its center an illustration depicting Old College Hall and in the outer circle the inscription, Michigan State University.

Article 15 -
Corporate and
University
Seals

C. Article 17 - Amendments

Trustee Fletcher moved, seconded by Trustee Sawyer, that Article 17 - Amendments, be changed to the following:

Article 17 -
Amendments

These Bylaws may be amended or repealed at any meeting of the Board, at which there is a quorum, by an affirmative vote of a majority of those voting. It is expected that copies of such amendments or notices of repeal will be submitted in writing to each member in advance of such meeting.

Approved by a vote of 6 to 0. Trustee Dade was out of the room at the time of the vote.

The Board recessed at 9:40 p.m. for an Executive Session.

The Board reconvened at 10:15 a.m. in Room 105A & B of the Kellogg Center for Board Committee meetings. The Land and Physical Facilities Committee, followed by the Audit Committee, met during this period.

The Board reconvened at 11:55 a.m. Vice Presidents Breslin, Cantlon, Stewart, and Thompson responded to questions on reports which were submitted pursuant to the annual calendar (copies of reports on file in the Secretary's Office).

5. Proposed Academic Reorganization

Provost Winder stated that the following documents relating to the academic reorganization of Michigan State University were distributed with the agenda (copies on file in the Secretary's Office):

Proposed
Academic
Reorganization

- A. Academic Organization of Michigan State University.
- B. Organization of Arts, Humanities, and Sciences at Michigan State University.
- C. Organization and Administration of Human Health Colleges and Related Patient Care Programs.

continued - - -

5. Proposed Academic Reorganization, continued

He stated that he held meetings on November 22, 1983, with the Council of Deans and the Executive Committee of the Academic Council to discuss the process for consideration of these proposals. The Deans of the Colleges and major programs are to consult with appropriate faculty and academic advisory groups in their respective areas of responsibility. The Executive Committee of Academic Council advised the Provost that the following groups should be consulted regarding these proposals: Executive Committee of the Academic Council; Academic Policy Committee; Graduate Council; Curriculum Committee; and the General Education Committee. Provost Winder indicated that he has targeted the end of the Winter Term of 1984 for concluding consultation and discussion on these proposals.

6. Plant Research Laboratory Addition

Plant Research
Laboratory
Addition
Alternative
Financing
Proposals

President Mackey stated that the Board had placed as a high priority the construction of an addition to the Plant Research Laboratory and the University had requested federal funds for matching support for this project. He stated it now appears that federal and state funding will not be received in the immediate future for this project, and because of its importance, he asked the staff to review alternative financing proposals. Vice President Cantlon commented on the priority of this project within the research area and its importance to recruiting and retaining research faculty. He stated that this additional space would assist in meeting these high priority research needs. Provost Winder commented that this project cuts across several academic units of the University and is important to the overall academic quality of the University.

Vice President Thompson reviewed the potential funding for this project based on a future commitment of program development funds, current general fund allocation and an allocation of alteration and improvement dollars. He stated that the staff is currently reviewing both internal and external financing alternatives.

President Mackey stated that he wanted the Board to be informed as to the status of this project, and he anticipated that, unless there were objections, he would be forwarding at a future date recommendations as to the release of this project for construction bids and financing arrangements. No objections were expressed by the Board on this approach.

7. Review of Aspects of Planning Process

President Mackey stated that a packet of material was distributed with the agenda relating to the planning process (copy on file in the Secretary's Office). He requested that the Board of Trustees review the Environmental Assumptions included in this material and forward any comments on this matter to Provost Winder.

The Board recessed at 12:07 p.m.

The Board reconvened for its action session at 1:37 p.m. in the Board Room of the Administration Building.

Trustee Sawyer moved the addition of Item 6. D. Naming of Facilities to the agenda.

8. Recognition of Trustee GPA Awardees

Trustee GPA
Awards for
Fall Term 1983

In an informal ceremony, President Mackey presented Trustee GPA Awards to the following students graduating at the top of their class at the 1983 Fall Term Commencement:

Mary A. Rauth

Mary A. Rauth, Audiology and Speech Science, Education major, 3.900 average, graduate of Harrison High School, Farmington, Michigan.

Andrew J. Burton

Andrew J. Burton, Forestry major, 3.865 average, graduate of Luther L. Wright High School, Ironwood, Michigan.

Scott P. Fisher

Scott P. Fisher, English major, 3.847 average, Northville High School, Northville, Michigan.

James A. Dubovsky

James A. Dubovsky, Fisheries and Wildlife major, 3.825 average, Tawas Area High School, Tawas City, Michigan.

Christian R.
McDaniel

Christian R. McDaniel, Psychology major, 3.820 average, Aquinas High School, Southgate, Michigan.

9. Public Comments

- (a) Thomas Boyd, student, addressed the issue of the RHA Petition to limit canvassing in Residence Halls.
- (b) Aubrey Marron, alumna, urged the Board to continue the current policy regarding door-to-door canvassing in Residence Halls.
- (c) Greg Starks, student, addressed the issue of the proposed student tax policy and asked the Board to postpone action on this policy until their February Board meeting.
- (d) Vicki Fine, student and chairperson of PIRGIM'S State Board, spoke on the proposed student tax policy and the rules and regulations for petition and referendum (a copy of her remarks are on file in the Secretary's Office).
- (e) Scott Tobey, faculty, commented on faculty support of PIRGIM.
- (f) Harris O. Machus, President-elect of National Restaurant Association and alumnus, told the Board of the importance of qualified students graduating from the School of Hotel, Restaurant and Institutional Management and continued support of this program by the University (a copy of his remarks are on file in the Secretary's Office).
- (g) John Casbergue, Professor Emeritus, spoke of the need for greater support for the School of HRI.
- (h) Heidi Kovanda, student, spoke of the students' concerns for the future of HRI education, and asked for support from the Board for this program.
- (i) Edward A. Kazarian, faculty, summarized the various speakers presentations on HRI program.
- (j) John Hoagland, faculty, addressed the Board on the issue of the HRI Director's termination as it relates to academic and Board of Trustees Bylaws' provisions.
- (k) The following individuals spoke to the Board regarding a recommended review of University policy for naming buildings and the removal of the McGoff name from the festival stage at the Wharton Center for the Performing Arts: Drs. Lamont Wilson and Frank Beeman; Kgati Sathekge, student, Nath Ejelonu, student, and Emily Phillips, student.

11. A. PERSONNEL CHANGESAppointment

- 1. Arnold E. Davidson, Professor, English, with tenure, at a salary of \$31,500 per year on an AY basis, effective September 1, 1984.

Approved by a vote of 7 to 1 on motion by Trustee Lick, seconded by Trustee Sawyer. Trustee Fletcher voted No.

Faculty Reappointment and Tenure Recommendations

Most of the recommendations for faculty members whose current probationary appointments in the tenure system end on August 31, 1984, were made at the Board meeting on May 26-27, 1983. The faculty members named below are those for whom tenure action was delayed last spring on recommendation of the colleges.

The following actions are recommended by the departmental chairperson(s), the dean(s), and the Provost in accordance with the tenure rules.

Assistant Professor who acquires tenure with the reappointment effective September 1, 1984:

Margaret Nielsen

Social Work

Academic Promotion

The following promotion, which includes the award of tenure, is recommended to be effective October 1, 1983:

TO ASSOCIATE PROFESSORNatural Science

L. Patrick Hart

Botany and Plant Pathology

Approved by a vote of 7 to 1 on motion by Trustee Sawyer, seconded by Trustee Lick. Trustee Fletcher voted No.

Personnel
Changes

Appointment

Faculty
Reappointment
and Tenure
Recommendations

Academic
Promotion

11. B. GIFTS, GRANT AND CONTRACT REPORT

December 1-2, 1983

Gifts and Grants totaled: \$8,927,302.

Approved by a vote of 8 to 0 on motion by Trustee Reed, seconded by Trustee Lick.

11. C. BIDS AND CONTRACT AWARDS

(1) Union Building - Replacement of Elevators

Union Building
Replacement
of Elevators

The following bids were received on October 27, 1983, for replacement of the passenger elevators in the Union Building, which were installed in 1949. The new elevators, hoist equipment, controls and wider doors will incorporate provisions for handicappers, including supplementary elevator control panels and corridor call buttons.

Contractor	Base Bid
Hausman Construction Company, Inc.	\$154,694
McNeilly Construction, Inc.	160,969
Detroit Elevator Company	169,961

Notification and/or plans and specifications were sent to the offices of Builders Exchange and Dodge Reports in Lansing and to the Inner City Business Improvement Forum. The following minority organizations were also notified: Michigan Minority Business Council, Association of Minority Contractors, and the Greater Lansing Minority Association. There were no minority or women owned bidders.

It is recommended that a contract in the amount of \$154,694 be awarded to Hausman Construction Company, Inc., of Lansing, Michigan, and that the following budget be established:

Contractor - Hausman Construction Company, Inc.	\$154,694
Design, Coordination and Inspection	9,000
Contingency	16,306
Total	\$180,000

*

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 8 to 0 on motion by Trustee Lick, seconded by Trustee Reed.

(2) Plant and Soil Science Building

(a) Awarding of Contract and Budget Establishment

Plant and Soil
Science Building
Construction

The following bids were received on November 3, 1983, for construction of the Plant and Soil Sciences Building. This facility will consist of three basic components: a six-level teaching-research laboratory and faculty office structure, a two-level headhouse, and two teaching green-houses. Also included in the main structure are a lecture hall, auto-tutorial areas, and teaching and research support facilities. The structure's design concept calls for two mechanical service splines with adjacent laboratories forming the core of the six-level element with related faculty offices around the perimeter. The spline concept will provide flexibility when modifications are necessary in the laboratories. The primary structural elements will be steel frames with a cast-in-place concrete foundation, brick external walls, and colored, anodized aluminum windows with insulating glass. The facility will provide 170,000 assignable square feet of teaching and research space to house 1,155 student stations and 743 faculty/staff work stations.

Contractor	Base Bid
General Building Work	
Darin & Armstrong, Inc.	\$12,666,000
The Christman Company	12,848,500
Granger Construction Company	12,874,000
Blount Brothers Corporation	13,050,000
Utleigh-James, Inc.	13,071,500
Barton-Malow Company	13,224,000
Miller-Davis Company	13,313,000
Spence Brothers General Construction	13,338,000
A. Z. Shmina & Sons Co.	13,821,000
Erickson & Lindstrom Construction Company	14,474,000

continued - - -

*This project was estimated at \$247,000 in May 1983, based upon information from the Westinghouse Elevator Co. The low elevator subcontract bid by the McNally Elevator Co. was substantially less than the Westinghouse estimate.

11. C. BIDS AND CONTRACT AWARDS, CONT.

December 1-2, 1984

(2) Plant and Soil Science Building, cont.(a) Awarding of Contract and Budget Establishment, cont.

<u>Contractor</u>	<u>Base Bid</u>
<u>Mechanical Work</u>	
Michigan Boiler & Engineering	\$ 7,995,000
Bosch Mechanical Contractors, Inc.	8,350,600
Goyette Mechanical Co.	8,550,000
Industrial Mechanical Contractors, Inc.	8,586,000
Wm. E. Walter Plumbing and Heating, Inc.	8,720,278
The Robert Carter Corporation	9,134,000
John E. Green Plumbing & Heating Co., Inc.	9,747,000
Limbach Constructors, Inc.	10,480,000

Electrical Work

Swan Electric Company, Inc.	\$ 2,370,000
Barker Fowler Electric Co.	2,460,400
Warwick Electrical Contracting Co.	2,573,200
C & L Electric, Inc.	2,579,000
Hatzel & Buehler, Inc.	2,620,000
John Miller Electric Company, Inc.	2,941,000
Quality Electric, Inc.	2,970,610

Elevator Work

Otis Elevator Company	\$ 274,000
Detroit Elevator Company	338,833
Independent Elevator Company	348,673
Schindler Haughton Elevator Corporation	Nonresponsive

Notification and/or plans and specifications were sent to the offices of Builders Exchange in Detroit, Lansing, Kalamazoo, and Grand Rapids and Dodge Reports in Detroit, Lansing, Flint, Kalamazoo, and Grand Rapids. The project was also advertised in the Lansing State Journal, Detroit News, and Grand Rapids Press. The following minority organizations were also notified: Inner City Business Improvement Forum, Michigan Minority Business Council, Association of Minority Contractors, and the Greater Lansing Minority Association. There were no minority or women owned bidders.

The Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) goals established for this project are as follows:

<u>TRADE</u>	<u>MBE</u>	<u>WBE</u>
General Building Work	8%	5%
Mechanical Work	2%	2%
Electrical Work	2%	2%

Each of the bidders to whom award of a contract is recommended has certified that it will comply with the applicable requirements.

It is recommended that a contract in the amount of \$23,305,000 be awarded to Darin & Armstrong, Inc., of Southfield, Michigan. This includes their base bid plus assignment of subcontractors as follows:

General - Darin & Armstrong, Inc.	\$12,666,000
Mechanical - Michigan Boiler & Engineering	7,995,000
Electrical - Swan Electric Company, Inc.	2,370,000
Elevator - Otis Elevator Company	274,000
Total Contract	\$23,305,000

The architects' estimated construction cost was \$23,940,000 in June 1983.

continued - - -

11. C. BIDS AND CONTRACT AWARDS, cont.

December 1-2, 1983

(2) Plant and Soil Science Building, cont.

(a) Awarding of Contract and Budget Establishment, cont.

It is also recommended that the following budget be established:

Contractor - Darin & Armstrong, Inc.	\$23,305,000
Architect - Hoyem-Basso Associates	1,295,000
Furnishings and Equipment	2,534,000
Physical Plant - Engineering Services	233,000
Chilled Water Line Extension	170,000
Landscaping	160,000
Project Development Costs	103,000
Contingency	1,200,000
Total Budget	\$29,000,000

The \$29,000,000 budget was authorized by the State Legislature in Public Act 280 of 1982.

This project will be funded by a combination of revenue bonds issued by the State Building Authority and State capital outlay appropriations. This is the first University project to be funded by the State Building Authority.

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

Approved by a vote of 8 to 0 on motion by Trustee Reed, seconded by Trustee Lick.

RESOLUTION OF THE BOARD OF TRUSTEES OF
MICHIGAN STATE UNIVERSITY APPROVING LEASE,
CONVEYANCE OF PROPERTY AND
APPROVING EASEMENT AGREEMENT

A RESOLUTION of the Board of Trustees of Michigan State University authorizing a lease between the State Building Authority and the State of Michigan and Michigan State University for the purpose of acquiring and leasing to the State and the University a plant and soil sciences building, conveyance of property, approving easement agreement and to provide other matters relating thereto.

WHEREAS, the State Building Authority (the "Authority") has been incorporated under and in pursuance of the provisions of Act 183, Public Acts of Michigan, 1964, as amended ("Act 183"), for the purpose of acquiring, constructing, furnishing, equipping, owning, improving, enlarging, operating, mortgaging and maintaining buildings, necessary parking structures or lots and facilities and sites therefor, for the use of the State of Michigan (the "State"), including institutions of higher education created pursuant to Sections 5, 6 and 7 of Article VIII of the Michigan Constitution of 1964, or any of its agencies; and

WHEREAS, Michigan State University (the "University") has been created and is maintained pursuant to Section 5 of Article VIII of the Michigan Constitution of 1963; and

WHEREAS, the State and the University desire that the Authority acquire a plant and soil sciences building and the site therefor on the campus of Michigan State University, East Lansing, Michigan (the "Facility"), and lease the same to the State and the University, and the Authority is willing to acquire the Facility and lease the same to the State and the University; and

WHEREAS, the Authority, by resolution adopted August 25, 1983, did determine, subject to the conditions set forth in such resolution, to acquire the Facility and to lease it to the State and the University; and

WHEREAS, the site of the Facility (the "Site") is presently owned by the University and the Facility will be constructed by the University and it is intended that the Site be conveyed to the Authority by the University and the Facility be conveyed by the State and the University to the Authority as acquired; and

WHEREAS, the University will require for future use an easement for chilled water lines through the Facility which is to be conveyed to the Authority and an agreement to provide the same has been prepared and is attached hereto as Exhibit A (the "Easement Agreement");

WHEREAS, the acquisition of the Facility by the Authority for use by and lease to the University and the State is necessary in order for the State and the University to carry out necessary governmental functions and to provide necessary services to the people of the State, as mandated or permitted by the Constitution and law, and the use of Act 1983 to accomplish such acquisition represents the most practical means to that end at the lowest cost to the State and the University; and

WHEREAS, a lease between the Authority and the State and the University providing for the acquisition of the Site and the Facility by the Authority and the lease of the Site and the Facility to the State and the University has been prepared in substantially final form and is attached hereto as Exhibit B (the "Lease"); and

continued - - -

Resolution
Approving
Lease,
Conveyance of
Property and
Approving
Easement
Agreement
between the
State Building
Authority, the
State of
Michigan, and
Michigan
State University
for the
purpose of
acquiring and
leasing to the
State and the
University a
Plant and Soil
Sciences
Building

11. C. BIDS AND CONTRACT AWARDS, cont.

December 1-2, 1983

(2) Plant and Soil Science Building, cont.Resolution, cont.

WHEREAS, Section 7 of Act 183 provides that the Lease shall be approved by the Authority, the State Administrative Board of the State, by concurrent resolution of the Legislature of the State concurred in by a majority of the members elected to and serving in each house and if the Lease is for an institution of higher education existing or created pursuant to Section 5, 6 and 7 of Article VIII of the State Constitution, then in addition the Lease shall be authorized by the institution of higher education and signed by its authorized officers and, accordingly, it is necessary that the Board of Trustees of the University authorize and approve the Lease;

WHEREAS, the Authority intends to finance a part of the cost of the Facility through the issuance of its revenue bonds as authorized in Act 183 which together with other funds legally available therefor will be sufficient to finance the cost of the Facility, and it is necessary for authorized officers of the University to approve of the description of the Facility for use in the official statement (the "Official Statement") to be distributed by the Authority in connection with the sale of its revenue bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY THAT:

1. The Board of Trustees of the University hereby authorizes and approves the Lease in substantially the form attached as Exhibit A and the President and Vice-President for Finance and Operations of the University are hereby authorized and directed to execute and deliver the lease in substantially the form attached as Exhibit B for and on behalf of the University at such time as shall be agreeable to the State, the Authority and the University officers and such officers are hereby designated as authorized officers of the University for purposes of Section 7 of Act 183; provided such officers are not hereby authorized to approve of a change in the Lease with respect to the rental, the description of the Facility or the material financial obligations of the University contained in the Lease approved herein. The Board of Trustees hereby determines that the maximum rental in the amount described below is reasonable and the authorized officers are hereby authorized to approve in the Lease, as executed, a rental in an amount determined by the final appraisal of "True Rental," but not exceeding \$5,156,040 each year and a lease term of not exceeding 40 years.

2. The plans for the Facility, as filed with the University, are hereby approved.

3. The conveyance of the Site and the Facility, as heretofore and hereafter constructed and acquired, to the authority as provided in the Lease is hereby approved and the President and Vice-President for Finance and Operations of the University are hereby authorized and directed to execute a warranty deed in substantially the form attached hereto as Exhibit C and bills of sale to accomplish such conveyance in such form as may be from time to time approved by counsel for the University.

4. The President and the Vice President for Finance and Operations are hereby authorized and directed to approve the description of the Facility and other matters relating to the University as may be required for use in the Official Statement to be distributed by the Authority in connection with the sale of its revenue bonds.

5. The University further confirms its obligations to pay the rent but only from moneys provided by the State and to perform the other duties and obligations specified in the lease and acknowledges that such obligations do not depend upon the passage of the title to the Facility to the University or the State without consideration and the University hereby represents that it would have executed and delivered the Lease even though the title to the Facility would not pass upon the termination of the Lease.

6. The University recognizes that the Authority shall pay for costs of the Facility an amount not in excess of \$21,871,650.

7. The Board of Trustees of the University, as a part of the plan of financing, hereby authorizes and approves the Easement Agreement in substantially the form attached as Exhibit A and the President and Vice-President for Finance and Operations of the University are hereby authorized and directed to execute and deliver the Easement Agreement in substantially the form attached as Exhibit A for and on behalf of the University.

8. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

9. This resolution shall be effective immediately upon its adoption.

Approved by a roll call vote of 8 to 0. The following Trustees voted in the affirmative: Crim, Dade, Fletcher, Lick, Martin, Sawyer, Reed and Wilson.

Trustee Sawyer stated that the Attorney General said that there was no conflict of interest by her voting on this matter.

11. D. OTHER ITEMS FOR ACTION

December 1-2, 1983

Board of
Trustees Policy
Manual Approved

- (1) For the past several months, the Board of Trustees has reviewed its various policies, resulted in the development of a Draft Policy Manual. This policy review is now completed, and it is recommended that the Board of Trustees approve the Policy Manual as a codification of its existing policies.

RESOLVED that the above recommendation be approved.

Approved by a roll call vote of 5 to 3 to table the above recommendation. Trustees Crim, Dade, Martin, Reed and Wilson voted Yes. Trustees Fletcher, Lick and Sawyer voted No.

(2) Course Fee Courtesy Policy

Course Fee
Courtesy
Policy
Approved
Effective
Winter Term
1984

Distributed with the agenda is the Course Fee Courtesy Policy for dependent children and spouses of designated faculty and staff. It is recommended that the Board of Trustees approve the Course Fee Courtesy Policy as a continuing program effective winter term 1984.

RESOLVED that the above recommendation be approved.

Approved by a vote of 7 to 1 on motion by Trustee Lick, seconded by Trustee Dade. Trustee Fletcher voted No.

(3) Financing for NMR Scanning Equipment

Nuclear Magnetic
Resonance
Whole-Body
Scanning
Equipment
Financing

It is recommended that a \$2 million internal line of credit be established for the purpose of providing working capital and for the purchase of nuclear magnetic resonance (NMR) whole-body scanning equipment. The use of this equipment will be jointly administered by the Departments of Radiology and Physiology. The interest rate used in this internal loan will be the actual cash investment interest rate of the University which is estimated at approximately 9.5%. Repayment of this obligation is scheduled over a six-year period from user fees. The Colleges of Human Medicine and Osteopathic Medicine have accepted the responsibility for financially underwriting this venture should this be necessary. The purchase of this equipment and execution of this loan is contingent upon obtaining a Certificate of Need.

RESOLVED that the recommendation be approved.

Approved by a vote of 8 to 0 on motion by Trustee Sawyer, seconded by Trustee Lick.

(4) Statement on Student Taxation

Student
Taxation
Collection
Criteria and
Procedures

Distributed with the agenda is a statement on Student Taxation and an informational statement on Student Tax Collection Criteria and Procedures. It is recommended that the Board of Trustees approve the statement on Student Taxation.

RESOLVED that the above recommendation be approved.

Trustee Dade moved the following substitute motion that the above recommendation as circulated be approved with the word "nonrefundable" being changed to "refundable"; with the phrase "until further action by the Board" be added to the second paragraph; with the provision that there will be continued discussion of the procedures for implementation of the Board policy; that the final procedures will be communicated to the Board, and that the Administration prepare a discussion paper on the State News relative to the student tax issue and submit that to the Board at the earliest possible time. Seconded by Trustee Fletcher. Approved by a vote of 8 to 0.

(5) Dental Insurance Contract

Dental
Insurance
Contract

In January of 1981, the University entered into a three-year contract with United of Omaha to provide dental insurance for eligible faculty, staff and retirees. This contract expires on December 31, 1983. Investigation of cost effectiveness led to the conclusion that the relationship with the company should be changed to an Administrative Services Only (ASO) contract. In order to implement this procedure, it is necessary to establish a bank account upon which the Administrator can issue claim payment checks.

RESOLVED that approval be granted to enter into an Administrative Services Only contract with United of Omaha for the dental insurance program and to establish a bank account for payment of dental claims with signature authority to be established as provided by the contract.

Approved by a vote of 7 to 1 on motion by Trustee Reed, seconded by Trustee Lick. Trustee Fletcher voted No.

Administrative
Services
Only (ASO)
Contract with
United of
Omaha

11. D. OTHER ITEMS FOR ACTION, cont.

December 1-2, 1983

(6) Naming of Facilities

Trustee Sawyer moved approval of the following: It is the hope of the Board of Trustees that, by addressing the issue at this time, we bring to conclusion the discussions before this Board and in the media relating to the naming of the Margaret Ewert McGoff Festival Stage.

The Board of Trustees of Michigan State University has the authority and obligation to name building and facilities, adhering to policy criteria we consider necessary and appropriate.

In the case of the naming of the Margaret Ewert McGoff Festival Stage, the Board abided by these criteria. All formal actions were carried out in public session, with full opportunity provided for discussion and advice. Therefore, the Board deems the designation of the Margaret Ewert McGoff Festival Stage to have been an appropriate action and sees no need for further action.

Approved by a vote of 8 to 0 on motion by Trustee Sawyer, seconded by Trustee Dade.

12. REPORTS TO THE BOARDA. Board Committee Reports(1) Land and Physical Facilities Committee

Trustee Lick reported that the members of the Land and Physical Facilities Committee at their morning meeting voted to:

- (a) Recommend the acceptance of 6.31 acres of land in Pittsfield Township near Ann Arbor, Michigan, from George Lauff with the proceeds from the sale of the property to be used to establish an endowment for funding a scholarship program to be administered through the College of Natural Science to support students participating in educational and research programs at the W. K. Kellogg Biological Station.

Approved by a vote of 8 to 0 on motion by Trustee Lick, seconded by Trustee Crim.

- (b) Recommend that Power Plant 65 be renamed "The Theodore B. Simon Power Plant."

Approved by a vote of 8 to 0 on motion by Trustee Lick, seconded by Trustee Crim.

- (c) Request that the policy for "Naming University Buildings and Facilities" be restudied and a revision of this policy be submitted to the members of the Board of Trustees at their next meeting.

(2) Audit Committee

Trustee Reed reported that the Committee reviewed Arthur Young's management letter recommendations and the administrative responses thereto.

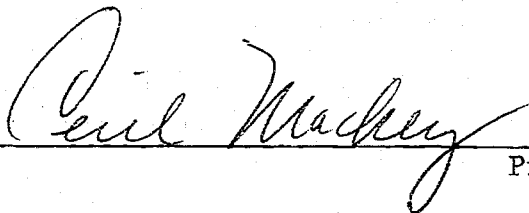
The Committee also approved an out-of-state travel request from Trustee Lick and discussed the Internal Audit report of October 6, 1983, concerning trustee expenses.

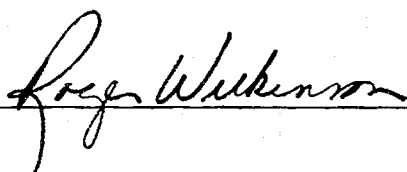
B. President's Report

President Mackey commented on the gift to the University from Catherine Herrick Cobb, whose name is on the Great Hall, and the Herrick Foundation for \$100,000 for an endowment of a scholarship in the Performing Arts.

President Mackey stated that the above gift is the largest single endowment for an individual scholarship and the first in the performing arts. He further stated that the arts, in particular, must receive private support if they are to thrive and flourish in society and at this University.

Adjourned at 4:30 p.m.


President


Secretary

Margaret Ewert McGoff Festival Stage naming to remain. No need for further action.

Land and Physical Facilities Committee

Acceptance of 6.31 acres of land in Pittsfield Township near Ann Arbor, MI.

Power Plant 65 to be renamed "The Theodore B. Simon Power Plant".

Naming University Buildings and Facilities Policy to be restudied.

Audit Committee

Catherine Herrick Cobb Gift.

Herrick Foundation gift of \$100,000 for Endowment of Scholarship in Performing Arts Largest Single Endowment for an Individual Scholarship and First in the Performing Arts