

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

October 8, 1993

The Trustee Finance Committee and the Trustee Policy Committee meetings were held in the Board Room of the Administration Building. Minutes of the committee meetings are on file in the Office of the Secretary of the Board of Trustees.

The meeting of the Board of Trustees was called to order by President McPherson at 11:20 a.m. on Friday, October 8, 1993 in the Board Room.

Trustees present: Dolores M. Cook, Joel Ferguson, Dorothy Gonzales, Russell G. Mawby, Barbara J. Sawyer-Koch, John D. Shingleton, Bob Traxler, and Robert E. Weiss.

University officers present: President McPherson, Interim Provost Simon, Secretary Williams, General Counsel and Vice President Kurz, Vice Presidents Denbow, Meyer, Pierre, Turner, and Wilkinson. Faculty Liaison representatives present: Dr. Etta Abrahams, Dr. David Fisher, Dr. Sheila Grimes, Dr. Susan Selke, and Dr. Dozier Thornton. Student Liaison representatives present: Amy Cole, Brian Debbaudt, D. J. Hoffman, and Brad Thaler.

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

1. On a motion by Dr. Mawby, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the agenda.
2. On a motion by Mr. Shingleton, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the minutes of the Board meeting of July 16, 1993 and Special Board meetings of July 22, July 27, August 17, and September 24, 1993.
3. President McPherson reported that a request had been received for two sequential Executive Sessions.
 - A. Vice President Wilkinson, to whose office responsibilities of contract negotiation have been delegated, has requested that the Board of Trustees meet in Executive Session to hear and discuss strategy connected with negotiations of collective bargaining agreements, which session is exempt from disclosure under Section 8(c) of the Michigan Open Meetings Act.
 - B. General Counsel Kurz has requested that the Board of Trustees meet in Executive Session to consider the written legal opinion of Counsel dated October 6, 1993, which opinion is exempt from disclosure under Section 8(h) of the Michigan Open Meetings Act.

On a motion by Dr. Mawby, supported Mr. Shingleton, **A ROLL CALL VOTE was conducted** by Secretary Williams. The motion passed unanimously.

President McPherson announced the Board would go into Executive Session and reconvene following lunch at approximately 1:00 p.m.

4. The Executive Officers and Faculty and Student Liaison members joined the Trustees for lunch in 443A-B Administration Building.
5. The meeting was reconvened by President McPherson at 1:00 p.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel Ferguson, Dorothy Gonzales, Russell G. Mawby, Barbara J. Sawyer-Koch, John D. Shingleton, Bob Traxler, and Robert E. Weiss.

University officers present: President McPherson, Interim Provost Simon, Secretary Williams, General Counsel and Vice President Kurz, Vice Presidents Denbow, Meyer, Pierre, Turner, and Wilkinson. Faculty Liaison representatives present: Dr. Etta Abrahams, Dr. David Fisher, Dr. Sheila Grimes, Dr. Susan Selke, and Dr. Dozier Thornton. Student Liaison representatives present: Amy Cole, D. J. Hoffman, and Brad Thaler.

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6. President McPherson reported he plans to recommend that the Trustee Policy Committee consider two process matters related to public participation at Board meetings. The first is to have the rule reviewed and codified so that a response can be given to participants who address the Trustees. He will also recommend that participants be allowed to sign up until 9 a.m., or some specified time, the morning of the meeting in order to make the meetings as available to the public as possible.

Public
Participation

The following individuals addressed the Board of Trustees:

- A. Michael Leahy, graduate student in Forestry and member of the Student Environmental Action Coalition, presented information supporting his opinion that Michigan State should not become involved with the Mt. Graham International Observatory project for biological, legal, cultural, financial, and reasons of academic integrity.
- B. Wallace J. Tatara III, a student in the History Department, commented that he believes the Mt. Graham Observatory project is a racist and biologically insensitive project and the University should not be involved or invest money in the project. He refuted media reports by stating the Mt. Graham red squirrel being an endangered species is an issue, as is the Mexican spotted owl. Another consideration is the importance of the mountain site to the San Carlos Apache Indians.
- C. Bedahbin Webkamigad, student and co-chair of the North American Indian Student Organization (NAISO), presented the perspective of NAISO related to the University's possible participation in the Mt. Graham project. In addition to their concern of ecological issues and cost, she reported most, if not all, native peoples view their religion and culture as one, intertwined. The San Carlos Apache people view the mountain as their place of emergence and it is sacred to them.

Chairperson Ferguson remarked that Mr. Weiss, Policy Committee Chairperson, has agreed to discussing the Mt. Graham Observatory Project at a committee work session.

- D. Gerard Crawley, Chairperson of the Department of Physics-Astronomy, reported their department is in the early stages of gathering information on the Mt. Graham project. He said he was pleased to hear input on the environmental and Native American issues as the subject is controversial. He discussed the plan and cost of Michigan State's involvement in the project.
- E. Suzanna Hawley, faculty member in the Physics-Astronomy Department, presented statements supporting the University's participation in the Mt. Graham Observatory Project. The astronomers in her department believe it is a worthwhile project to pursue and a necessity for MSU faculty to have access to a telescope rather than having to depend on the use of a one belonging to another university. All important research from the ground, now and being planned for the future, is being done using observational material from large telescopes.
- F. Timothy Beers, faculty member in the Physics-Astronomy Department, waived the opportunity to speak, but distributed a document about the research now being conducted at the University and what he envisions could be done in the near future with access to a large telescope.
- G. Rondy Murray, staff member and President of the Clerical-Technical Union, extended the CTU's welcome to President McPherson. She looks forward to working together and talking with him about issues of concern to C-T employees.
- H. Tom Ferris, Administrative-Professional Association Staff member and member of the Coalition of Labor Organizations, extended an invitation to President McPherson and the Board of Trustees to meet informally with their groups.
7. President McPherson reported he plans to begin a process of consulting with various components of the University to determine guiding principles which will be used to make important decisions related to financial allocations and other types of decisions. If principles are developed now as opposed to later when there is a crisis, President McPherson believes the University will become stronger and be able to maintain its excellence.

President's
Report

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Personnel Actions

8. Personnel Actions were presented by Interim Provost Simon as follows:

Appointments

A. Appointments

- 1) Batie, Sandra S., AN-Elton R. Smith Professor in Food and Agricultural Policy, Department of Agricultural Economics, \$110,000, with Tenure, effective September 1, 1993.
- 2) Batie, Robert E., AY-Professor, Department of Fisheries and Wildlife, \$62,000, with Tenure, effective August 16, 1993.
- 3) Marino, Nancy F., AY-Associate Professor, Department of Romance and Classical Language, \$45,000, with Tenure, effective August 16, 1993.
- 4) Salmon, Charles T., AY-Ellis N. Brandt Professor in Public Relations, Department of Advertising, \$65,000, with Tenure, effective February 16, 1994.
- 5) Ivanov, Nikolai, AY-Associate Professor, Department of Mathematics, \$50,000, with Tenure, effective August 16, 1993.
- 6) Zhou, Zhengfang, AY-Associate Professor, Department of Mathematics, \$52,500, with Tenure, effective August 16, 1993.

Other Personnel Actions

B. Other Personnel Actions

- 1) Rothert, Marilyn L., AN-Professor and Associate Dean, Dean's Office, College of Nursing, to change title from Associate Dean to Acting Dean, and for a change in salary rate from \$86,653 to \$91,653, effective August 15, 1993.
- 2) Keller, Waldo F., AN-Professor, Small Animal Clinical Sciences, to add title Acting Dean, Dean's Office, College of Veterinary Medicine and for a change of salary rate from \$92,025 to \$116,000, effective October 1, 1993; and for a change in retirement date from July 1, 1994 to July 1, 1995.

Dr. Simon commented about the individuals being appointed and the personnel actions of Dr. Rothert and Dr. Keller. Following the introduction by Dr. Simon, Dr. Sandra Batie expressed her pleasure of being appointed to the Elton R. Smith Professorship and in being at Michigan State University.

On a motion by Dr. Mawby, supported by Ms. Cook, **THE BOARD VOTED to approve** the Appointments and Other Personnel Actions.

Information Reports

Information Reports of Academic Personnel Actions dated July 21, August 18, and September 15, 1993 were distributed with the agenda and are included with the agenda in the Office of the Secretary of the Board of Trustees.

Gift, Grant & Contract Report

9. The Gift, Grant and Contract Report was presented by Vice President Pierre for the period June 19, 1993 through September 10, 1993. The report is a compilation of 502 items and 47 Consignment Equipment-Gifts with a total value of \$58,354,034.28.

On a motion by Mr. Ferguson, supported by Ms. Sawyer, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report. The report is included with the agenda in the Office of the Secretary of the Board of Trustees.

Dr. Pierre reported the Gift, Grant and Contract Report is by far the largest report made to the University in the past five years. It exceeds the previous largest report by 45 percent and brings the University \$22 million ahead of last year at this time. The report is a reflection of the efforts of many faculty members and administrators and also reflects on the quality of the institution.

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10. The reports and recommendations of the Trustee Finance Committee were presented by Committee Chairperson Traxler as follows:

Trustee Finance Committee

A. Bids and Contract Awards

Bids & Contract Awards

- 1) It was recommended that the Board of Trustees award a contract in the amount of \$429,500 to Kares Construction Company, Inc. of Lansing, Michigan, and that a budget in the amount of \$529,000 be established for the project entitled: Anthony Hall - Freezer/Cooler Replacement.
- 2) It was recommended that the Board of Trustees award a contract in the amount of \$93,720 to Quality Electric, Inc., of Holt, Michigan, and that a budget in the amount of \$473,000 be established for the project entitled: Regional Chilled Water Plant No. 1 - Replace electrical Substation.

Anthony Hall - Freezer/Cooler Replacement

Regional Chilled Water Plant No. 1 - Replace electrical Substation

On a motion by Mr. Traxler, supported by Dr. Mawby, **THE BOARD VOTED to approve** the bids and contract awards.

B. It was recommended that the Board of Trustees accept the audited financial statements for the year ended June 30, 1993.

Accept Audited Financial Statements

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

C. Property Transactions

Property Transactions

- 1) It was recommended that the Board of Trustees accept a gift through the Michigan State University Foundation of approximately 91 acres of land as part of Lux Arbor Reserve at Delton, Michigan, from Dr. Richard U. and Irmgard M. Light.
- 2) It was recommended that the Board of Trustees authorize the administration to purchase approximately 88.5 acres of land adjoining Hidden Lake Gardens for \$100,000.
- 3) It was recommended that the Board of Trustees approve the exchange with an adjoining landowner at the Trevor Nichols Research Complex near Fennville, Michigan, of 2.2 acres for 1.1 acres of land which includes 190 ft. of road frontage.
- 4) It was recommended to the Board of Trustees that easement agreements be granted to the city of East Lansing for construction of a combined sewer overflow control system.

Lux Arbor Reserve - Light property

Purchase of 88.5 acres adjoining Hidden Lake Gardens

Exchange of property at Trevor Nichols Research Complex

Grant easements to City of East Lansing for sewer system

On a motion by Mr. Traxler, supported by Mr. Shingleton, **THE BOARD VOTED to approve** the recommendations.

Dr. Mawby commented that the gift of 91 acres of land at Lux Arbor represents an additional very generous gift from Dr. and Mrs. Light of Kalamazoo, bringing more than 1,300 acres of Lux Arbor preserve to the University. The Lux Arbor property in combination with the Fred Russ Forest and the W. K. Kellogg Biological Station represents one of the greatest collections of natural resource laboratories available anywhere in the country. It is an unusual combination of ecological and environmental resources made available to the University through gifts.

D. The Committee received a report on the University's Real Property Holdings which was prepared by the Land Management Office for the Office of the Vice President for Finance and Operations.

Report on Real Property Holdings

E. The Committee discussed the parameters of the budget request which will be presented to the State for the 1994-95 fiscal year. A formal document will be brought to the Board for action at its November meeting.

Budget Discussion

President McPherson reported the administration expects to submit an increased budget for the 1994-95 year to the Board for its approval that in turn will be submitted to the State of Michigan. Since the budget has been a flat figure for three years and the University needs additional resources, he expects to propose that the State appropriate those funds. The budget will be presented to the Governor and legislature with care and consideration.

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Discussion on
lifting ban on
investments in
South Africa

- F. In response to Mr. Traxler's request, President McPherson reported there has been some discussion, but not unanimity, about the University's response to the ban being lifted on investments in South Africa. The President believes it is important to receive input on this topic from students, faculty, staff, and community groups which would be presented to the Board for its decision on how, when, and if it wishes to handle the matter.

Trustee Policy
Committee

11. Committee Chairperson Weiss reported on the Policy Committee work session that was held the previous day. He outlined several policy issues that have been or are currently being visited by the Committee.

Annual Report on
Enrollment

At the morning meeting, Interim Provost Simon presented the annual Report on Enrollment.

Chairperson's
Report

12. Chairperson's Report

Contract for
President Peter
McPherson

- A. Chairperson Ferguson reported that as a follow-up to the Board's approved motion at the August 17, 1993 meeting, a contract had been prepared for President McPherson.

"It was recommended to appoint M. Peter McPherson as President of Michigan State University effective at an agreed upon date no later than January 1, 1994, to be decided upon between Mr. McPherson and the Board, with an annual direct compensation package not to exceed a salary of \$180,000 per annum, plus the regular benefits provided to Executive Management employees. This is subject to negotiation and execution of a mutually agreeable contract by Mr. McPherson and the Chairperson of the Board of Trustees on behalf of the Board, which would include these terms and which would be subsequently reported to the Board." Mr. Weiss amended the motion to have the compensation package reported back to the Board for its action and approval.

Chairperson Ferguson proceeded as instructed by working with Vice President Roger Wilkinson and General Counsel Mary Beth Kurz to have a draft contract prepared for President McPherson. The preliminary draft was sent to members of the Board for their comments.

Mr. Ferguson highlighted the categories addressed in the contract as follows:

- The President is responsible to the Board of Trustees and shall perform such duties as are customarily performed by the University President.
- The President shall have charge of administration of the institution under policies of the Board.
- The President agrees that he will perform all of the duties that may be required under the terms of the presidential contract.
- The President shall serve at the pleasure of the Board.
- The annual salary is \$180,000 with deferred compensation investment account of \$25,000 annually. The President will receive the same fringe benefits as are presently available to Executive Management personnel.
- Severance: "Should the Board prior to the expiration of five years from October 1, 1993, request the President to resign..., the President shall receive payment, at the rate of the President's annual compensation at the time of resignation or termination, for any portion of the five-year period not yet served..."
- Formal Evaluation: The Board will review annually "the state of the university" by a method that is mutually agreeable to the Board and the President.
- The President will reside in Cowles House, have an automobile provided, travel for the institution, have entertainment and memberships in service and professional organizations, and receive the Course Fee Courtesy benefit.

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Chairperson Ferguson presented the following recommendation.

Resolved: That the Board of Trustees approve the contract of M. Peter McPherson as President of Michigan State University.

On a motion by Mr. Ferguson, supported by Mr. Shingleton, **A ROLL CALL VOTE was conducted by** Secretary Williams. The motion passed unanimously.

Chairperson Ferguson complimented individual Board members for their contributions to the University and their part in the appointment of the President. He said the Board has done an outstanding job in appointing the President.

President McPherson responded he has found working with the Board, individually and collectively, after the selection and up to taking office, to be comfortable and productive. He has every confidence that everyone will work together towards important accomplishments for Michigan State. He thanked Chairperson Ferguson for his comments.

Trustees Shingleton, Sawyer-Koch, Mawby, Gonzales, Traxler, Cook, and Weiss welcomed the President.

B. Trustees' Comments

Trustees Cook commented on the urban activities held in Detroit by MSU Extension and the College of Veterinary Medicine. During a recent alumni visit to California, Trustee Cook participated in the charter meeting of the Orange County alumni club which has 1,300 members.

13. The meeting adjourned at 2:55 p.m.



Peter McPherson
President



Marcellette G. Williams, Ph.D.
Secretary

Chairperson's
Report continued

Contract for
President McPherson
continued

Trustees'
Comments