

MINUTES OF THE MEETING
of the
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
July 28-29, 1983

President Mackey called the meeting to order in Room 103 A and B of the Kellogg Center at 3:40 p.m.

Present: Trustees Crim, Dade (arrived at 4:40 p.m.), Fletcher, Lick (arrived at 5:05 p.m.), Reed, 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 Martin.

1. Approval of Proposed Agenda

Trustee Reed moved the approval of the proposed agenda. Trustee Sawyer moved that Item 9. D. (5), a Discussion of the Michigan Association of Governing Boards and Selection of an Alternate Delegate, be added to the agenda. Trustee Crim moved that Item 9. D. (6), an update on Pirgim, be added to the agenda. Seconded by Trustee Wilson. Approved as amended by a vote of 5 to 0.

2. Approval of June 24, 1983, Minutes

Trustee Sawyer moved approval of the June 24, 1983, Minutes, including the Executive Session. Seconded by Trustee Fletcher. Approved by a vote of 5 to 0.

3. Board Policy Manual

The Trustees convened in a work session to continue a review of the Draft Board Policy Manual.

A. Course Fee Courtesy Policy, 99-01-01-91

Upon recommendation of President Mackey, it was moved by Trustee Reed to amend the Course Fee Courtesy Policy to extend the coverage of this policy to the surviving dependent children and spouses of eligible faculty and staff. Seconded by Trustee Dade. Approved by a vote of 6 to 0.

B. Indemnification Policy, 01-02-24-01

It was moved by Trustee Wilson to refer the Indemnification Policy to General Counsel Carr for review and subsequent report to the Board of Trustees. Seconded by Trustee Reed. Approved by a vote of 7 to 0.

C. Overload Pay, 01-03-24-01

It was moved by Trustee Fletcher to change the Overload Pay Policy to reflect the recommended administrative changes to this policy. This includes reflecting the title change of the unit from Continuing Education Service to Lifelong Education Programs and previous Board of Trustees actions to amend the policy on education work for pay and the delegation of authority for personnel actions (copy on file in the Secretary's Office). Seconded by Trustee Sawyer. Approved by a vote of 7 to 0.

The Board recessed at 6:03 p.m.

The Board reconvened at 7:13 p.m. in the Lincoln Room of the Kellogg Center. Joining the Board at this session were Trustee Martin and Dr. Robert Lockhart, Director of Planning and Budgets.

4. Diagnostic Imaging Associates, Inc.

President Mackey indicated that Dr. James Potchen, Chairperson of the Department of Radiology, was present to answer any Trustee questions concerning an agreement with Diagnostic Imaging Associates, Inc. The recommended action which delegates to the President the review and action on this agreement is scheduled for Trustee consideration at the Action Session. The Trustees had no questions for Dr. Potchen. (Copy of material is on file in the Secretary's Office.)

5. Budget and Financial Matters

President Mackey introduced the discussion on the 1983-84 recommended General Fund, Agricultural Experiment Station, Cooperative Extension Service, and Intercollegiate Athletics budgets with the following remarks:

He stated that the recommended 1983-84 General Fund budget includes a tuition increase averaging 9.5% and a salary adjustment averaging 5.5% for all

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Board Policy Manual

Course Fee Courtesy Policy, 99-01-01-91

Indemnification Policy, 01-02-24-01

Overload Pay, 01-03-24-01

Diagnostic Imaging Associates, Inc.

Budget and Financial Matters

Budget and
Financial
Matters, cont.

5. Budget and Financial Matters, cont.

employee groups. This results in recommending a cash management plan of approximately \$5.7 million. It would have been preferable to recommend a lower tuition adjustment and a greater salary adjustment. However, this would have resulted in a higher cash management plan. It was the administration's judgment that the financial strain on the institution from the cash management adjustments of the last few years, as well as a steady erosion of resources available to the institution, made it necessary to make a recommendation at these levels this year. It is hoped that there will be new directions for funding and that the revenues of the State will increase significantly to provide additional resources to the University.

President Mackey then called on Dr. Robert Lockhart to review the budget proposal in detail (copy of his presentation is on file in the Secretary's Office).

Professor John Henderson, representing the University Committee on Faculty Affairs, addressed the Board concerning the recommended budget. He stated that he felt there was no other alternative but to use the forward funding of approximately \$12 million in developing the budget. He indicated that the administration's recommendation of 5.5% compensation adjustment for the faculty was wholly inadequate and 2.5% less than the 8% recommended by the UCFA. He indicated that they support the merit concept of the wage adjustment.

The Board recessed at 9:01 p.m.

The Board reconvened at 8:20 a.m. on Friday, July 29, in the Board Room of the Administration Building.

Public
Comments

6. Public Comments

Mike Bohling, student representative of ASMSU, addressed the Board concerning accessibility for handicapped students (a summary of his remarks is on file in the Secretary's Office).

Comments by
Dr. Robert L.
Green, Dean of
Urban Affairs
Program

7. Comments by Dr. Robert L. Green, Dean of Urban Affairs Program

At the invitation of President Mackey, Dr. Robert L. Green, recently appointed President of the University of the District of Columbia, addressed the Board of Trustees (copy of his remarks are on file in the Secretary's Office).

Dr. Aubrey Radcliffe, Trustee Emeritus, made comments concerning Dr. Green's tenure at Michigan State University, including recognition of his community service and civil rights efforts.

Resolution in
Recognition of
Dr. Robert L.
Green

8. Resolution in Recognition of Dr. Robert L. Green

Following the above remarks, several Trustees commented on Dr. Green's outstanding service to the University, community, State, and Nation, and the following resolution was introduced by Trustee Martin and unanimously supported:

WHEREAS Robert L. Green returned to his native State of Michigan to pursue his graduate studies at Michigan State University; and

WHEREAS, He completed his Ph.D. in Educational Psychology and became a faculty member in the College of Education; and

WHEREAS, He became the Director of the Center for Urban Affairs, the Dean of the College of Urban Development, and currently serves as the Dean of Urban Affairs Programs; and

WHEREAS, He has served both the State of Michigan and the nation as an expert regarding urban affairs and civil rights; and

WHEREAS, He has served Michigan State University as an academic leader and drum major for human rights;

THEREFORE BE IT RESOLVED, That the MSU Board of Trustees recognize his contribution to the University and the nation and wish him the very best in his new role as President and Distinguished Professor of the University of the District of Columbia.

Approved by a vote of 8 to 0.

9. REPORTS TO THE BOARD

July 28-29, 1983

Board Committee Meetings

Board
Committee
Meetings
Land and
Physical
Facilities

A. Land and Physical Facilities

The Land and Physical Facilities Committee met and the following action items were approved, with instructions that they be incorporated in the regular Minutes of the Board of Trustees meeting.

(1) Russ Forest Property

Russ Forest
Property

The Committee has previously discussed the possible purchase of two 80-acre tracts of forest land adjoining the Russ Forest from the Sanders Lumber Company. Vice President Breslin reported on preliminary discussions with the Michigan Land Trust Fund about the purchase of this land for the University. He recommended that the University provide \$60,000 toward the purchase of this property with reimbursement from the sale of timber.

Trustee Reed moved, seconded by Trustee Sawyer, that a proposal be presented to the Michigan Land Trust Fund for the purchase of 160 acres, more or less, adjoining the Russ Forest. Approved by a vote of 8 to 0.

(2) Pinetree Road Property

Pinetree Road
Property

Vice President Breslin recommended that the Minutes of the January 28, 1983, meeting be corrected to indicate that the land sale to Mr. Milton Embs was 6.8 acres for a total sale price of \$18,700 on a three-year contract.

Trustee Crim moved, seconded by Trustee Reed, that the Minutes be corrected. Approved by a vote of 8 to 0.

10. ACTION ITEMS

Action Items

A. PERSONNEL CHANGES

Personnel
Changes

Appointments

Appointments

1. Thayne R. Dutson, Professor; Chairperson, Food Science and Human Nutrition, with tenure, at a salary of \$60,000 per year on an AN basis, effective September 1, 1983.
2. John R. Lloyd, Professor; Chairperson, Mechanical Engineering, with tenure, at a salary of \$69,000 per year on an AN basis, effective October 15, 1983.
3. Ernest J. Moore, Professor; Chairperson, Audiology and Speech Sciences, with tenure, at a salary of \$52,500 per year on an AN basis, effective July 1, 1983.

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

B. GIFT, GRANT AND CONTRACT REPORT

Gift, Grant
and Contract
Report

Gifts and Grants totaling \$3,824,863 were approved by a vote of 8 to 0 on motion by Trustee Reed, seconded by Trustee Lick.

C. BIDS AND CONTRACT AWARDS

Bids and
Contract Awards

(1) Kellogg Biological Station--Water Tank

Kellogg
Biological
Station--
Water Tank

The following bids were received on July 15, 1983, for construction of a Water Tank at the Kellogg Biological Station. This project consists of construction of an elevated, 50,000-gallon water storage tank, controls, foundation design and construction, painting, and related mechanical and electrical work. Also included in the project is a new well and distribution system to be bid through Purchasing. This facility is required to provide for the increased domestic and fire protection water supplies required at the conference center area.

<u>Contractor</u>	<u>Base Bid</u>
Caldwell Tanks, Inc.	\$111,600
Universal Tank & Iron Works, Inc.	115,200
Chicago Bridge & Iron Company	124,200
Hydrostorage, Inc.	139,700
Dykema Excavators, Inc.	Nonresponsive

Notification and/or plans and specifications were sent to the offices of Builders Exchange and Dodge Reports in Kalamazoo and Lansing.

It is recommended that a contract in the amount of \$111,600 be awarded to Caldwell Tanks, Inc. of Louisville, Kentucky, and that the following budget be

continued - - -

Bids and
Contract Award,
cont.

10. C. BIDS AND CONTRACT AWARD, cont.

July 28-29, 1983

Kellogg
Biological
Station--Water
Tank, cont.

(1) Kellogg Biological Station--Water Tank, cont.

established:

<u>Contractor</u>	<u>Base Bid</u>
Contractor-Caldwell Tanks, Inc.	\$111,600
Water Distribution System	90,000
New Well and Controls	53,000
Architect - Kingscott Associates, Inc.	19,000
Other Planning Costs	5,000
Contingency	5,400

Total \$284,000

The architect estimated the total project cost at \$295,000. This phase of the project was estimated in June 1983 to be \$125,000.

This project will be funded from the University General 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 Sawyer, seconded by Trustee Reed.

Other Items
for Action

10. D. OTHER ITEMS FOR ACTION

Budget
Guidelines

(1) Budget Guidelines

Vice President Thompson stated that during last evening's session the Board had reviewed in depth the 1983-84 budget guidelines for the General Fund, Agricultural Experiment Station, Cooperative Extension Service, and Inter-collegiate Athletics Program (copy of material is on file in the Secretary's Office), and it is recommended that the following resolution be approved by the Board of Trustees:

RESOLVED that the tuition and fee schedules be approved as recommended effective with the fall term 1983 and development of the 1983-84 budgets including salary and wage adjustments proceed based on the proposal utilizing the forward funding as provided in the Appropriation Act as presented, with final action thereon at the September meeting of the Board.

President Mackey called upon Deans Bettinghaus and Lanier to comment on the impact of the proposed budget on their programs. The Deans also shared their understanding of the views of the Council of Deans on budgetary matters.

Following comments by several Trustees, it was moved by Trustee Dade, seconded by Trustee Sawyer, that the recommended resolution be approved.

Approved by a vote of 6 to 2. Trustees Martin and Fletcher voted No.

Alternative
Retirement Plans

(2) Alternative Retirement Plans

The University's current retirement program is a defined contribution program operated through TIAA-CREF. Eligible employees contribute 5% of salary and the University contributes 10% to an employee-owned, tax-deferred annuity account at TIAA-CREF. At the point of retirement, the accumulation is used to purchase a retirement annuity.

Changes have been in the tax laws over the past five years designed to encourage use of various types of tax-deferred retirement savings vehicles by a larger segment of the population. As a result of these changes, there has been a significant expansion in the number and variety of tax-deferred investment vehicles on the market. Employees of educational institutions throughout the country have responded to this changing market by requesting employers to make some of these alternative options available as a part of their retirement programs. Since a defined contribution plan, by its very nature, places all investment risk on the employee, employers who offer such plans, including MSU, have an obligation to evaluate investment alternatives and to offer them if their use is warranted.

In order to provide a vehicle for this evaluation process and to test the administrative procedures associated with the offering of alternatives, it is proposed that an alternative retirement program be developed and offered to a small group of employees on a voluntary basis.

Recent extensive press coverage of these alternatives has created a climate where a need exists to move quickly with development of this test program.

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10. D. OTHER ITEMS FOR ACTION, cont.

July 28-29, 1983

Other Items for Action, cont.

(2) Alternative Retirement Plans, cont.

Alternative Retirement Plans, cont.

In order to expedite this process, it is proposed that the initial test group of employees be limited to executive management positions.

RESOLVED that the administration is authorized to develop an alternative defined contribution retirement plan based on present contribution levels and previous annuity accumulations and to offer it on a voluntary basis and at no additional cost to the University to a test group of executive management employees.

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

(3) Agreement under Interim Guidelines for Potential Conflicts of Interest

Agreement under Interim Guidelines for Potential Conflicts of Interest

President Mackey indicated that materials have been distributed to the Board of Trustees concerning a relationship between the Department of Radiology and Diagnostic Imaging Associates, Inc. (DIA) (copy of material is on file in the Secretary's Office). Under the Interim Guidelines for Potential Conflicts of Interest in Academic Areas, he stated that Dr. Potchen, Chairperson of the Department of Radiology, had been available for Trustee questions concerning this relationship at last evening's meeting. It was recommended that the following resolution concerning this relationship be approved:

RESOLVED that the Board of Trustees delegates to the President authority to review and take action on a relationship between the Department of Radiology and Diagnostic Imaging Associates, Inc., including related administrative procedures for supervision of the relationship.

Approved by a vote of 7 to 0, with Trustee Fletcher abstaining. Trustee Fletcher indicated the prior evening that the legal counsel for this agreement had also performed legal services for a firm with which he is associated.

(4) Clinical Center Alterations

Clinical Center Alterations

The Department of Medicine, Division of Emergency Medicine of the College of Human Medicine, has proposed the establishment of a Minor Emergency Clinic at the MSU Clinical Center. This proposal has been reviewed by the appropriate committees of the Medical Staff and has received their approval. It is their opinion that the programs to be implemented in this Clinic will add significantly to the strength and quality of the College's academic clinical programs. Moreover, the addition of this service by late fall will broaden the range of services offered in the facility and add substantially to total patient volume. Increased patient volume will, of course, contribute to the improved economic performance of the facility. In addition, the expansion of the service offerings will better position the facility to serve the needs of the College of Human Medicine in an increasingly competitive marketplace.

In order to establish this Clinic, it is necessary to purchase equipment and make renovations to the Clinical Center estimated at \$160,000.

The Minor Emergency Clinic will require an access road on the east side of the building. At the same time approximately 15 patient parking spaces are constructed, the parking problem created by the increased patient load will be addressed by constructing 60 - 75 additional parking spaces. The estimated cost of the parking and access is \$175,000.

To meet the fall schedule, it is recommended that bids on these projects be received in late August and that the administration be authorized to award contracts immediately to the qualified low bidders. The inside project will be funded through an internal loan to be repaid from revenue generated through this Clinic. The outside projects will be funded from parking system revenue and Alteration and Improvement funds.

RESOLVED that the administration be authorized to receive bids and award contracts to the qualified low bidders for the above projects.

President Mackey called upon Dr. Raymond Murray, Chairperson of the Department of Internal Medicine, who addressed the Board in support of the establishment of this Clinic and the authorization for these alterations.

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

Other Items
for Action,
cont.

Michigan
Association
of Governing
Boards (MAGB)

Discussion on
PIRGIM

10. D. OTHER ITEMS FOR ACTION, cont.

July 28-29, 1983

(5) Michigan Association of Governing Boards (MAGB)

Trustee Fletcher moved that we terminate our membership in the MAGB; motion failed for lack of a second.

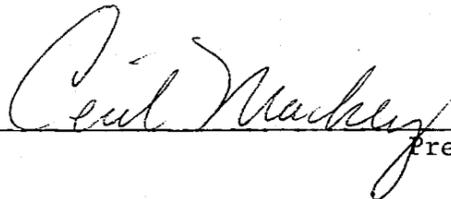
Trustee Sawyer moved, in response to a request from the MAGB, that we name a second representative and an alternate representative. She nominated Trustee Lick as the second representative to serve with Trustee Wilson and Trustee Reed as the alternate representative. Motion was seconded by Trustee Martin.

Approved by a vote of 7 to 1, with Trustee Fletcher voting No.

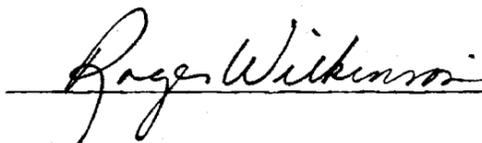
(6) Discussion on PIRGIM

Following extensive discussion of the University Collection Procedures for Student Governing Groups and Organizations and their application to PIRGIM, it was moved by Trustee Crim, supported by Trustee Martin, to exempt PIRGIM from the Collection Procedures for the 1983 fall term. This action would permit PIRGIM to continue to collect its fee through the registration process. The motion failed by a vote of 2 to 6, with Trustees Dade, Fletcher, Lick, Reed, Sawyer, and Wilson voting No.

Adjourned at 10:45 a.m.



President



Secretary

MINUTES OF THE
BOARD OF TRUSTEES WORK SESSION
MICHIGAN STATE UNIVERSITY
September 7, 1983

President Mackey called the meeting to order in Room A & B of the Kellogg Center at 4:07 p.m.

President Mackey announced that the purpose of the meeting was a work Session to continue the review of the Draft Board of Trustees Policy Manual.

Present: Trustees Crim, Dade, Fletcher, Lick (arrived at 5:25 p.m.), Reed, Sawyer and Wilson; President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, Thompson and Turner; Associate Vice President and Secretary Wilkinson, General Counsel Carr, and Assistant to the President Carlisle.

Absent: Trustee Martin.

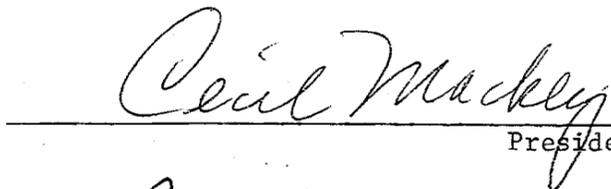
1. Executive Session

President Mackey announced that an Executive Session under Section 8. C. of the Open Meetings Act will be held following the Work Session to discuss negotiation of collective bargaining agreements.

2. Review of Draft Policy Manual

The Board of Trustees completed its review of the Draft Board of Trustees Policy Manual. There were no recorded votes during this review.

Adjourned at 6:24 p.m.



President



Secretary