

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

December 10, 1999

The Trustee Finance Committee and Trustee Policy Committee of the Whole meetings were held in the Board Room of the Administration Building beginning at 9:00 a.m. on Friday, December 10, 1999. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson called the meeting of the Board of Trustees to order at 10:00 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel Ferguson, Dorothy Gonzales, Collgen McNamara, Donald W. Nugent, David L. Porteous, Bob Traxler, and Robert C. Weiss.

University officers present: President McPherson, Provost Simon, Vice President Poston, Secretary Poggel, Vice President and General Counsel Noto, Vice Presidents Denbow, Greenleaf, Huggett, Jung, and Webster, Senior Advisor and Director Russell, and Executive Director Williams. Faculty liaisons present: Norman Abeles, Robb Clarke, Joanne Keith, Daniel Kruger, and Sridhar Mahadevan. Student liaisons present: Charles McHugh, Frank Montabon, and Michael Webber.

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

1. On a motion by Ms. McNamara, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the amended agenda. Personnel Actions were amended to include Other Personnel Actions, Item 1, Vice President for Finance and Operations and Treasurer.
2. On a motion by Mr. Traxler, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the minutes of October 22, 1999.
3. Trustee GPA Award Recipients

Chairperson Gonzales and President McPherson presented Trustee GPA Awards for Fall Semester 1999 to the recipients listed below. Erin Hansen, Kelly McIntyre, and Daniel Thornhill were unable to attend the meeting.

Cori M. Bigelow	4.00000 GPA, Highest - Finance
Christina D. Harris	4.00000 GPA, Highest - Criminal Justice
Daniel J. Thornhill	3.96341 GPA, Second Highest - Lyman Briggs School- Environmental Biology/Zoology
Kelly McIntyre	3.95895 GPA, Third Highest - History of Art
Erin M. Hansen	3.95890 GPA, Fourth Highest - Stringed Instrument Music Education
Natalia Hernandez-Gardiol	3.95000 GPA, Fifth Highest - Computer Science

Faculty Liaison Mahadavan commented that he serves as one of Natalia Hernandez-Gardiol's mentors, and that Natalia was chosen by the Computing Research Association as the most outstanding female undergraduate Computer Science student for year 2000 in a nation-wide contest.

Mr. Nugent congratulated recipient Christina Harris whose home is near his in the northwest part of the State.

4. President's Report

A. President McPherson reported that Dr. George Vande Woude, a renowned scientist and the first director of the Van Andel Institute in Grand Rapids, would receive an honorary degree and speak at the Advanced Degree ceremony. Dr. Stephen Jay Gould would speak at the undergraduate degree ceremonies and receive an honorary degree. Dr. Gould is an author and eminent evolutionary biologist from Harvard. Honorary degrees would also be presented to geographer Harm de Blij, composer musician Clark Fischer, and Farm Bureau President and agricultural expert Jack Laurig.

B. President McPherson commented that MSU's Study Abroad Program had received national recognition for sending the largest number of students abroad from any single campus in the United States. The President said he is pleased by that accomplishment and has ambitions to double the number of students studying abroad by year 2005.

5. Guiding Principles

President McPherson reported that there would be further discussion of *The MSU Promise* rather than the usual Guiding Principles Report at this meeting since the Promise is an extension of the Guiding Principles that specifically focuses on goals for MSU's sesquicentennial in 2005-06.

6. Public Participation on Issues Germane to Agenda

Mr. Hebat Badige, licensed Professional Engineer and President of Vision Engineering & Construction, Inc., commented that his company had been the low bidder, but had not received the contract for the Spartan Stadium East Concourse Restoration 2000 project. Mr. Badige said he believed their company met the specification requirements and was qualified to complete the project.

Board members called upon Interim Vice President Poston and Assistant Vice President Ron Flinn who responded to questions about specific requirements of this particular project. Further discussion of Mr. Badige's issues occurred as part of the Finance Committee report on Bids and Contract Awards. (See item 9.A. of these minutes.)

7. Personnel Actions

Provost Simon presented the academic Appointments and Faculty Promotions and Tenure Recommendations. Dr. Simon commented on the academic qualifications of two of the individuals being recommended for appointment.

A. Appointments

i) Baldwin, Jack Allen, AY-Professor, Department of Physics and Astron

omy, \$96,000, with Tenure, effective January 1, 2000.

2)Kautz, Steven J., AY-Associate Professor, Department of Political Science, \$65,000, with Tenure, effective January 1, 2000.

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

3)Williams, Robert, AN-Head Football Coach, Department of Intercollegiate Athletics, \$160,000, subject to contract with effective dates of December 5, 1999 through January 15, 2005.

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

B.Other Personnel Actions

1)Poston, Fred L., AN-Interim Vice President and Treasurer, Office of Vice President for Finance and Operations and Treasurer; Professor, Department of Entomology, to change title to Vice President and Treasurer, effective December 10, 1999.

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

2)Underwood Jr., Clarence, AN-Acting Executive Management Director, Intercollegiate Athletics, to change title to Executive Management Director, effective December 10, 1999 through August 15, 2001.

On a motion by Mr. Nugent, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the recommendation. The vote was 7 to 1. Mr. Weiss voted No.

Trustee Weiss said he voted no on the recommendation because he questioned the process.

C.Faculty Promotions and Tenure Recommendations

The following actions include tenure recommendations which were delayed last spring; they were recommended by the Departmental Chairperson/ Director, the Deans, and the Provost in accordance with the tenure rules.

1)The following promotions which include the award of tenure were recommended to be effective January 1, 2000.

a.Mullin, Wallace P., promotion to Associate Professor, Department of Economics.

b.Nazarov, Fedor L., promotion to Associate Professor, Department of Mathematics.

2)The following reappointment which includes the award of tenure was recommended to be effective January 1, 2000.

Gorbis, Sherman, Associate Professor, Department of Osteopathic Manipulative Medicine.

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

Trustees commented in support of the appointments of Dr. Fred Poston, Dr. Clarence Underwood, and Coach Bobby Williams. Faculty Liaison Abzles conveyed the faculty's support for Coach Williams. Trustees Porteous and Cook commented as well on the caring attitude of Sheila Williams, Coach Williams' spouse.

Trustee Traxler remarked about the significance of balancing athletics and academics. He said he looked forward to the new year, and the University's strong commitment to focusing on its academic programs.

President McPherson followed Trustee Traxler's remarks by commenting on the appointments. He called attention to the current unity and harmony within the University's athletic programs and said it is important for it to continue as programs build. The President commented on the success of several programs: the women's volleyball team went to the NCAA tournament, and men's basketball, football, and hockey teams are all ranked among the top ten teams nationally this year. President McPherson emphasized the University's commitment to compliance and academic performance.

D. Information Reports

Information Reports of Academic Personnel Actions of September 30, 1999 and October 31, 1999 were distributed with the Board Agenda. The reports have been included with the agenda materials in the Office of the Secretary of the Board of Trustees.

8. Gift, Grant and Contract Report

Vice President Huggett presented the Gift, Grant and Contract Report for the period of October 6, 1999 through November 22, 1999. The report is a compilation of 286 Gifts, Grants and Contracts, 26 Consignment/Non-Cash Gifts, and 1 Consignment/Non-Cash Loan with a total value of \$49,955,788.39. The Gift, Grant and Contract Report is included with the agenda materials in the Office of the Secretary of the Board of Trustees.

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

9. The Trustee Finance Committee report and recommendations were presented by Committee Chairpersons on Nugent.

A. Bids and Contract Awards

i) It was recommended to award a contract in the amount of \$217,000 to S & J Enterprises, Ltd., of Grand Ledge, Michigan, and establish a budget in the amount of \$360,000 for the project entitled: Hannah Administration Building – All

erations to Cashier's Office.

- 2) It was recommended to award a contract in the amount of \$1,636,000 to Christman Constructors, Inc., of Lansing, Michigan, and establish a budget in the amount of \$2,350,000 for the project entitled: Spartan Stadium – Column Repair 2000.
- 3) It was recommended to award a contract in the amount of \$2,565,000 to Rare Construction Co., Inc., of Lansing, Michigan, and establish a budget in the amount of \$3,650,000 for the project entitled: Spartan Stadium East Concourse Restoration 2000.
- 4) It was recommended to award a contract in the amount of \$313,000 to Irish Construction Co., Inc., of Howell, Michigan, and establish a budget in the amount of \$380,000 for the project entitled: Wilson Hall – Alterations in Room C102.

On a motion by Mr. Nugent, supported by Ms. Gonzalez, **THE BOARD VOTED** to approve the Bids and Contract Awards.

Mr. Nugent reported the bids were granted to the low bidder in all instances with the exception of the Spartan Stadium East Concourse Restoration project.

Dr. Poston, President McPherson, and Assistant Vice President Flinn commented on the bid process and the necessity of selecting contractors who meet the specific requirements of major projects. Dr. Poston reported the University does not always award a contract to the lowest bidder. It considers other criteria including the experience of the bidder in doing the specific type of work to be contracted. Committee Chairperson Nugent said the Committee had discussed the possibility of the University working with new companies so they can become successful bidders on future projects.

B. Establishment of Funds Functioning as Endowment

- 1) It was recommended to establish the Building Michigan's Families for the Future Endowment as a fund functioning as an endowment.
- 2) It was recommended to establish the Flynn Fund as a fund functioning as an endowment.
- 3) It was recommended to establish the J. P. Hutton Fund as a fund functioning as an endowment.
- 4) It was recommended to establish the Veterinary Medicine Programs as a fund functioning as an endowment.

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

C. University's Non-Contributory Retirement Plan

It was recommended that the University's Non-Contributory Retirement Plan (UNCRP) be modified to provide a 6% increase in benefit levels, effective January 1, 2000, and a 5% increase in benefit levels, effective January 1, 2001, to all individuals receiving benefits only from the UNCRP.

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

on.

D. Bonding - Authorization to Select an Underwriter and Trustee

It was recommended that the Vice President for Finance and Operations and Treasurer with the Assistant Vice President for Investments, Financial Projects and Intellectual Property Development: i) select a bond underwriter and a bond trustee for a planned issue of general revenue bonds to finance capital projects after a rigorous RFP and interview process, ii) plan and prepare for the structuring and documentation of the planned bond issue, and iii) ease to be prepared (and circulated, if necessary) a preliminary offering statement for the planned bond issue.

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

E. Investments - Private Equity

It was recommended to change the University's investments as follows:

- 1) Allocation of \$10.0 million to Endowment Venture Partners V
- 2) Allocation of \$5.0 million to Endowment Private Equity Partners IV.

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

10. Trustee Policy Committee

President McPherson presented the following items.

A. Public Art on Campus

WHEREAS the creative work of sculptors, painters, and graphic artists enriches a learning environment, stimulates lively discussion and evokes aesthetic appreciation,

WHEREAS commissioning or otherwise acquiring enduring works of public art is a meaningful way to commemorate MSU's sesquicentennial (2005-06).

WHEREAS public art that is integral to a well-constructed campus plan, can enhance and complement the natural beauty of the outdoor campus as well as augment campus facilities,

WHEREAS the trustees of most public universities, taking seriously their stewardship for public funds, have established committees and policies pertaining to the acquisition and management of public artwork on campus,

THEREFORE, BE IT RESOLVED that the MSU Board of Trustees hereby establishes a standing Public Art Committee to advance the presence of public art on campus. The standing Public Art Committee will make recommendations to the Provost and the Vice President for Finance and Operations regarding the acquisition, placement and maintenance of public art on the MSU campus. The Committee shall also participate in 1) facilitating community education to increase appreciation of public art, 2) obtaining funding for public art, and 3) pla

ning for public art as part of the MSU sesquicentennial celebration. The Committee membership and structure shall follow from suggestions in the September 9, 1999 *Ad Hoc Network on Campus Committee Report*.

FURTHERMORE, BE IT RESOLVED that Michigan State University will dedicate 1/2 of 1% of the cost of major renovations of new buildings (excluding utility facilities) to public art in relation to the new construction or major renovation up to a maximum of \$250,000.00. The 1/2 of 1% dedicated funds may be handled in several ways (listed in priority order):

- cash donations
- in-kind art contributions
- assignment of art already owned by the University
- specific allocation of University funds

It is expected that a variety of public artworks, ranging in cost, will be acquired for the MSU campus over time. Any funds resulting from the difference between the actual cost and the 1/2 of 1% dedicated for a specific public art project will go into a common campus art fund. This fund may be used to support more costly public art projects or to acquire additional public artwork.

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

B. The MSU Promise

WHEREAS the Board of Trustees applauds President McPherson and Provost Simon for their leadership and Secretary of the Board Pogel, Senior Advisor to the President and Assistant Provost Hesse, and Vice President for Special Projects Greenleaf for working with the University community in the formation of the *MSU Promise*,

WHEREAS the concept of the *MSU Promise* represents a significant policy framework for Michigan State University,

WHEREAS formal endorsement of the *MSU Promise* will send a clear message of the support of the Board of Trustees for the work of faculty, staff, students and administrators as this concept is implemented within the practical vision of the *MSU Guiding Principles*,

THEREFORE, BE IT RESOLVED that the Board of Trustees endorses the *MSU Promise*.

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

A copy of *The MSU Promise* is included with the agenda materials in the Office of the Secretary of the Board of Trustees. At the earlier Committee meeting, Mr. Nugent asked to amend an implementation point in the "engaged university" statement, second point, to include agriculture. (Match MSU scholarly strengths with Michigan problems and opportunities including ...urban issues, economic development, **agriculture**, children...)

President McPherson stated that the *MSU Promise*, like *The Principles*, is an important policy document and management tool which will be used by the University for its 150th anniversary in 2005.

C. *De Minimis* Ownership: Potential Conflict of Interest

It was recommended that the Board of Trustees delegate to the President the authority to enter into agreements with the following Faculty/Staff-Owned Firms:

- 1) *InfoPOEMS, Inc.*
- 2) *Ergonomics Research Laboratory, Inc.*
- 3) *Preservation Specialties, Inc.*
- 4) *Cres Corporation*

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

D. MSU "Progress 2000" Update

Provost Simon commented on the University's preparedness for Y2K. Dr. Simon recognized Vice Provost Paul Hunt who led efforts and other University staff members who also had a role. Dr. Hunt reported that, at this point, the University is involved in contingency planning. President McPherson expressed appreciation to Dr. Hunt for his diligence, and to the others who have been involved in this long process.

II. Chairperson's Report and Trustees' Comments

A. Chairperson's Report

1) Chairperson Gonzales thanked her colleagues for the gift that was presented to her at the Trustees holiday dinner recently and for their support during the past year. She said it had been a learning experience and challenge, and she had appreciated their advice and support. Ms. Gonzales thanked the staff for their assistance to Trustees throughout the year, and wished everyone a good new year.

2) Ms. Gonzales said she had received many positive comments from Trustees about the Information Meeting held in Detroit in November. She commended the College of Education for its work with urban school systems, and attributed the success of the programs to Michigan State's long-term commitment as a land-grant university.

3) Chairperson Gonzales commented that the appointments of Bobby Williams as Head Football Coach and Dr. Clarence Underwood as Athletic Director were evidence of the University's commitment to diversity. She said Coach Williams is the first African-American Head Football Coach at Michigan State and that it speaks well for the University's leadership. Ms. Gonzales said she looked forward to a victory at the Citrus Bowl in Orlando, Florida.

B. Trustees' Comments

1) Trustee Traxler extended best wishes for a most joyous and happy holidays to his colleagues, President McPherson, staff, and faculty. He said he looked forward to the first year of the millennium.

2) Trustee Nugent commented that it had been an exciting few weeks for the University with three major sports ranked among the top ten teams in the country and graduates being highlighted at commencement that weekend. Mr. Nugent thanked Trustee Gonzales for serving as Board Chair during this past year, and wished everyone a happy holidays.

3) Trustee Weiss wished everyone a healthy and happy holiday season and new year. He extended best wishes to Board members and their families and the entire MSU community.

4) Trustee Cook congratulated Trustee Weiss on becoming a grandfather the previous day, and said she hoped his daughter and new grandchild were doing well.

Ms. Cook thanked Trustee Gonzales for her dedication as Chair of the Board during the past year and said it had been a pleasure to work with her. She complimented Ms. Gonzales for being consultative and supportive, and said she appreciated all that Ms. Gonzales had done for the Board and the University.

Trustee Cook commented on President McPherson's "devotion to task" during the search for a new football coach. She said he and Secretary Pogel had worked very hard to keep the Board well informed. She remarked that the President had worked long days trying to resolve the football coach issue. She appreciated that the search and selection of a coach had moved so quickly and resulted in an outstanding recommendation to the Board.

Ms. Cook commented on the high profile athletic and academic appointments that had been approved the Board. She said she supported the President's comment that this be kept in perspective, and she would like the University to be great in everything it does. Ms. Cook said she wanted to emphasize the Board's support for the high-level academic appointments Provost Simon brings before them that continue to enrich the University.

Ms. Cook thanked the staff and Board Secretary Pogel for their assistance during the past year, and wished everyone a happy holiday.

Trustee Cook asked Trustee Nugent to comment on an article she had read in *Newsweek* about research at Michigan State relevant to the effects of cherry juice on one's health, particularly on heart disease and cholesterol. She inquired, in particular, about what effect the color of a vegetable or fruit has on the human body.

Trustee Nugent responded that if you drink lots of cherry juice, it is presumed to improve your brain. He said exciting patents are held by researchers at Michigan State that will be significant to the fruit and vegetable industry of Michigan, and the royalties from those patents will be of significant benefit to the University. Mr. Nugent said the technology of the last few decades has been a real benefit to the industry, and that Michigan State is a leader in this research.

5) Trustee Porteous complimented Ms. Gonzales for her extraordinary job as Chairperson. He said she had demonstrated that a quiet approach to leadership can be a very effective approach to problem solving.

Mr. Porteous thanked Chairperson Gonzales for encouraging the Board to visit the University's urban initiatives in Detroit. He said it had been a pleasant experience to visit programs

and see students who are excited about learning and excited about what Michigan State is doing in their communities. Mr. Porteous said the young people in these urban areas are benefiting from Michigan State's outreach.

Mr. Porteous congratulated Dr. Poston on his appointment, and his associates for their strengths in both operations and finance, but particularly in the financial area. He complimented Dr. Poston for the analytical reports that have been prepared for the Board on both current and future issues.

Trustee Porteous thanked Dr. Pogel and the staff for the communications from the University that keep him informed on events and other issues.

Mr. Porteous commented on the importance and pleasure of recognizing the academic achievements of outstanding student scholars.

Mr. Porteous congratulated President McPherson for his extraordinary resolution of the multiple issues that had recently occurred.

6) Trustee Ferguson congratulated Chairperson Gonzalez for a successful year, and complimented the Board for working together in its shared vision of making Michigan State one of the best universities in the country. Mr. Ferguson complimented Provost Simon and praised the President for the effective team he has assembled.

7) The President thanked everyone for their comments.

12. Public Participation on Other Issues

A. Gary Suisman, President and Publisher, Steve Crosby, Executive Editor, and Don Hudson, Managing Editor, of the *Lansing State Journal* presented their recently adopted principles of ethical conduct that will guide the way the *Journal* collects and reports news. They are making presentations in the greater Lansing area to assure communities that they take their obligations to the public seriously, and that they wish to maintain the community's trust.

B. John Penner and Andrew Hogan, faculty members in the Department of Medicine, spoke in opposition to the recently approved amendments to the Faculty Grievance Procedure which provide for the exclusion of some administrators from the jurisdiction of the Faculty Grievance Procedure. They asked the Board to establish a panel of faculty peers elected by the faculty to opine on the allegations that appeared in Dr. Ronald Patterson's recent article about the proposed changes in the FGP as well as other concerns about the administration of the procedures regarding scientific misconduct that have been expressed by faculty and students.

C. Jack Kristan, Josh Tudor, and Kimberly Linden presented information about their student group, Up 'Til Dawn, which will be hosting a campuswide philanthropy event to raise money for pediatric cancer patients at St. Jude Children's Research Hospital in Tennessee. The event will take place on April 7, 2000, and their goal is to raise more than \$100,000. The students asked Trustees to support their organization's efforts.

13. An Executive Session was not requested.

14. The meeting adjourned at 12:00 noon. President McPherson announced that lunch was available in Conference Rooms 443A & B.

Peter McPherson, President

Nancy H. Pogel, Secretary

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