

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

December 11, 1998

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 11, 1998. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President McPherson introduced Jennifer Sykes, a social relations and psychology senior who was awarded a Marshall Scholarship. Jennifer will study child welfare at a university in Great Britain. The President commented, "We have been proud of Jennifer Sykes in the past, and we are proud once more," referring to the nationally-awarded Truman Scholarship that she received earlier in the year. Jennifer was introduced prior to the Board meeting as she had to leave for an exam.

President McPherson called the meeting of the Board of Trustees to order at 10:55 a.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel Ferguson, Dorothy Gonzales, Colleen McNamara, Donald W. Nugent, John D. Shingleton, and Robert E. Weiss. Trustee absent: Bob Traxler.

University officers present: President McPherson, Provost Simon, Secretary Pogel, Vice President and General Counsel Noto, Vice Presidents Denbow, Greenleaf, Huggett, Murray, June, Webb, Webster, and Senior Advisor to the President and Director Granberry Russell and Executive Director Williams. Faculty Liaison present: None. Student Liaisons present: Jamie Czekai and Clay Pelon.

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

1. On a motion by Mr. Shingleton, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the amended agenda. The Trustee Finance Committee agenda was amended to include two additional items: Revised Investment Strategy for Operating Cash Pools (Attachment 1.F) and President's Salary Arrangements (Attachment 1.G).
2. On a motion by Mr. Shingleton, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the minutes of the October 23, 1998 Board meeting.

3. Trustee GPA Awards

Chairperson Shingleton and President McPherson presented Trustee GPA Awards for Fall Semester 1998 to recipients Jim Brown, David Schulz, Aaron Westrick, Kathleen Moe, and Traci Wolbrink. Christina Bos was unable to attend the meeting. The students were congratulated for their exceptional academic performance.

Christina J. Bos 4.0 GPA, Highest - Marketing

Jim L. Brown 4.0 GPA, Highest - Mathematics

David I. Schulz 4.0 GPA, Highest - Zoology

Aaron T. Westrick 4.0 GPA, Highest - Electrical Engineering

Kathleen M. Moe 3.9953 GPA, Second Highest - Physiology

Traci A. Wolbrink 3.9851 GPA, Third Highest - Lyman Briggs School-
Physiology

4. President's Report

The President's Report included the following items:

A. President McPherson announced that Saturday, December 12, would be the 50th anniversary of Michigan State being admitted to the Big Ten Conference. The President complimented **The State News** for its reproduction of the front page of the newspaper of that time. Dr. John Cantlon, former Provost and Vice President for Research and Graduate Studies, was invited to report on the history and spirit of those times.

Dr. Cantlon reported there are two components of membership in the Big Ten, academic and intercollegiate athletics. He said he would emphasize the academic aspect of membership. The Big Ten was the precursor to the CIC (Committee on Institutional Cooperation). Dr. Cantlon said CIC provides an opportunity for representatives to exchange information on an array of challenges to higher education. Another benefit has been the creation of a concerted lobbying organization at the national government level. Dr. Cantlon credited President Hannah's participation and his collegial relationships in the land-grant association as contributing factors to Michigan State replacing the University of Chicago as a Big Ten member. President McPherson noted that Father Hesburgh from Notre Dame had supported Michigan State's admission in the Big Ten as did the president of the University of Minnesota.

B. President McPherson reported the commencement speakers would be Peter McGrath, President of the National Association of State Colleges and Land-Grant Universities and former President of the Universities of Missouri and Minnesota; Doris Kearns Goodwin, Author and former Professor of Government at Harvard, Assistant to President Lyndon Johnson, and Biographer of Lyndon Johnson and Franklin D. Roosevelt;

and Lawrence Eagleburger, former U.S. Secretary of State under President Bush, Ambassador to Yugoslavia under President Carter, and former member of the National Security Council. Honorary Degrees would be presented to Attorney General Frank Kelly; Lieutenant Governor Connie Binsfeld; Dr. Barnett Rosenberg, MSU Professor Emeritus and co-discoverer of the cancer drug Cisplatin; and Beatrice Medicine, member of the Standing Rock Sioux Tribe in South Dakota and long-time leader in Native American women's studies.

C. President McPherson announced that ten new University Distinguished Professors had recently been honored at a recognition ceremony. He said they are an outstanding group of people who reflect the excellence of Michigan State's research, teaching and outreach.

5. Guiding Principles Report

Vice President Greenleaf reported on the Academic Orientation Program (AOP) Review which was a recommendation of the Alcohol Task Force. Provost Simon has established an Undergraduate Orientation Review Group which is being led by Dr. Don Straney, Assistant to the Provost for Faculty Development. The 30-member group of 10 students, 10 faculty, and 10 administrators, has been reviewing all aspects of orientation for new undergraduate students. The group has reviewed materials from the admissions process and then held meetings on campus, primarily with students. In addition, five public forums were held and a web talk forum was established. A report with recommendations and proposals to improve all phases of the orientation process is expected in February.

Jamie Czekai, a member of the group and Student Liaison representative of Academic Assembly of ASMSU, commended the Provost's Office for including students in the review process.

Provost Simon complimented Dr. Don Straney for a "terrific job at shepherding this project along and involving lots of people," and also for working through ideas that will be implemented.

6. There were no requests to address the Board of Trustees on issues germane to the agenda or other issues.

7. Personnel Actions

Provost Simon presented the following academic Appointments.

A. Appointments

1) Lashbrooke, Elvin C., AN-Professor, Department of Finance

ance, \$160,000, with Tenure, effective January 1, 1999.

2)Stewart, Dana G., AN-Professor, Department of Human Environment and Design, \$78,000, with Tenure, effective August 13, 1998.

3)Beck, Warren F., AY-Associate Professor, Department of Chemistry, \$62,000, with Tenure, effective January 1, 1999

4)Posey, Lynmarie A., AY-Associate Professor, Department of Chemistry, \$62,000, with Tenure, effective January 1, 1999.

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

B.Other Personnel Actions

Vice President Murray presented the following recommendation.

It is recommended that the Executive Management position titled Assistant Vice President for Integrative Management be established effective December 11, 1998.

Further, it is recommended that approval for appointment and all other personnel actions related to this position be delegated to the President.

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

C.President McPherson welcomed Ms. Paulette Granberry Russell who was seated at the Board table. Ms. Granberry Russell has been appointed Senior Advisor to the President for Diversity, and Director of Affirmative Action, Compliance and Monitoring. She has replaced Dr. Ralph Bonner.

D.Information Reports

Information Reports of Academic Personnel Actions of September 30, 1998 and October 30, 1998 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.

It was recommended that the Gift, Grant, and Contract Report for the period of October 8, 1998 through November 23, 1998 be approved. The report is a compilation of 236 Gifts, Grants and Contracts, 34 Consignment/Non-Cash Gifts, and 0 Consignment/Non-Cash Loans with a total value of \$24,761,033.79. 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 Mr. Nugent, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the Gift, Grant and Contract Report.

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

A. Architect/Engineer Appointments

- 1) It was recommended to appoint Harley Ellington Design of Southfield, Michigan, as the architect/engineer for the project entitled: Cyclotron – Cryogenic Addition.
- 2) It was recommended to appoint Fishbeck, Thompson, Carr & Huber, Inc., of Ada, Michigan, as the architect/engineer for the project entitled: Equine Performance Center.
- 3) It was recommended to appoint Rossetti Associates, Inc., of Birmingham, Michigan, as the architect/engineer for the project entitled: Munn Ice Arena – Renovations.
- 4) It was recommended to appoint Redstone Architects of Southfield, Michigan, as the architect/engineer for the project entitled: Radiology Building Basement Renovations.

On a motion by Mr. Nugent, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the Committee recommendations for the appointment of Architect/Engineers.

- 5) Selection of an architect for the Union Building Alterations – Phase III project will be delayed until outstanding issues have been resolved. (Agenda Item 1.C.5)

B. Funds Functioning as Endowment

It was recommended to establish the College of Osteopathic Medicine Dean's Discretionary Fund as a fund functioning as an endowment.

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

C. It was recommended to invest up to \$4 million with Madison Dearborn Partners and up to \$4 million with Cerberus Capital Management, private equity funds.

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

D. Revised Investment Strategy for Operating Cash Pools

It was recommended that the pooled cash management strategy be revised as follows:

- 1) A Short Term Pool that may be invested in a commercially available short term fund. These funds would be available on a daily basis. The benchmark for performance would be the 91-day Treasury Bill rate. An Intermediate Pool that may be invested in a commercially available intermediate term fund. These funds would be available on a weekly or monthly basis. The benchmark for performance would be the Merrill Lynch 1-3 year Treasury. The target for the combined size of these pools will be 30% of the overall cash pool (12 month average), subject to a minimum of \$100 million.
- 2) The balance, or 70%, of the overall cash pool will be available for longer term investment. The majority (50% target) will be invested in total return oriented bond funds. A portion (20% target) will be invested in the University's Common Investment Fund (Endowment Fund). The benchmark for the total return oriented bond funds would be the Lehman Brothers Aggregate Bond index.
- 3) The targets contained in this pooled cash management structure are established with a recognition that a significant transition period (up to 8 quarters) is anticipated to complete movement of funds into this new structure. This transition period will minimize the risk of unexpected fluctuations in markets.
- 4) The Vice President for Finance and Operations shall report to the Finance Committee on at least an annual basis on the transition and shall make recommendations, if necessary, to adjust these guidelines. The Vice President for Finance and Operations shall select fund managers for the short term, intermediate term and total return bond funds, and report their selection to the Finance Committee and the Board of Trustees.
- 5) In implementing this revised cash management strategy, the Vice President for Finance and Operations may secure a line of credit or its equivalent of up to \$50 million in value.

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

E. President's Compensation

It was recommended that President Peter McPherson's employment contract be amended to include the following:

Upon service as President for ten years (i.e. September 30, 2003) and relinquishing these duties McPherson will be provided the option of appointment for five years as Senior Consultant to the University on academic and/or administrative assignments. His duties will be to provide a substantial contribution to the University, with duties agreed upon between McPherson and the new President and the Chairperson of the MSU Board of Trustees at the commencement of the appointment as consultant.

The annual compensation of this appointment shall be an amount equal to 50% of the average of the five highest paid Deans and equivalent Directors, a somewhat modified procedure of that used in determining Dean's return salaries as faculty members. Upon agreement with the new President and Chairperson of the Board of Trustees, the five-year period can be deferred for a reasonable amount of time. Upon completion of the consultant agreement, McPherson will have completed 15 years of service to the University and will be considered eligible for official retirement status with all those benefits which accrue to employees appointed October 1, 1993.

McPherson will have an office on campus and reasonable support made available to him after he leaves the Presidency if he so requests.

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

On behalf of the Committee, Mr. Nugent thanked Board Chairperson Shingleton for his leadership in this recommendation.

10. President McPherson presented the report of the Trustee Policy Committee of the Whole.

At the committee meeting Vice President Huggett provided a status report on research. He reviewed data and highlighted key research accomplishments. Dr. Huggett distributed a document, Intramural Research Grant Program (RGP), that has been included in the Board agenda files in the Secretary's Office.

11. Chairperson's Report and Trustees' Comments

A. Chairperson's Report

1) Chairperson Shingleton commended Vice President Murray and President McPherson for the recommendation on refinancing. He said it will provide a strong financial benefit to the University.

2) Mr. Shingleton commented on the research report presented by Vice President Hug

gett. He complimented Dr. Huggett for the good job he is doing and noted the increased efforts of faculty. Mr. Shingleton also credited the contributions of Dr. Henry Blosser for the success of the Cyclotron over a number of years.

3)Chairperson Shingleton noted the impressive list of commencement speakers and honorary degree recipients.

4)Mr. Shingleton commented as follows at his last meeting as a member of the MSU Board of Trustees.

"I must say this with some regret, and yet some feelings, that it has been a wonderful experience. I would like to introduce my wife who has been a partner in all of this. She has been a tower of strength all my life, and I think it's nice that you have acknowledged it.

This is a fantastic university. It all starts with a fantastic country, the land of opportunity, and then you get a university of opportunity like MSU. When I started at Michigan State, I had a job on campus cleaning the stadium and Jenison Field House. I lined the tennis courts, put lime on the baseball diamond, and went through all those experiences which some people would consider mundane. And, here today, I stand before you as a member of the Board of Trustees. Between that time and now--between being a student working for the University and being a member of the Board--almost 48 years have elapsed. Ours is a land of opportunity, and I can only express my appreciation by making that comparison. This opportunity is for all of us, all of our students, all of our faculty, and others. I really believe, and I mean this most sincerely, we are entering a new era for Michigan State University. We are entering an era that can be comparable to the best days of John Hannah. We have the opportunity. I believe we have the leadership. I believe we have a Board that is beginning to realize that the potential is there; now if we can get everybody on the Board to understand that and believe it. We have some resources, and we will need a lot of resources in the future. That is something that you will be working on very carefully. But I believe if we can look at the future of Michigan State from that viewpoint, the world is our oyster, and our opportunities are unlimited. I say that sincerely, believing it with all my heart, based on those 48 years of experience here at Michigan State.

I have some fond memories. I can remember when Muss and I used to go to football games. We would park near the Kresge Art Center and walk along the banks of the river in the fall. You should all take advantage of that. It is a great place to park and you get that beautiful view.

utiful walk, that beautiful river with its trees turning. Memories like that are in our memory bank. I can remember working with John Hannah on the Wharton Center project. There were days he would come into my office. He would stand there and look out the window. He would reminisce and talk about some of the things that had happened during his long time in office. Those are important experiences, and those memories are with me. I remember working in Placement. We had an unbelievable staff--I get a lot of credit for Placement, at least many people have given me credit--but, really I had a staff that was unbelievable, Pat Scheetz, Ed Fitzpatrick, Gene Washington. I could go on forever mentioning these people. But the memories of the excitement and enthusiasm with which that gang worked--whew! I can't tell you how exhilarating it was and how fond those memories are. I could go on and on.

I should mention one other thing. Our daughter was not born on campus, she was born down at Sparrow Hospital when Muss and I were living in the tarpaper shacks where the barracks were, as they called them, and where the track is on Chestnut Street. The students of that time had an esprit de corps. I have all those memories. Well, I could go on, as I said, forever. But, behind all of this is a thank you that I want to give to all who are at this table and in this room. To all the people, the deans and the Presidents whom I have met. I want to especially mention Peter, you and your wife, for the courtesies you have extended to us, and Nancy, Sharin, Carol, Michael, Kim, you have been a great help to me. All those acquaintances I could mention, you know who you are and I know who you are. I want to say thank you for everything."

B.Trustees' Comments

Vice Chairperson Gonzales presented the following resolution.

Resolution to Trustee Shingleton

The Board of Trustees of Michigan State University today pays tribute and offers praise and gratitude to our friend, colleague, and chair Trustee Jack Shingleton as he prepares to leave the Board after more than a half century as a proud and loyal Spartan. We especially recognize and salute Jack's eight years on the Board of Trustees, and note how much his influence, example, and dignity have served this Board and this University in exemplary fashion. These have been remarkable years, and Trustee Shingleton is a major reason why.

As a student, administrator, and Trustee, Jack Shingleton has been a catalyst and a problem solver, a close observer of MSU's history and a maker of history, a tough-minded pragmatist and a sensitive dreamer. From Hannah

to McPherson, presidents of this nation's pioneering land-grant university have looked to this son of Wyandotte for advice, counsel, and direction. Indeed, Jack Shingleton is a personification of the growth in quality and reputation experienced along the banks of the Red Cedar during the post-war years. From his formidable forehand to his formidable foresight, Jack has left a legacy few can match.

As an Army veteran who served as a pilot in the Pacific Theater, Jack came to Michigan State College with a motto he lives by today: "The two most important choices a person can make is 'what mate?' and 'what career?'"

And family always comes first." By any measure, when it comes to those criteria, Jack has been successful beyond even his own dreams.

And when it came to career dreams, thousands of students looked to Jack to help them fulfill theirs. He became director of the nation's premier university placement office, and he became "the" spokesperson the nation's media sought for decades for trends in career development and placement. Jack also served as interim director of athletics and interim director of alumni affairs at times when very special management and leadership expertise were demanded. The winner of both the MSU Distinguished Alumni Award and the MSU Distinguished Alumni Service Award, as well as the Senior Class Council's Award for Outstanding Faculty, Jack chose to spend his retirement the way he spent his career--in service to his beloved alma mater.

Today, the Board of Trustees honors and thanks a noted author and a gifted fisherman, a mentor to students and to presidents, a man of action and a man of ideas, a man who at MSU went from the tarpaper shacks to chair of the Board. On behalf of Michigan State University and the citizens of Michigan, we extend our sincere best wishes for the future to our friend and leader Jack Shingleton.

Mrs. Helen Shingleton was presented with a bouquet of long stemmed roses.

1) Trustee Ferguson commented on Mr. Shingleton's long period of service to the University and said, "When you started off here painting the lines on the field, that is about the only thing that you have done here that hasn't had a permanent effect. Everything else that you have done has." Mr. Ferguson noted Mr. Shingleton's advocacy for students and for people who are disadvantaged. Mr. Ferguson ended his comments by saying, "the Shingletons are a team," and "...the wisdom that we have from you collectively has made this institution a better institution, and, Jack, we are going to miss you very much."

2) Trustee Weiss remarked that he would echo the resolution to Mr. Shingleton as well as Mr. Ferguson's comments. In addition, he commented that Mr. and Mrs. Shingleton are "a magnificent team and magnificent people, and their love for Michigan State University is second to none." Mr. Weiss said further, "There are a few people's

names that will go up in lights around this university for years to come, long after we are gone. John Hannah is one, Walter Adams is another, Jack Breslin is another, and Jack Shingleton will be the other." Mr. Weiss thanked Mr. Shingleton for touching his and Vickie's lives.

Mr. Weiss thanked Chuck Webb, Cindy Herfindahl, and their staff members for the magnificent Frank Kelley dinner. He said the event was done with dignity and class and brought recognition to DCL at MSU. Mr. Weiss also noted the significance of Governor William Milliken's remarks about current political attitudes.

3) Trustee Cook also complimented the Michigan State staff for the superb Frank Kelley event. She said in addition to being a wonderful event that elevated the University and the law school, it also was of historic proportions for the State of Michigan. Ms. Cook noted there were three governors in attendance. She also commented on Governor Milliken's statesmanlike remarks.

Ms. Cook and President McPherson both noted the dignity with which DCL Associate Dean Patricia Mell represented the Law School and the University in her remarks.

Trustee Cook thanked the Board staff--Dr. Pogel, Sharin, Carol and Michael--for the loving care given to Board members throughout the year. She wished everyone a Merry Christmas and Happy Holidays.

Trustee Cook remarked that Trustee Shingleton had been her running mate eight years ago. She said the day after her reelection this past November, Mr. Shingleton called to congratulate her and "he said something to me that was very prophetic, 'cast your lot with MSU Dee and you will always be a winner.'" Ms. Cook said that is what Jack and Helen Shingleton have done, and "we are all better for it. Jack Shingleton, gentleman, statesman, great Spartan. I love you Jack and Helen. Thank you."

Ms. Cook wished good health and a speedy recovery to Trustee Traxler who is recuperating from an accident. She said two Board members, Trustees Traxler and Gonzales, have been injured in automobile accidents in the last six months, and she wished both of them improved health and productivity for next year.

4) Trustee Nugent said he wished to follow up on comments made during Vice President Huggett's presentation on research. Mr. Nugent suggested

a challenge to the Public Relations department to communicate the outstanding areas of Michigan State. Mr. Weiss said the University is doing a much better job than what was done a number of years ago before the arrival of Vice President Denbow and the President. President McPherson commented that Michigan State tends to compare itself with universities within the State of Michigan when the comparison should be with schools in the nation and the world.

Mr. Nugent congratulated Vice President Murray for receiving a 1998 Michigan Service Award for outstanding public service. Congratulations were extended to Professor Marjorie Kostelnik, Chairperson of Family and Child Ecology, who also received the award.

Trustee Nugent said he would comment again, as he has in the past, about how much he enjoys participating in commencement activities.

Trustee Nugent expressed his best wishes to Trustee Shingleton and Mrs. Shingleton. He said Mr. Shingleton's influence has benefitted the University.

Mr. Nugent wished everyone a Happy Holiday season.

5) Vice Chairperson Gonzales commented that Trustee Shingleton was in Placement Services when she came to Michigan State. She said she has appreciated Trustee Shingleton's support and will look forward to working with him in the future.

Trustee Gonzales said that she wished to follow up on Robert Weiss' comments about non-partisanship politics. She appreciates that MSU Board members consult each other about certain issues, but are able to go forward even if they have differing opinions. Students and others in the University community have commented to her that they appreciate that Board meetings are productive and that Board members have respect for one another and work together as a team. Trustee Gonzales said she hopes that continues.

Trustee Gonzales wished everyone a Happy Holiday. She also thanked everyone for the cards and phone calls of concern during this past month.

6) President McPherson wished everyone a Merry Christmas, Happy Holidays, and Happy New Year.

12. There was no request for an Executive Session.

13. On a motion by Mr. Shingleton, supported by Mr. Nugent, the Board voted to adjourn.

14. President McPherson announced that lunch was available in 443A & B.

Peter McPherson, President

Nancy H. Pogel, Secretary

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