

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

February 23, 2007

President Simon called the meeting of the Board of Trustees to order at 9:11 a.m. in the Board Room.

Trustees present: Joel I. Ferguson, Melanie Foster, Dorothy V. Gonzales (via telephone), Colleen M. McNamara, Donald W. Nugent, Faylene Owen, and George Perles. Trustee Dorothy V. Gonzales was present via telephone for part of the meeting, as indicated in the minutes.

Trustees Absent: G. Scott Romney

University officers present: President Simon, Provost Wilcox, Vice President Poston, Secretary Barber, Vice President and General Counsel Noto, Vice Presidents Denbow, Hudzik, June, Webster and Webb, Senior Advisor and Director Granberry Russell, Associate Vice President Hunt, and Acting Executive Director Beekman. Faculty liaisons present: Catherine Ernst, Michael Moch, Kathleen Payne, Jim Potchen and Catherine Yansa. Student liaisons present: Rachael Grear, Brad Love, Eric Hinojosa, and Roger Ludy.

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

1. On a motion by Trustee Foster, supported by Trustee Owen, the **BOARD VOTED to approve** the agenda.
2. On a motion by Trustee Foster, supported by Trustee Owen, the **BOARD VOTED to approve** the minutes of the Board meetings of January 18, 2007 and January 19, 2007.
3. President's Report
 - A. State of the University Address

President Simon said the State of Michigan budget recommendations are in flux because the Executive Order was not accepted by the Legislature. MSU will continue to work with the faculty through the University Committee on Faculty Affairs and the students through their Budget Committee. It has been a long

process and will require compromise in order to find a budget that will work not only today but for the future of Michigan.

B. WJR Radio—Frank Beckmann Show

President Simon said the Frank Beckmann Show will be at MSU on Tuesday, February 27, from 9 am-11:30 am. The show will broadcast live from the Union building as part of a campus tour. The show will focus on research discoveries and include a round table of students to discuss current issues and the role that MSU plays in the future of Michigan.

C. Chuck Gagliano Retirement

President Simon commented that Assistant Vice President of Housing and Food Services Chuck Gagliano will retire after 37 years of service to MSU. Chuck began working for Housing and Food Services as a supervisor in Brody Hall in 1969 and progressed through the ranks until he was named Assistant Vice President in 1997. Over the years, the Housing and Food Services program at MSU has remained one of the top programs in America due to the leadership of a person who has tremendous vision, fiscal integrity and an ability to develop partnerships across campus.

Trustee Ferguson said that MSU has a first class housing and food service system and that Mr. Gagliano will be missed.

Trustee Perles thanked Mr. Gagliano for his help over the years with recruits for the football program. The training table in Case Hall has been an important part of showcasing MSU to prospective student athletes.

Trustee Foster told Mr. Gagliano that he would be leaving some big shoes to fill at MSU. She commented that she had the opportunity to spend a day with him touring the entire operation and was a bit overwhelmed by the breadth of it. She thanked him for his hard work in setting the national standard for housing and food service.

Trustee McNamara said that she was appreciative of how attentive he has been over the years to her questions and concerns.

Trustee Nugent said that the management of a complex system such as Housing and Food Services is an immense responsibility. It many times appears seamless in operation, thanks to Mr. Gagliano's hard work.

Trustee Owen said that she would be singing Mr. Gagliano's praises at MSU for many years to come.

Mr. Gagliano thanked the Trustees for their kind remarks. He said that it has been wonderful working with the Board of Trustees over the years. The experience has been incredible and the foundation has been laid for the next person to improve upon.

D. I Stop Hate: MSU United

President Simon said that Trustee McNamara had joined her and approximately 60 representatives of MSU student organizations to kick off the I Stop Hate: MSU United campaign on February 14, 2007. This supports the vision of an inclusive MSU community. President Simon asked that Senior Advisor and Director Granberry Russell say a few words regarding the event.

Senior Advisor and Director Granberry Russell stated that the students took charge and led the effort to bring action to the words of the President's Diversity and Inclusion statement. The students approached the Office of Student Affairs and Services and the Office for Inclusion and Intercultural Initiatives to ask the administration to embrace their campaign. Ms. Granberry Russell asked Lauren Beech and Mark Dobson, student coordinators of the campaign, to offer a few comments about the event.

Ms. Beech said that the I Stop Hate: MSU United campaign had 60 student groups and was growing. The campaign includes faculty, staff and administration. The next event will be a charity walk held on March 31, 2007 to benefit the Red Cross and MSU Student Food Bank.

Mr. Dobson said that the movement is about promoting inclusion and tolerance, not just stopping hatred. The goal is to create a community that everyone can be proud of.

4. There was no Public Participation on Issues Germane to the Agenda.
5. Personnel Actions

Provost Kim Wilcox presented the following personnel actions:

Skidmore, Mark L., AN—Professor, Betty and David Morris Chair in State and Local Government Finance and Policy, Department of Agricultural Economics, Economics, \$145,000, with Tenure, effective August 6, 2007.

Pagliaro, Claudia, AY—Associate Professor, Department of Counseling, Educational Psychology and Special Education, \$86,500, with Tenure, effective August 16, 2007.

Sonea, Ioana, M., AY—Associate Professor, Department of Pathobiology and Diagnostic Investigation, \$80,000, with tenure, effective March 1, 2007.

Hudzik, John, AN—Professor, Office of the Provost; School of Criminal Justice, to add title Vice President for Global Engagement and Strategic Projects, effective January 1, 2008 to December 31, 2009.

Trustee Nugent **moved to approve** the recommendations, with support from Trustee Ferguson.

Provost Wilcox said that Professor Skidmore comes to MSU from the University of Wisconsin. He has been an Associate Professor of Economics, Associate Director of the James Ibori Center of Policy Studies, Director of Fiscal and Economic Research Center, a State Specialist for the University of Wisconsin Extension Service and has served as a department chair.

Provost Wilcox stated that Professor Pagliaro has a Ph.D. in Deaf Education from Gallaudet University and has most recently been an Associate Professor in the Department of Instruction and Learning. She has been co-Director and Director of the Program in Education of Deaf and Hard of Hearing Students at the University of Pittsburgh.

Provost Wilcox said that Professor Sonea has a Ph.D. in Veterinary Medicine from the University of Montreal and a Ph.D. in Veterinary Anatomy from MSU. She has been at the University of Guelph in the Department of Biomedical Sciences.

President Simon said that the personnel action involving Dr. Hudzik is an extension of the appointment that he has held since January 1, 2006.

THE BOARD VOTED to approve the appointments.

6. Gifts, Grants and Contracts

Associate Vice President Hunt presented the Gifts, Grants and Contracts report for the period November 22, 2006 through February 9, 2007. The total value for this period is \$82,875,643.09.

Trustee McNamara moved **to approve** the report, with support from Trustee Owen.

THE BOARD VOTED to approve the Gifts, Grants and Contracts report.

Vice President Hunt introduced Associate Professor Jetze Tepe from the Department of Chemistry as an excellent example of a faculty member who collaborates across departments on campus.

Professor Tepe said that he started a research program in 2000 at MSU that focused on cancer. He explained that over the past 50 years, pharmaceuticals have reduced the top four causes of mortality in the United States, with the exception of cancer. Chemotherapeutic drugs have not had the same impact as drugs used to treat illnesses such as pneumonia and influenza.

Professor Tepe said that two pathways are currently being researched in his lab. The first involves making small molecules that will be used in combination with ionizing radiation or chemotherapy that would block survival responses in cancer cells. The question of whether smaller molecules being made in a very few steps would have better biological activity is the basis for the program. The second pathway takes the opposite approach and looks at the surrounding tissue when a person is exposed to ionizing radiation. The question of whether small molecules can be used to create DNA repair in cells drives the research on this pathway.

Professor Tepe said that he currently has a compound being developed for clinical use and will continue work on his cancer research programs.

7. Finance Committee

Trustee Nugent presented the Trustee Finance Committee Report and recommendations.

A. Betty Quarton Hoard Museum Quilt Collection Endowment

It was recommended that the Board of Trustees establish a fund functioning as an endowment entitled Betty Quarton Museum Quilt Collection Endowment.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Foster.

THE BOARD VOTED to approve the recommendation.

B. It was recommended to the Board of Trustees that Litespeed Capital, LLC be selected as an absolute return manager.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Foster.

THE BOARD VOTED to approve the recommendation.

C. New Investment Manager—LS Power

It was recommended to the Board of Trustees that LS Power be selected as an inflation hedge manager.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Owen.

THE BOARD VOTED to approve the recommendation.

D. Authorization to Plan (footprint change) Snyder/Phillips Hall—New Site Plan

It was recommended that the Board of Trustees authorize the administration to plan for modifications that may result in a material change to the campus footprint for the project entitled Snyder/Phillips Hall—New Site Plan, to include changes to the site consistent with the development of the Collingwood entrance modifications.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee McNamara.

THE BOARD VOTED to approve the recommendation.

E. Authorization to Plan—Collingwood Entrance—Reconstruction 2008

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Collingwood Entrance—Reconstruction 2008.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee McNamara.

Vice President Poston said that the Collingwood entrance is a difficult intersection due to the number of roads that come together at that location. The intersection needs to be examined as other developments in the area are being planned.

THE BOARD VOTED to approve the recommendation.

E. Authorization to Plan

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Giltner Hall—Roof Replacement.

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Plant and Soil Science—Elevator Replacement.

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Holden Hall—Elevator Replacement.

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Kresge Art Center and Alumni Memorial Chapel—Electrical Substation Replacement.

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Auditorium Electrical Substation Replacement.

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Human Ecology and Urban Planning, Landscape, and Architecture—Renovations for the School of Planning, Design, and Construction.

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Steam Distribution and Road Reconstruction—Wilson and Birch Roads.

It was recommended that the Board of Trustees authorize the administration to plan for the project entitled Engineering—Parking and Loading Dock Improvements.

Trustee Nugent **moved to approve** the recommendations, as a group, with support from Trustee Owen.

THE BOARD VOTED to approve the recommendations.

F. Project Approval—Authorization to Proceed—Old College Field—Renovations Phase I—Hitting Facility

It was recommended that the Board of Trustees authorize the administration to proceed with the project entitled Old College Field—Renovations Phase I—Hitting Facility and approve a budget of \$1,300,000.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Foster.

THE BOARD VOTED to approve the recommendation.

- G. Project Approval—Authorization to Proceed—Duffy Daugherty—Addition/Renovation and Steam Distribution & Road Reconstruction—Chestnut Road

It was recommended that the Board of Trustees authorize the administration to proceed with the project entitled Duffy Daugherty Addition/Renovation and Steam Distribution & Road Reconstruction—Chestnut Road and approved a budget of \$14,600,000.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee McNamara.

Vice President Poston said that the project budget has increased due to a series of road changes that should be completed at the same time as the renovation. The roadwork was due to be done by 2010, but it will save money to put the two projects together. The Department of Intercollegiate Athletics will be paying the \$12 million for the building renovation and addition and Just-In-Time funds will be used for the road construction.

THE BOARD VOTED to approve the recommendation.

- H. Bid and Contract Award—Steam Distribution and Road Reconstruction—East/West Circle Drive

It was recommended to the Board of Trustees that a contract in the amount of \$7,649,000 be awarded to Granger Construction Company, and the project budget be reduced from \$13,500,000 to \$12,000,000, for the project entitled Steam Distribution and Road Reconstruction—East/West Circle Drive.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Ferguson.

Trustee Nugent noted that Granger was not the low bidder on this project. However, neither of the lower bids met the requirements of the bidding process.

THE BOARD VOTED to approve the recommendation.

- I. Bid and Contract Award (budget reduction)—Wilson Road—Reconstruction Phase II

It was recommended to the Board of Trustees that a contract in the amount of \$1,624,000 be awarded to Granger Construction Company, and the project budget be reduced from \$3,600,000 to \$2,600,000, for the project entitled Wilson Road—Reconstruction Phase II.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee McNamara.

THE BOARD VOTED to approve the recommendation.

- J. Bid and Contract Award (budget reduction) Crescent/Middlevale Road—Phase III

It was recommended to the Board of Trustees that a contract in the amount of \$1,402,000 be awarded to Sandborn Construction, Inc., and the project budget be reduced from \$3,300,000 to \$2,300,000, for the project entitled Crescent/Middlevale Road—Phase III.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Owen.

THE BOARD VOTED to approve the recommendation.

- K. Bid and Contract Award—Communication Arts—Replace Elevators

It was recommended to the Board of Trustees that a contract in the amount of \$770,477 be awarded to Moore Trosper Construction Company, for the project entitled Communication Arts—Replace Elevators.

Trustee Nugent **moved to approve** the recommendation, with support from Trustee Foster.

THE BOARD VOTED to approve the recommendation.

- 8. Policy Committee

Trustee McNamara presented the Trustee Policy Committee Report and recommendations.

Trustee Gonzales joined the meeting via telephone at this time.

A. School of Music to College of Music

It was recommended to the Board of Trustees that the School of Music be shifted from a unit within the College of Arts and Letters to an autonomous unit, the College of Music.

Trustee McNamara **moved to approve** the recommendation, with support from Trustee Nugent.

Provost Wilcox said that the School had reached a state of independent activity and autonomy sufficient to warrant a role as a college in the University. Faculty Governance reviewed this proposal and Academic Council unanimously endorsed the idea.

James Forger, Director of the School of Music, said that the change will put the School on equal footing with a select group of peers and provide the impetus for it to move forward with even greater distinction.

President Simon stated that the proposed action has been great leadership by Professor Forger and the work of the faculty, staff and students within the School of Music. Very few music programs have as much community engagement as this one. The School of Music has reached out to many communities, including working with Detroit youth.

Provost Wilcox noted that Director Forger would become Dean of the College of Music if the Board approved the recommended action.

THE BOARD VOTED to approve the recommendation.

B. Revisions to Bylaw 3.2.1.1.5

It was recommended that the Board of Trustees approve changes to the Bylaws for Academic Governance, section 3.2.1.1.5.

Trustee McNamara **moved to approve** the recommendation, with support from Trustee Owen.

Provost Wilcox said that the action would update the Bylaws to reflect the proposed changes in titles previously approved by the Board.

THE BOARD VOTED to approve the recommendation.

C. Approval of Contract Terms

It was recommended that the Board of Trustees approve the administration's recommendation for execution of an option agreement with *Claytec, Inc.*, consistent with earlier public notice given at a Board meeting and with the "Option Agreement Term Sheet" presented to the Board for inclusion in its minutes. (Appendix A)

It was recommended that the Board of Trustees approve the administration's recommendation for execution of a testing agreement with *AquaBiochip, LLC*, consistent with earlier public notice given at a Board meeting and with the "Testing Contract Term Sheet" presented to the Board for inclusion in its minutes. (Appendix B)

It was recommended that the Board of Trustees approve the administration's recommendation for execution of a research subcontract with *Biophotonic Solutions, Inc.*, consistent with earlier public notice given at a Board meeting and with the "Research Subcontract Term Sheet" presented to the Board for inclusion in its minutes. (Appendix C)

It was recommended that the Board of Trustees approve the administration's recommendation for execution of a research subcontract with *BoroPharm, LLC*, consistent with earlier public notice given at a Board meeting and with the "Research Subcontract Term Sheet" presented to the Board for inclusion in its minutes. (Appendix D)

It was recommended that the Board of Trustees approve the administration's recommendation for execution of a stock transfer agreement with *Diversified Natural Products, Inc.*, consistent with earlier public notice given at a Board meeting and with the "Stock Transfer Agreement Term Sheet" presented to the Board for inclusion in its minutes. (Appendix E)

It was recommended that the Board of Trustees approve the administration's recommendation for execution of a custom machine parts production contract with *Niowave, Inc.*, consistent

with earlier public notice given at a Board meeting and with the applicable “Contract Term Sheet” presented to the Board for inclusion in its minutes. (Appendix F)

It was recommended that the Board of Trustees approve the administration’s recommendation for execution of an equipment use agreement *with Spartan Biofuels, LLC*, consistent with earlier public notice given at a Board meeting and with the “Equipment Use Agreement Term Sheet” presented to the Board for inclusion in its minutes. (Appendix G)

It was recommended that the Board of Trustees approve the administration’s recommendation for execution of an equipment use agreement with *Working Bugs, LLC*, consistent with earlier public notice given at a Board meeting and with the “Equipment Use Agreement Term Sheet” presented to the Board for inclusion in its minutes. (Appendix H)

It was recommended that the Board of Trustees approve the administration’s recommendation for execution of a testing agreement with *XG Sciences, Inc.*, consistent with earlier public notice given at a Board meeting and with the “Testing Contract Term Sheet” presented to the Board for inclusion in its minutes. (Appendix I)

Trustee McNamara **moved to approve** the recommendations, as a group, with support from Trustee Owen.

THE BOARD VOTED to approve the recommendations.

- D. Notice of Intent to Negotiate a Contract with *NanoBrick, LLC*—A Firm in which a Faculty/Staff Interest Exists

Pursuant to State law, the Chair of the Policy Committee gave public notice to the full Board of the University’s intention to negotiate agreements with *NanoBrick, LLC*, a Michigan limited liability company based in Okemos. Dr. Dean M. Aslam, an Associate Professor in the Department of Electrical and Computer Engineering, and his immediate family own or have options to buy an ownership interest of more than 5 percent of the company. Dr. Aslam is also a member of *NanoBrick, LLC*.

- E. Notice of Intent to Negotiate a Contract with *Photography Associates, Inc.*—A Firm in which a Faculty/Staff Interest Exists

Pursuant to State law, the Chair of the Policy Committee gave public notice of the University's intention to negotiate agreements with *Photography Associates, Inc.*, a Michigan corporation based in East Lansing. Dr. Peter Glendinning, a Professor in the Department of Art and Art History, and his immediate family cumulatively own or have option to buy an equity interest of more than 5 percent of the company. Dr. Glendinning is also an officer of *Photography Associates, Inc.*

F. Notice of Intent to Negotiate a Contract with the *Center for Laboratory and Clinical Research, Inc.*—A Firm in which a Faculty/Staff Interest Exists

Pursuant to State law, the Chair of the Policy Committee is requested to give public notice to the full Board during the Committee's report of the University's intention to negotiate agreements with *Center for Laboratory and Clinical Research, Inc.*, a Michigan corporation based in East Lansing. Dr. Gary E. Stein, a Professor in the Department of Medicine, and his immediate family cumulatively own or have options to buy an equity interest of more than 5 percent of the company. Dr. Stein is also an officer of the *Center for Laboratory and Clinical Research, Inc.*

9. Internationalization Report

Provost Wilcox presented *Internationalizing the Campus 2006*. (Appendix J)

10. Trustee Comments

Trustee Ferguson said that the meeting was very informative and he looked forward to seeing everyone in April.

Trustee Nugent reinforced the importance of internationalization by saying that his company now does business in over 50 countries in the world. An interesting example involving Michigan agriculture is mango ice cream served in India. The mangos are grown in Mexico, and shipped to Michigan to be prepared for the ice cream, which then goes to India, even though India is the largest producer of mangos in the world. This shows how small the globe has become.

President Simon said that Trustee Nugent's company is a good example of the way in which globalization affects Michigan companies. It is important to educate students to work in that climate.

Trustee Gonzales said that she enjoyed the presentation by Provost Wilcox.

Trustee McNamara noted that ESPN Game Day is Saturday at the Breslin Center.

11. There was no Public Participation on Issues Not Germane to the Agenda

12. Request to Adjourn

On a motion by Trustee Ferguson, supported by Trustee Foster, **THE BOARD VOTED to adjourn** at 11:14 a.m.

Respectfully submitted,

Alison E. Barber, Ph.D.
Secretary of the Board of Trustees