

MINUTES OF THE MEETING  
of the  
MICHIGAN STATE UNIVERSITY  
BOARD OF TRUSTEES  
October 4-5, 1984

President Mackey called the meeting to order in the Lincoln Room of the Kellogg Center at 8:03 a.m. on Thursday, October 4.

Present: Trustees Dade, Fletcher, Lick, Martin, Owen, Sawyer, and Wilson; President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, and Stewart; Acting Vice President and Secretary Wilkinson, General Counsel Carr, Faculty Liaison Group, Student Liaison Group, and Dr. Robert Lockhart, Director of Planning and Budgets.

Absent: Trustee Reed.

1. Approval of Proposed Agenda

Trustee Martin moved approval of the proposed agenda, seconded by Trustee Sawyer. Approved by a vote of 7 to 0. Trustee Fletcher moved that the agenda be amended to include Item 10. A. (1), the Audit Committee. The agenda was approved as amended by a vote of 7 to 0.

2. Approval of the Minutes of July 26-27, 1984

Trustee Fletcher moved approval of the July 26-27, 1984, Minutes. Seconded by Trustee Sawyer. Approved by a vote of 7 to 0.

3. Presidential Search Committee Report

Trustee Dade reported on the status of the Presidential Search Committee.

4. 1984-85 Budgets

President Mackey introduced the proposed 1984-85 budgets and informed the Board that they were developed following the guidelines approved by the Board of Trustees at its July 26-27, 1984, meeting, including the cash management adjustment approved at the April 5-6, 1984, meeting.

Provost Winder, Acting Vice President Wilkinson, and Dr. Robert Lockhart responded to Trustee questions on the proposed budget.

The Trustees requested that the Administration work toward comparative budget information in future years.

5. 1985-86 Budget Request

President Mackey introduced the proposed 1985-86 budget request. He indicated that the proposed strategy is to emphasize the unique role that Michigan State University plays within the state and emphasize the academic strengths of the University. Rather than request funding for certain line items, the strategy is to request funding for the overall needs of the University. President Mackey indicated that this approach was being used following extensive discussion with the legislative leadership and representatives from the State Department of Management and Budget.

The Trustees were supportive of the proposed strategy and emphasized the need for the development of an executive summary to accompany the budget request.

6. Capital Outlay

President Mackey and Vice President Breslin summarized the Capital Outlay budget request.

7. Annual Reports

President Mackey indicated that pursuant to the Annual Calendar, the following reports were distributed to the Board of Trustees from the following areas: Student Affairs and Services, Financial Aids, Student Employment and Placement, Intercollegiate Athletics, and Gifts and Grants--Research Development. Vice President Turner responded to the Student Affairs and Services and the Financial Aid Reports. President Mackey indicated that if Trustees had questions relating to any of the reports that they forward their questions to Secretary Wilkinson for follow-up with the appropriate officers.

The Board recessed at 10:13 p.m.

The Board reconvened at 9:06 a.m., October 5, 1984, for the Investment Committee, followed by the Land and Physical Facilities Committee. Due to time constraints, the scheduled Audit Committee was not held.

Proposed  
1985-86 Budget  
Request  
Introduced to  
Trustees

Minutes of the Meeting, cont.

October 4-5, 1984

The Board reconvened at 1:55 p.m. for its Action Session in the Board Room, Administration Building.

Trustee Reed was present at this session. James Studer, Assistant Vice President for Student Affairs and Services, attended for Vice President Turner.

8. Introduction of Liaison Groups

President Mackey called upon Provost Winder and Assistant Vice President Studer to introduce the Faculty and Student Liaison groups.

9. A. W. Farrall Agricultural Engineering Hall

President Mackey called upon Trustee Lick who reported that at this morning's Land and Physical Facilities Committee meeting, a recommendation was approved to rename the Agricultural Engineering Building the A. W. Farrall Agricultural Engineering Hall.

Trustee Lick moved and it was unanimously supported that the above recommendation be approved.

President Mackey introduced Dr. Arthur Farrall and his wife Luella. Dr. Mackey commented on Dr. Farrall's distinguished career of service to the University and the nation.

Dr. Farrall expressed his appreciation to the Board for this recognition.

10. Public Comments

- (a) Julie Stachecki and Annie Kurz, students, addressed the Board concerning the status of Michigan State University's Women's Soccer Club Team (a copy of material given to the Board is on file in the Secretary's Office, along with copies of Petitions).

9. A. PERSONNEL CHANGES

Appointments

1. Joe T. Ritchie, Professor; Homer Nowlin Chair in Agriculture and Natural Resources, Crop and Soil Sciences, with tenure, at a salary of \$75,000 per year on an AN basis, effective September 1, 1984.
2. Vladimir Shlapentokh, Professor, Community Health Science, with tenure, at a salary of \$33,050 per year on an AY year basis, effective September 1, 1984.

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

Transfer and Changes in Assignment

1. Approved an increase in salary to \$54,855 per year from \$48,855 per year for Joe T. Darden, Professor, Geography; Dean, Dean's Office, Urban Affairs Programs, effective November 1, 1984.

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

Executive Management Positions

It is recommended that the following Executive Management positions be established:

Department: Vice President for Research and Graduate Studies  
Position: Assistant Vice President for Services and Industrial Assistance

Department: Physical Plant  
Position: Director of Facilities Maintenance and Telecommunication Systems

Trustee Fletcher requested that the Administration provide on a regular basis, a report on Executive Management positions and that this report be part of a regular Board of Trustees calendar.

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

Approved  
Renaming of  
Agricultural  
Engineering  
Building to  
A.W. Farrall  
Agricultural  
Engineering  
Hall

Personnel  
Actions

Appointments

Transfer and  
Changes in  
Assignment

Executive  
Management  
Positions

9. B. GIFT, GRANT AND CONTRACT REPORT

October 4-5, 1984

Gifts and Grants totaled: \$24,543,746.

RESOLVED that the above be approved.

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

Gift from  
Trustee Fletcher  
of Two Green  
and White  
Lusters  
Placed in  
Cowles House

Trustee Sawyer reported that Trustee Fletcher gave a special gift to the University of two beautiful green and white lusters. She called upon Trustee Fletcher to describe the gift.

Trustee Fletcher said that the lusters were made in the 19th century and have been placed in Cowles House. He indicated that he was making the gift to the University for the kindness expressed to him over the last four years and to commemorate the outstanding service to the University of Clare and Cecil Mackey.

9. C. BIDS AND CONTRACT AWARDS(1) Machine Shop and Storage Building at the Kellogg Biological Station Dairy Facility

Approved  
Construction of  
Machine Shop  
and Storage  
Building at  
the Kellogg  
Biological  
Station  
Dairy Facility

The following bids were received on August 23, 1984, for construction of a Machine Shop and Storage Building at the Kellogg Biological Station Dairy Facility. This will be a 9,504 square foot structure of pole type construction. The interior work for the shop area will be finished under a separate purchase order. By phasing the construction in this manner, a significant cost savings will be realized by contracting directly with a pole building contractor. This is a continuation of the Kellogg Biological Station facilities development funded by the Kellogg Foundation.

<u>Contractor</u>	<u>Base Bid</u>
Tailored Building Systems	\$ 88,529
Morton Buildings, Inc.	89,999
Kalamazoo Post Buildings	104,710

Notification and/or plans and specifications were sent to the offices of seven pole building companies in the central Michigan area by the Purchasing Department.

Due to the specialized nature of the project, it was determined that there were no subcontracting opportunities.

It is recommended that a purchase order in the amount of \$88,529 be awarded to Tailored Building Systems of Nunica, Michigan, and that the following budget be established:

Tailored Building Systems	\$ 88,529
Interior Finish for Machine Shop	40,000
Architectural/Engineering Services	4,500
Contingency	<u>6,971</u>
Total	\$140,000

This project was estimated at \$130,000 by the Land Management office in July 1984.

Funding for this project will be from the Kellogg Foundation grant received by the University for new facilities and renovation of the Biological Station.

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 Reed, seconded by Trustee Lick.

## 9. C. BIDS AND CONTRACT AWARDS, cont.

October 4-5, 1984

(2) Renovations to the Kellogg Center

The following bids were received on September 19, 1984, for renovations to the Kellogg Center. This project provides for construction of a new loading dock and receiving area with elevator, replacement of all the hotel tower windows with new aluminum frame windows containing insulating glass expansion and renovation of the main lobby restrooms, relocation of a service shop and the Lifelong Education Programs mail room in the basement, and updating all mechanical systems in the renovated areas.

Approved  
Renovations  
to the  
Kellogg Center

<u>Contractor</u>	<u>Base Bid</u>
The Christman Company	\$1,079,500
Granger Construction Company	1,124,199
Hausman Construction Company	1,134,600
Hanel-Vance Construction Co.	1,145,000
Foster Schermerhorn Barnes, Inc.	1,177,700

The construction cost was estimated at \$873,000 in July 1984 by Ralph Calder & Associates, Inc., the professional services contractor. This estimate did not include an estimated \$120,000 worth of additional work, originally programmed in future phases, that was added to this phase after the July estimate. This was done because the mechanical engineering consultants determined that it was more economical for the University to bid the work as part of Phase I.

Notification and/or plans and specifications were sent to the offices of Construction Association of Michigan in Detroit, Builders Exchange in Lansing, Kalamazoo, and Grand Rapids, and Dodge Reports in Detroit, Kalamazoo, Grand Rapids, Flint, and Lansing. The following minority organizations were also notified: Inner City Business Improvement Forum, Michigan Minority Business Council, Association of Minority Contractors, and the Greater Lansing Minority Association. No minority or women owned businesses submitted bids.

The subcontracting goals for this project are two percent Minority Business Enterprises (MBE) and two percent Women Business Enterprises (WBE). The low bidder has certified that it will comply with the requirements. The MBE and WBE subcontracts will total approximately \$43,000.

It is recommended that a contract in the amount of \$1,079,500 be awarded to the Christman Company of Lansing, Michigan, and that the following budget be established:

Contractor - The Christman Company	\$1,079,500
Ralph Calder & Associates, Inc.	65,500
Other Planning & Bid Costs	2,000
Physical Plant Construction Inspection	11,000
Landscaping	6,000
Contingency	100,000
Total	\$1,264,000

Funding for this project will be from the Auxiliary Activities 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 Lick.

9. D. OTHER ITEMS FOR ACTION(1) 1984-85 Budgets

The recommended 1984-85 General Fund, Agricultural Experiment Station, Cooperative Extension Service and Intercollegiate Athletics budgets were developed in accordance with the guidelines approved by the Board of Trustees at its July 26-27, 1984, meeting and the 1983-84 Cash Management Plan II approved by the Board of Trustees at its April 5-6, 1984, meeting.

Approved the  
1984-85  
General Fund,  
AES, and CES  
Budgets

Acting Vice President Wilkinson indicated that the recommended budgets accounted for approximately \$314 million of the projected \$475 million for the total University program. It was agreed with the adoption of future budgets, the Administration would prepare them on a comparative basis.

RESOLVED that the recommended 1984-85 General Fund, Agricultural Experiment Station, Cooperative Extension Service and Intercollegiate Athletics budgets be approved as submitted.

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

9. D. OTHER ITEMS FOR ACTION, cont.

October 4-5, 1985

(2) 1985-86 Budget Request

Approved the  
Recommended  
1985-86 General  
Fund, AES, and  
CES Budgets

A. Operating

The recommended 1985-86 operating budget request for the University General Fund, the Agricultural Experiment Station and the Cooperative Extension Service was distributed with the agenda.

The Trustees indicated that they supported the strategy outlined by the Administration at last evening's meeting for the 1985-86 budget request.

RESOLVED that the recommended 1985-86 operating budget request be approved as submitted.

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

B. Capital Outlay

The recommended 1985-86 capital outlay request was distributed with the agenda.

RESOLVED that the recommended 1985-86 capital budget request be approved as submitted.

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

Approved the  
1985-86 Capital  
Outlay Budget

10. REPORTS TO THE BOARDA. Board Committee Reports

Audit Committee:

(1) Audit

Approved the  
Financial  
Report for  
1983-84

Trustee Reed reported that the Committee met with Arthur Young & Company, the Board's external auditors, and reviewed in detail the results of the audit and the University's annual financial report for the year ended June 30, 1984.

Trustee Fletcher stated that he felt that the footnote relating to investment performance in the annual financial report could be improved upon to better inform the general public. He recommended that the Administration and external auditors review this matter for consideration for future financial reports. Trustee Fletcher also raised several questions with internal auditor Robert Wenner relating to his report on audit findings.

RESOLVED that the financial report for 1983-84 be accepted as presented.

Approved by a vote of 7 to 0 on motion by Trustee Reed, seconded by Trustee Lick. Trustee Dade left the room prior to this vote.

(2) Investment Committee

Trustee Wilson reported that the Committee heard a report from its investment consultant, Cambridge Associates, Inc., reviewing overall investment manager performance and current market trends.

The Committee also heard reports from two of its investment managers, Strong/Corneliuson Capital Management, Inc., and Trinity Investment Management Corporation, concerning their own performance.

Upon recommendation of Cambridge Associates, Inc., the Committee recommends to the Board that approximately \$1,000,000 in available new funds be directed to Strong/Corneliuson Capital Management, Inc., for management.

RESOLVED that approximately \$1,000,000 in available new funds be directed to Strong/Corneliuson Capital Management, Inc., for management.

Approved by a vote of 8 to 0 on motion by Trustee Wilson, seconded by Trustee Lick. Trustee Dade returned to the room prior to this vote.

Investment  
Committee:

Approved that  
Approximately  
\$1,000,000 New  
Available Funds  
be Directed to  
Strong/Corneliu-  
son Capital  
Management, Inc.  
for Management

10. REPORTS TO THE BOARD, cont.

October 4-5, 1984

A. Board Committee Reports, cont.(3) Land and Physical Facilities

Trustee Lick reported that members of the Committee at their meeting this morning took the following action:

- a. Approved the sale of the Jenison Farm, North Grand River Road, Eagle, Michigan.

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

- b. After discussion with respect to the Spartan All-Events Arena, Indoor Practice Field, Indoor Tennis Facility, and future changes to Jenison Fieldhouse, there was unanimous support by the Trustees concerning the need for these facilities, but they decided to defer action on these proposals for approximately 30 days so that individual trustee questions could be answered.

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

B. President's Report

President Mackey called upon Provost Winder to present the 1984 enrollment report.

Dr. Winder reported that fall term enrollment is 40,272 students for an increase of 150. He also reported that the first term freshman enrollment is 6,531 which is an increase of 511 students. (A copy of the enrollment report is on file in the Secretary's Office.)

President Mackey indicated that Dr. Ralph Bonner was scheduled to present a report on handicapper progress at this morning's Land and Physical Facilities Committee meeting. Since time did not permit this presentation, Dr. Mackey called upon Dr. Bonner to present this report. (A copy of Dr. Bonner's remarks are on file in the Secretary's Office.)

11. Public Comments, cont.

Ms. Judy Gentile was not able to attend the Public Comment Session earlier. President Mackey called upon Ms. Gentile who commented on handicapper concerns.

Proposal C

A RESOLUTION OF  
THE MICHIGAN STATE UNIVERSITY BOARD OF TRUSTEES  
October 5, 1984

The Board of Trustees of Michigan State University urges all Michigan voters to vote "NO" on Proposal C on November 6. Indeed, any other vote would be a self-defeating one for Michigan State University, this State, and this period of economic recovery.

We are concerned that many who would be hurt most by this anti-Michigan proposal have not yet totally confronted the guaranteed outcomes of its implementation.

This Board has frequently issued warnings about threats to the long-term economic recovery of the State, and has often noted the dangers of movements that promised panaceas for recovery at times such enticements were baseless. But no proposal of which we are aware has so DIRECTLY posed a threat to Michigan State University and to all sectors of our economy.

Noting the most conservative immediate impact on Michigan State University, should Proposal C pass, this Board warns that we would automatically lose \$18.4 million--funding equal to the COMBINED budgets of the Colleges of Agriculture and Natural Resources, Veterinary Medicine, and Human Ecology. This university could eliminate the budgets of its Colleges of Engineering and Business--and still not make up all the funds lost the day Proposal C would go into effect. Should Proposal C pass, the University would stand to lose \$37.6 million from the general fund.

Land and  
Physical  
Facilities  
Committee:

Approved Sale  
of Jenison  
Farm, North  
Grand River,  
Eagle, MI

Approved  
Deferral on  
Spartan All-  
Events Arena,  
Indoor Practice  
Field, Indoor  
Tennis Facility  
and Jenison  
Fieldhouse  
Changes

Approved  
Resolution  
Urging Voters  
to Vote No on  
Proposal C

continued - - -

Proposal C, cont.

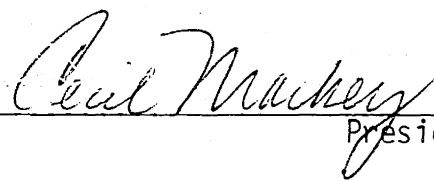
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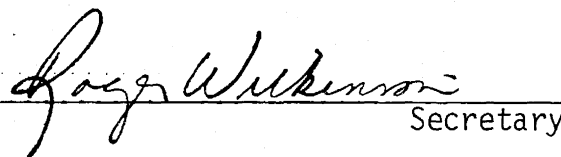
A RESOLUTION OF THE MICHIGAN STATE UNIVERSITY BOARD OF TRUSTEES, cont.

It is clear that passage of Proposal C would send an immediate signal to scholars and researchers, to Wall Street, to foundations, to corporations: Michigan has turned its back on its promise and its traditions. A vote for Proposal C will guarantee fiscal havoc, loss of quality, and an ultimate end to confidence and optimism.

Trustee Sawyer moved and it was unanimously supported that the above resolution be approved.

Adjourned at 3:36 p.m.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary