

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

February 13, 2004

The Trustee Finance Committee and Trustee Policy Committee meetings were held in the Board Room of the Administration Building beginning at 2:05 p.m. on Friday, February 13, 2004. Minutes of the meetings are on file in the Office of the Secretary of the Board of Trustees.

President Peter McPherson called the meeting of the Board of Trustees to order at 2:25 p.m. in the Board Room.

Trustees present: Dolores M. Cook, Joel I. Ferguson, Dorothy V. Gonzales, Donald Nugent, Randall L. Pittman, David L. Porteous and G. Scott Romney.

Trustee Absent: Colleen M. McNamara

University officers present: President Peter McPherson, Provost Simon, Vice President Poston, Secretary Carter, Vice President and General Counsel Noto, Vice Presidents Denbow, June, Webb and Webster, Executive Director Williams and Senior Advisor and Director Granberry Russell. Faculty Liaisons present: Robert Maleczka, Susan Linz for Michael Moch, James Potchen and Jon Sticklen. Student Liaisons present: Jared English, Missy Kushlak, Misty Staunton and Kimberly Yake.

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

1. On a motion by Mr. Ferguson, supported by Ms. Cook, **THE BOARD VOTED to approve** the amended agenda.
2. On a motion by Mr. Pittman, supported by Mr. Romney, **THE BOARD VOTED to approve** the minutes of the meetings of January 16, 2004, and January 27, 2004.
3. President's Report

President McPherson noted that:

- An outstanding group of faculty received many awards during the Faculty Awards Convocation. He congratulated the Faculty Award recipients.

- This is the fourth consecutive year that the College of Osteopathic Medicine has commemorated Black History Month by hosting a series of lectures entitled, "Slavery to Freedom: An American Odyssey." Each Thursday in the month of February the College hosted a speaker who played an important role in the civil rights movement in the 1960s.
- Michigan State University has received a \$5 million grant from the Hong Kong-based Sun Wah Education Foundation to study and compare the Chinese K-12 system with the U.S. K-12 system. Associate Professor Yong Zhao of the Department of Counseling, Educational Psychology and Special Education was the force behind the awarding of this grant to MSU. This is a good example of how strong faculty can bring significant resources to the University.

#### 4. Public Participation on Items Germane to the Agenda

There was no public participation on items germane to the agenda.

#### 5. Personnel Actions

##### Appointments

- 1) Lyras, Panayis, AY – Professor and Artist in Residence, School of Music, \$110,000, with Tenure, effective August 16, 2004.
- 2) Gewolb, Ira H., AN – Professor, Department of Pediatrics and Human Development, \$170,000, with Tenure, effective April 1, 2004.

##### Other Personnel Actions

- 1) Abbett, William, AN – Professor and Dean Emeritus, Senior Advisor, Office of the Provost, to add title Acting Dean, College of Human Ecology, from 50% time to 100%, and for a change in salary rate from \$149,200 to \$159,200, effective February 9 to May 31, 2004.
- 2) Revitte, John, AN – Professor, School of Labor and Industrial Relations, to add title Faculty Grievance Official, Faculty Grievance Office, and for a change in salary rate from \$82,634 to \$100,000, effective July 1, 2004.

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

Dr. Simon said that Dr. Lyras is a pianist of international renown. His engagements include performances with some of the most distinguished orchestras nation-wide.

Dr. Simon further stated that Professor Gewolb will be Director of the Neonatology program. He received his Ph.D. from Yale in 1976 and completed his residency and internships at Children's Hospital Medical Center in Boston. He is currently Chief of the Neonatology Division and Attending Physician for the University of Maryland Medical System and Mercy Health Center. He will bring with him an important research program that will be very exciting for our community.

Dr. Simon indicated that the College of Human Ecology is fortunate that Dr. Abbett was willing to change his half-time appointment to a full-time appointment to fulfill the role of Acting Dean until May 31<sup>st</sup>.

Dr. Simon noted that John Revitte's appointment as Faculty Grievance Official affords the opportunity to thank Professor Michael Rubner for his excellent service as Faculty Grievance Official for many years.

President McPherson and Provost Simon both expressed their gratitude to Dr. Rubner for his past service and to Dr. Revitte for assuming this role.

#### Appointment to MSU-DCL Board of Trustees

It was recommended that the Board of Trustees adopt the following Resolution:

BE IT RESOLVED that the Michigan State University Board of Trustees make the following appointments and reappointments to the Michigan State University DCL Board of Trustees:

#### Reappointment

Stuart Dunning III	Term to Expire January 12, 2007
David Porteous	Term to Expire January 13, 2006

#### Appointment

Colleen McNamara	Term to Expire January 13, 2006
------------------	---------------------------------

Scott Romney  
Rick Wiener

Term to Expire January 13, 2006  
Term to Expire January 12, 2007

The appointment of Robert Weiss remains effective through January 12, 2005.

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

Mr. Porteous thanked Trustee Nugent for his service on the Board of the MSU DCL College of Law.

6. Gift, Grant and Contract Report

On behalf of Vice President Huggett, Dr. Paul Hunt presented the Gift, Grant and Contract Report for the period of November 13, 2003, through January 23, 2004. The report is a compilation of 345 Gifts, Grants and Contracts, 162 Consignment/Non-Cash Gifts, and 1 Consignment/Non-Cash Loan with a total value of \$63,862,881.17.

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

7. The Trustee Finance Committee report and recommendations were presented by Committee Chairperson Pittman.

A. Bid and Contract Awards

- 1) It was recommended that a contract in the amount of \$2,389,000 be awarded to Kares Construction Co., Inc., of Charlotte, Michigan, and that a budget in the amount of \$3,050,000 be established for the project entitled: Cyclotron Building – Fabrication Addition.

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

- 2) It was recommended that a contract in the amount of \$269,800 be awarded to J. Perez Construction, Inc., of Flint, Michigan, and that a budget in the amount of \$400,000 be established for the project entitled: Engineering Building – Alterations to Room 2150.

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

- 3) It was recommended that a contract in the amount of \$428,386 be awarded to Mid Michigan Roofing, LLC, of Saginaw, Michigan, and that a budget in the amount of \$538,000 be established for the project entitled: IM Sports Circle – Roof Replacement.

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

- 4) It was recommended that a contract in the amount of \$69,543 be awarded to H & C Earthworks & Construction, LCC, of Bath, Michigan, and that a budget in the amount of \$443,000 be established for the project entitled: Plant Science Greenhouse and All Weather Connection.

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

Mr. Porteous indicated that all of the bids approved were the low bids for these projects.

B. Food Science Building – HVAC Renovation – Amendment of Construction Manager Work Scope

It was recommended that the work scope authorized for Clark Construction Company, Construction Manager for Food Science Building – HVAC Renovation, be expanded to include renovation of various laboratory spaces in the Food Science Building.

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

C. Fund Functioning as an Endowment – Quilt Program Endowment

It was recommended a fund functioning as an endowment be established entitled: Quilt Program Endowment.

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

D. Investment Restructuring – Indus Asia Pacific Fund

It was recommended that the Board of Trustees select Indus Asia Pacific Fund as an absolute return manager, and that on recommendation of Cambridge Associates, MSU make a \$13 million contribution to this fund.

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

E. Clinical Center – Renovations and Additions

A report was presented by Margaret J. Knapp, M.D., Chief Operating Officer, MSU HealthTeam, regarding renovation and expansion of the Clinical Center.

Dr. Knapp explained that the MSU HealthTeam is the faculty group practice of the College of Human Medicine, the College of Osteopathic Medicine and the College of Nursing. The HealthTeam is currently located in 22 clinical sites throughout the Lansing area. The HealthTeam is requesting renovation of the Clinical Center and new construction at the Clinical Center building. The preliminary plans contemplate approximately 30,000 sq. ft. of new construction and 15,000 sq. ft. of renovation within the Clinical Center building. There are two major goals:

- that a minimally invasive surgery center be established. Michigan State University initiated the concept of endoscopy for orthopedic knee surgery. The HealthTeam wants to expand minimally invasive surgery operations to generate new revenue. The facility and technical fees associated with the minimally invasive surgery center will provide additional revenue to support growth within the community. This is a critical need because there are specialty medical needs in the community that are not presently being met at MSU. Improved quality and availability of medical care in the Lansing community would result.
- renovation of the Clinical Center in order to change the model of practice that is currently used. When built in the 1970s, the model of practice was for department-specific practice opportunities. The current preferred model is for multi-disciplinary practice so that various specialties can work together to improve the quality of care for patients. In addition to the quality-of-care issue, renovation will allow more efficient and effective sharing of space, staffing and equipment resources.

The HealthTeam hopes the initial proposal will be phase one of a longer term growth project that will allow for consolidation of most HealthTeam clinical resources on campus. In turn, that will lead to a more effective and efficient HealthTeam operation

and offer a place members of the community will want as a destination for their health care.

President McPherson noted that a great deal of work has gone into these preliminary proposals. It reflects the University's commitment to high-quality health care in the Lansing community.

8. The Trustee Policy Committee report and recommendations were presented by Trustee Cook.

- A. Policy Revision: Property Sales and Acquisitions

It was recommended that the Board of Trustees approve the attached Real Estate Policy as a replacement for the Property – Sale and Acquisition included in the current Board Policy Manual as Board Policy 02-06-05. (Attachment A)

On a motion by Mr. Romney, supported by Ms. Gonzales, **THE BOARD VOTED to approve** the new policy.

Ms. Cook commented that month after month the Board sees the hard, detailed work of the Finance Committee, and it moves items forward for approval. Trustee Cook explained that since last summer, the Policy Committee has been reviewing and updating Board policies. Recommendations for changes to policies come before the Board only after careful assessment, examination and investigation. When appropriate, the Policy Committee consults with the General Counsel, campus group leaders and others. It is a very time-consuming and painstaking process.

President McPherson thanked the Policy Committee, the General Counsel and others for their hard work.

- B. Approval of Contract Terms and Conflict of Interest Management Procedures.

- 1) It was recommended that the Board of Trustees approve the administration's recommendation for execution of a contract with Biopolymer Innovations, consistent with earlier public notice given at a Board meeting on October 10, 2003, and with the applicable "License Term Sheet" as presented to the Board for inclusion in its minutes. (Attachment B)
- 2) It was recommended that the Board of Trustees approve the administration's recommendation for execution of a contract with GeoPathway, LLC, consistent with earlier public notice

given at a Board meeting on October 10, 2003, and with the applicable "License Term Sheet" as presented to the Board for inclusion in its minutes. (Attachment C)

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

9. Chairman's Report

Trustee Porteous had the pleasure of introducing President McPherson at the Founders' Day celebration when Mr. McPherson presented the State of the University address. In his address, the President observed that the University has been through some very trying times. Those difficulties are not unique to MSU and are not unique to these times. Michigan State has historically faced many economic challenges, and each time the University has developed new and creative ways to resolve those difficulties. In his speech, the President cited a comment that Milt Muelder made to him when asked whether there had been smooth sailing from the late 1940s until the late 1960s, and if there were any budget problems to face then. Mr. Muelder answered that, "The University was too poor and too ambitious for it to do anything but innovate." President McPherson observed that, as we struggle through these difficult times, we must focus on the fact that, during previous times of hardship, the University has had the capacity to adjust and do things differently.

Mr. Porteous pointed out that a significant component of the Founders' Day event was recognition of faculty, teaching assistants and graduate assistants. Those awards are excellent reminders of the very special people who make this University a very special place.

Trustee Porteous reported that the legislators he has seen since the Board's action on the Governor's funding proposal have been very pleased with Michigan State's efforts to lend a hand during these very tough budget times.

10. Trustees' Comments

- A. Trustee Cook applauded the Board's quick and decisive action on the Governor's funding proposal.

President McPherson interjected that the Board should be praised for its capacity to act in about 48 hours on one of the most important decisions they face annually, namely, tuition.

- B. Trustee Gonzales offered that she felt the President's State of the University address was very good. Ms. Gonzales added that she

would have liked more women to be recognized at the awards ceremony, but she expects that will happen next year.

Ms. Gonzales expressed her appreciation to Trustee Nugent for his service on the MSU-DCL College of Law Board, and congratulated those who will be installed on the law college board.

- C. Trustee Nugent mentioned that one of the pleasures of serving on the MSU Board of Trustees is the opportunity to communicate with the student and faculty liaisons to the Board. Mr. Nugent expressed appreciation to the liaisons for the time and effort they dedicate to the University.

Mr. Nugent remarked that Trustee Porteous had done a very good job during his first year as Chair of the Board of Trustees and thanked Mr. Porteous for his fine work.

- D. Trustee Romney passed.
- E. Trustee Pittman passed.
- F. Trustee Ferguson passed.

11. Public Participation on Issues Not Germane to the Agenda

There was no public participation on issues not germane to the agenda.

12. An Executive Session was not requested.

On a motion by Mr. Romney, supported by Mr. Nugent, **THE BOARD VOTED to adjourn** at 2:58 P.M.

Respectfully submitted,

L. Susan Carter  
Secretary of the Board of Trustees