

MAY MEETING, 1998

*The University of Michigan
Ann Arbor
Thursday, May 14, 1998*

The Regents convened at 1:45 p.m. in the Regents' Room. Present were President Bollinger and Regents Maynard, McFee, Newman, Power, and Taylor. Also present were Provost Cantor, Executive Vice President Kasdin, Executive Vice President Omenn, Vice President and Secretary Harrison, Vice President Feagin, Vice President Hartford, Vice President Neidhardt, Chancellor Renick, and Interim General Counsel Barry. Regents Deitch, Horning, and McGowan, and Chancellor Nelms were absent. Provost Renate McLaughlin attended in place of Chancellor Nelms.

President Bollinger called the meeting to order and welcomed Vice President Susan Feagin to her first Regents' Meeting.

Resolution in Honor of Walter Harrison

President Bollinger called on Regent Newman, who noted that this would be the last Regents' Meeting for Walter Harrison. Regent Newman called Vice President Harrison to the podium and read the following resolution:

Regents' Resolution

The Regents of the University of Michigan congratulate and commend their loyal friend and trusted adviser Walter Harrison, vice president for university relations and secretary of the university, as he leaves the University on May 31, 1998, to become president of the University of Hartford.

Vice President Harrison came to the University of Michigan as executive director of university relations in 1989, was named vice president in 1993, and was appointed secretary of the university in January 1998. With his quick intelligence, ready smile, and keen insight, he has provided a calm, clear voice during times of spirited debate. Whether handling controversies surrounding athletics, indirect cost recovery, or affirmative action, Vice President Harrison has been a

responsive and steady presence, always available to support and provide counsel to Regents, executive officers, and the broader University community.

Under Vice President Harrison's leadership, the University's media relations efforts were successfully restructured, and the once-faltering fortunes of Michigan Radio have been reversed to the point where in the past year it experienced the largest percentage increase in audience and fund-raising of any public radio station in the country. As a member of the Board in Control of Intercollegiate Athletics, Vice President Harrison provided strong leadership as chair of the NCAA Athletics Certification Steering Committee. He also has been an inspiring and popular teacher of undergraduate students, conveying his passion for American literature and culture with eloquence and good humor.

The Regents now salute Walter Harrison for his numerous contributions to the University community as an executive officer, faculty member, and friend. The Regents also express their appreciation to Dianne Harrison for her equally dedicated years of service and leadership, and extend warmest best wishes to Walt and Dianne as they embark on their exciting new adventure at the University of Hartford.

There followed a standing ovation. Vice President Harrison responded that "it's been the highest honor of my life to serve the University of Michigan," and thanked everyone for their support and friendship.

Report on "The Year 2000 Problem"

Provost Cantor introduced José Marie Griffiths to present a report on what is being done to prepare the University infrastructure for the year 2000. Dr. Griffiths described what is meant by "The Year 2000 Problem" and what the consequences would be if it were not addressed. She noted that most of the centrally-managed systems that handle most critical business functions will be Year-2000 compliant by the end of calendar year 1998, and the remaining ones will be compliant by February 1999. An institution-wide information awareness campaign has recently been launched to make people aware that this is a problem they need to address. In addition, every unit on campus has a Year-2000 representative who is responsible for assessing the ability of that unit to continue operating through the Year 2000. Once the status of each unit is known, then plans will be made for addressing any remaining problems.

Discussion ensued about costs, institution-wide compliance, and other challenges related to this issue. Executive Vice President Kasdin pointed out that with the PeopleSoft implementation a number of aspects of the software, which could have been problematic with respect to the Year 2000 problem, are being addressed.

Regent Power suggested that periodic reports be made to the Board about how this issue is being addressed, and it was suggested that the first of these be given this summer. In response to a question to Dr. Giffiths from Regent Power about whether adequate support is being provided for addressing these matters, she responded that it was. The unit assessments being conducted across the institution, including action plans, will be completed by September 1. Units will also be preparing quarterly reports about implementation of their action plans which can be made available to the board.

Following further discussion, the Regents turned to the Consent Agenda.

Consent Agenda

Minutes. Secretary Harrison submitted the minutes of the March 19-20 and April 21, 1998 meetings.

Reports. Executive Vice President Kasdin submitted reports on investment and plant extension. General Counsel Barry submitted the Litigation Report. Vice President Neidhardt presented the Report on Projects Established during April 1998.

Voluntary Support. Vice President Feagin submitted the report on Voluntary Support.

Personnel Actions. Executive Vice President Kasdin reported that Interim Associate Vice President Paul Spradlin, who has been employed at the University since 1952, has decided to retire. He reviewed Mr. Spradlin's service history and praised his contributions to the

institution over the years. He noted that Mr. Spradlin would continue to serve on a part-time basis as senior counsel to the executive vice president and chief financial officer.

Executive Vice President Kasdin also called attention to a recommendation for the appointment of Henry (“Hank”) D. Baier as interim associate vice president for business operations. He noted that a search would be conducted to fill the position on a permanent basis.

There followed a round of applause for Interim Associate Vice President Spradlin. Regent Power commented that the Regents had come to rely on Mr. Spradlin’s experience, knowledge, and commitment to the institution. On behalf of the Regents, he wished him the best and thanked him for his many years of dedicated service.

Executive Vice President Kasdin also pointed out the appointment of Timothy P. Slottow as associate vice president for finance.

Annual Recommendations for Promotions. Provost Cantor submitted for approval the annual recommendations for promotion to professor, associate professor, and assistant professor. She cited several individual cases as examples of the integration of research, scholarship, creative performance, and commitment to undergraduate education that typifies the professoriate at Michigan. President Bollinger noted that he and Provost Cantor had been “absolutely overwhelmed by the sterling quality of the research and teaching” of the promotion candidates.

Regent Power observed that in reviewing the recommendations, he had been struck by the emphasis placed on teaching as well as scholarship, and the fact that excellence in both areas is necessary for promotion. Regent Newman expressed agreement, and also noted that she appreciated Provost Cantor’s descriptive case histories of representative cases.

President Bollinger expressed his appreciation to Mr. Spradlin for his service, recounting his interactions with him when he was dean of the Law School.

Chancellor Renick submitted the promotion recommendations for the Dearborn campus, and Provost McLaughlin submitted the promotion recommendations for the Flint campus.

Provost Cantor pointed out the recommendation for the establishment of 30 unendowed school/college professorships.

Retirement memoirs. Provost Cantor submitted 26 retirement memoirs.

Memorial statements. No deaths among active faculty members were reported this month.

University of Michigan Health System. Executive Vice President Omenn reported that the health system is flourishing. He noted that several major personnel searches are underway, and all are progressing well.

Regent Newman announced that her employer, Northwest Airlines, had recently announced a fare sale, and that one of the charities that would benefit from the sale would be the University's Mott Children's Hospital.

On a motion by Regent McFee, seconded by Regent Power, the Regents unanimously approved the Consent Agenda.

Six Months Report on University Audits

The Regents received the Six Months Report on University Audits.

Financial Statements and Reports Pursuant to Federal Office of Management and Budget (OMB) Circular A-133

The Regents received the financial statements and reports pursuant to OMB Circular A-133 for the year ended June 30, 1997.

Small-Capitalization Growth Common Stock Manager

On a motion by Regent Taylor, seconded by Regent Newman, the Regents unanimously approved the appointment of Artisan Partners as a small-capitalization growth manager at an initial funding of \$30 million.

Refunding of Hospital Revenue Bonds and Medical Service Plan Revenue Bonds

Executive Vice President Kasdin submitted information about the refunding of Hospital Revenue Bonds, Series 1986A and Series 1990, and Medical Service Plan Revenue Bonds, Series 1991. The refunding resulted in a present value savings of \$14.97 million (\$10.89 million for the Hospital and \$4.08 million for the Medical School).

University of Michigan Business School Growth Fund

On a motion by Regent McFee, seconded by Regent Maynard, the Regents unanimously approved the appointment of Richard C. Slayton to replace William K. Hall on the Wolverine Venture Fund Advisory Committee for the University of Michigan Business School Growth Fund.

Donor Pooled Income Fund Annual Audit

On a motion by Regent Taylor, seconded by Regent Newman, the Regents voted unanimously to adopt an amendment to the Donor Pooled Income Fund Declaration of Trust to remove the requirement for a separate audit, as described in the Regents Communication.

210 W. Stadium and 1336 S. Main Street, Ann Arbor, Michigan

Executive Vice President Kasdin submitted a request for purchase of two contiguous parcels of land located on the corner of Main and Stadium Streets across from the football

stadium, noting that the recommendation is subject to satisfactory completion of environmental due diligence on the part of the University.

It was noted that city officials are aware of the proposed purchase. Executive Vice President Kasdin reported that he has expressed to city officials the University's sensitivity to property tax issues, and that the University intends to evaluate its holdings periodically to determine whether some property could be sold and placed back on the tax rolls. Regent Newman stated that she believes it is important as a courtesy to continue to notify city officials about planned purchases of property.

Regent McFee commented that as the former mayor of a city in which a large nonprofit organization owned large parcels of property, she is aware of the problems these issues present for local communities. She said that she was pleased that the University was working with the city on its master planning effort and other issues.

Regent Power moved approval of purchase of the property at 210 W. Stadium and 1336 S. Main Street at a price of \$550,000, subject to satisfactory completion of the University's environmental due diligence. Regent Taylor seconded the motion and it was approved unanimously.

Maintenance Projects

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously approved the Parking Services annual maintenance program for 1999 and replacement of the roofing system at the Henry Ford Estate on the Dearborn Campus, as described in the Regents Communication.

Lane Hall Renovations and Addition

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously approved a project involving renovation of and an addition to Lane Hall and authorized the appointment of Quinn Evans Architects as the design architect.

Medical Center Parking

Regent Newman noted that two parking lots are undergoing renovations at the Medical Center, making for a difficult parking situation for staff. Executive Vice President Omenn responded that there were no better alternatives to the repair schedule underway. The situation for staff had been exacerbated by directives that staff would not be allowed to park in spaces reserved for patients and visitors. Executive Vice President Kasdin agreed that the current situation is not desirable, but only represents the best of the available alternatives.

University of Michigan-Dearborn Field House Addition

On a motion by Regent Taylor, seconded by Regent Maynard, the Regents unanimously approved the budget for the UM-Dearborn Field House Addition and authorized issuing the project for bids and awarding a construction contract, providing the project is within budget.

Proposed License Agreement between the University of Michigan and VisiTek, Inc.

Vice President Neidhardt requested that this item be removed from consideration.

University of Michigan Health System Survival Flight Helicopter Replacement

Executive Vice President Omenn noted that the lease for the two current Survival Flight helicopters expires in December 1998, and that a review of the available options elicited a recommendation for replacing the two current Bell 230 helicopters with three Bell 430 helicopters. It is believed that the recommended models will reduce the noise level produced by the

current models, and a city/University task force has been put in place to monitor the situation. The addition of a third helicopter will ensure that two will always be in service.

On a motion by Regent Taylor, seconded by Regent Newman, the Regents unanimously approved the lease of three Bell 430 helicopters and the addition of GPS technology for the Survival Flight program.

UM-Flint Academic Calendars for 1999-00 and 2000-01

On a motion by Regent Newman, seconded by Regent Maynard, the Regents unanimously approved the UM-Flint academic calendars for 1999-00 and 2000-01.

Recommendation for Appointments to Medical Staff Membership

On a motion by Regent Power, seconded by Regent Maynard, and on the recommendation of the UM Hospitals Executive Board, the Regents unanimously approved several appointments to medical staff membership.

The meeting then recessed to hear public comments.

Public Comments

The Regents heard comments from the following people, on the topics indicated: Sarah Chopp, vice president of Michigan Student Assembly (MSA), gave a monthly update of MSA activities and accomplishments; Gregg Lanier, student, spoke on the Speaker Initiative proposal.

The meeting then recessed until the next day.

Friday, May 15, 1998

The Regents convened at 9:45 a.m. in the Regents' Room. Present were President Bollinger and Regents Deitch, Horning, Maynard, McFee, Newman, Power, and Taylor. Also

present were Provost Cantor, Executive Vice President Kasdin, Executive Vice President Omenn, Vice President and Secretary Harrison, Vice President Feagin, Vice President Hartford, Vice President Neidhardt, Chancellor Nelms, Chancellor Renick, and Interim General Counsel Barry. Regent McGowan was absent.

President Bollinger called the meeting to order and called on Chancellor Renick.

UM-Dearborn General Campus Renovation Project Phase III: College of Arts, Sciences, and Letters (CASL) Building

Chancellor Renick introduced Mr. Coke Florance, of SHG Associates, Inc. to present the revised design of the CASL Building, the original design for which had been presented at the March 1998 meeting.

Mr. Florance displayed drawings of the original design and the revised design and a model of the revised design. He described the various elements of the original design and noted that the basic concept of the original design remains. He reviewed the various enhancements that have been made in the revised design, including replacing the horizontal strip windows with “punched open” individual windows and providing more generous windows in the classrooms.

The brick on the CASL Building will be compatible with the brick of the mall building, but not exactly the same. Metal cladding will also be used. Mr. Florance described the type of subtle reflective glass that will be used for the fenestration. Regarding the courtyard, it is viewed as an “indoor/outdoor” composition. Although it is still a work in progress, the courtyard will have benches and lights and will be used as a gathering place.

Regents Taylor, Horning, Maynard, and Newman all expressed satisfaction with the revised design, noting that it is a substantial improvement over the original design. Executive Vice President Kasdin thanked Mr. Florance and his firm for having engaged in a constructive dialog with University officials over the past few months.

Regent Deitch thanked the entire design staff from SHG Associates, noting that although he hadn't liked many elements of the design at first, he had recognized that a lot of thought and effort had been put into it. He said that as a matter of policy, the University should ask of architects that they do the very best work they can do. He noted that under the traditional design approval process the Regents have not been apprised of proposed designs until late in the process; he suggested that this procedure be changed so that the design process is ongoing.

Regent Deitch moved approval of the proposed design and revised budget for the UM-Dearborn College of Arts, Sciences, and Letters Building. Regent Horning seconded the motion.

Regent Power observed that he agrees with Regent Deitch's suggestions regarding changing the way that architectural designs are considered by the Board, noting that the process should be cost-effective, and one which involves all interested parties. He urged the administration to bring forward a design review process which includes all constituencies, including the University's own architecture and design staff.

President Bollinger also thanked the staff for their work on this project. The vote was then taken, and the motion was approved unanimously.

Executive Session Motion

Regent McFee made the following motion:

Pursuant to Section 8(e) of the Open Meetings Act, as amended by 1984 PA 202 and 1996 PA 464, I move that the Board of Regents meet in closed session on May 15, 1998, in the Regents' Room, for the purpose of consulting with our attorney regarding trial or settlement strategy in connection with specific pending litigation.

Regent Power seconded the motion, and it was approved unanimously. The meeting then continued in executive session, beginning at 10:30 a.m. Following the executive session, the

meeting was adjourned. The next meeting will be held June 18-19, 1998. Regents' expenses for April 1998 totaled \$798.21.