

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

MINUTES

BOARD OF REGENTS' MEETING

AND

REGENTS' COMMITTEE MEETINGS

September 12-13, 1991

Office of the Board of Regents

220 Morrill Hall

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Minutes of the Board of Regents' Meeting
and Regents' Committee Meetings

September 12-13, 1991

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Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Physical Planning and Operations Committee

September 12, 1991

A meeting of the Physical Planning and Operations Committee of the Board of Regents was held on Thursday, September 12, 1991 at 1:30 p.m. in Room 300, Morrill Hall.

Regents present: Regent Roe, presiding; Regents Anderson, Craig, Kuderer, Neel, and Wynia.

Staff present: Senior Vice President Erickson; Vice President Perlmutter; Associate Executive Director Janzen; Associate Vice President Hewitt; Assistant Vice President Vikmanis; Director of Asset Management Paschke; and Assistant Provost Bakkenist.

Student Representatives present: David Dahlgren and Bernie Thyen.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report for September 1991.

PURCHASE OF GOODS AND SERVICES OVER \$250,000

The committee reviewed for action a revised report for purchases/contracts of goods and services over \$250,000. A motion was made and seconded to approve the report.

The committee voted unanimously to recommend approval of the purchase of goods/services over \$250,000.

PROJECTS PREVIOUSLY SUBMITTED FOR INFORMATION

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Cancer Center, Twin Cities Campus
Estimated cost of the project: \$13,940,000
Funding: Private gifts and external bonding
Estimated completion date: November 1994

With regard to the funding of the Cancer Center project, the committee approved the following resolution which also includes funding for the athletic facilities project that was approved by the Board of Regents on July 12, 1991:

WHEREAS, the Regents of the University of Minnesota (the "University") have approved the construction and equipping of a new cancer center (the "Cancer Center Project");

WHEREAS, the total capital costs of the Cancer Center Project are presently estimated to be \$13,940,000;

WHEREAS, to finance all or a portion of the cost of the Cancer Center Project the University proposes to sell and issue general obligation bonds of the University in one or more series;

WHEREAS, by resolution adopted July 12, 1991 (the "Athletic Facilities Bonding Resolution"), the Regents of the University have approved the sale and issuance of general obligation bonds of the University in an aggregate principal amount not in excess of \$43,000,000 to finance the construction and equipping of a new hockey arena with capacity for 9,600 spectators, the renovation and refurbishing of Williams Arena and Mariucci Arena (the "Athletic Facilities Project") (the Cancer Center Project and the Athletic Facilities Project are herein together referred to as the "Projects");

WHEREAS, financing for the Cancer Center Project and Athletic Facilities Project may be provided by the same series of bonds, and this resolution is

intended to supplement the Athletic Facilities Bonding Resolution as well as authorize the issuance of bonds for the Cancer Center Project;

WHEREAS, bonds of the University to be issued to finance either or both of the Projects are herein referred to as the "Bonds";

WHEREAS, the Bonds in one or more series will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University;

WHEREAS, the Indenture of Trust or Order pursuant to which any series of Bonds will be issued will contain the terms of such Bonds and agreements and covenants of the University with respect to the payment of the principal of, premium, if any, and interest on such Bonds;

WHEREAS, Bonds of any series will be sold by the University to one or more investment banking firms, banks or financial institutions which will act as the underwriter of the Bonds, pursuant to an agreement between the University and such investment banking firms, banks or financial institutions;

NOW, THEREFORE, BE IT RESOLVED, by the Regents of the University of Minnesota, as follows:

1. To provide funds to pay part or all of the costs to be incurred for the Cancer Center Project the University hereby authorizes the sale and issuance of the Bonds in an aggregate principal amount not in excess of \$12,000,000 (excluding original issue discount, if any, with respect to the Bonds). It is intended that the interest on the Bonds be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended. The interest rate on any series of Bonds authorized herein and in the Athletic Facilities Bonding Resolution may be a fixed rate or variable rate, as provided in the Indenture of Trust or Order pursuant to which it is issued; provided that the yield on any Bonds which are initially issued as fixed rate Bonds (without regard to any original issue discount) may not exceed 8.00% per annum. The Senior Vice President for Finance and Operations is authorized to approve

the terms of any series of Bonds; including but not limited to the principal amount thereof, the maturity date or dates thereof, the interest rate or rates thereon, and the provisions with respect to redemption of such Bonds prior to the stated maturity thereof.

2. Any series of Bonds for either or both of the Projects may be issued as part of a commercial paper program of the University, which involves the periodic reissuance of obligations of the University, and the authorizations contained herein and in the Athletic Facilities Bonding Resolution includes the issuance of Bonds in accordance with a commercial paper program. The provisions contained in this resolution and the Athletic Facilities Bonding Resolution with respect to the maximum rate of interest on any fixed rate bonds shall not apply to any obligations issued in connection with a commercial paper program.
3. The Senior Vice President for Finance and Operations is authorized to negotiate with one or more banks, investment banking firms or financial institutions the terms and conditions upon which one or more series of Bonds shall be sold and issued, and approve the terms of such sale and issuance. The Senior Vice President for Finance and Operations is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of Bonds, and approve the terms of such credit support or liquidity facility.
4. In connection with the issuance of any series of Bonds the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order of the University under which the series of Bonds is issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order of the University. The signatures of the Secretary

and/or Treasurer on the Bonds may be by facsimile.

5. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and General Counsel.
6. The President and Treasurer are authorized to execute and deliver any agreements of the University with the provider of any credit support facility or liquidity facility for any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and General Counsel.
7. The Senior Vice President for Finance and Operations is authorized to approve the Preliminary Official Statement and the final Official Statement to be prepared and distributed by the University to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement.
8. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate for completion of the issuance and sale of the Bonds.
9. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute

representations of the University as to the truth of all statements contained therein.

10. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement with the initial purchaser or purchasers of any series of Bonds and agreements with the provider of any credit support facility or liquidity facility for any series of Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer. In the absence of the Senior Vice President for Finance and Operations, all authority granted to the Senior Vice President for Finance and Operations by this resolution may be executed by the Treasurer.
11. All or a portion of the costs of the Cancer Center Project may be paid by the University prior to the issuance of the Bonds to finance the Cancer Center Project, and to the extent such costs are paid by the University prior to the issuance of the Bonds it is the intent of the University to reimburse all or a portion of the costs of the Cancer Center Project paid by the University prior to the issuance of the Bonds from the proceeds of the Bonds. The reasonably expected source of funds that will be used to pay the costs of the Cancer Center Project to be reimbursed from proceeds of the Bonds is amounts which the University has on hand and available for such purpose. The reasonably expected source of funds to be used to pay debt service on the Bonds is any proceeds of the Bonds to be used to pay interest on the Bonds during the period of construction of the Cancer Center Project, and the general revenues and funds of the University.
12. This resolution is intended to supplement the Athletic Facilities Bonding Resolution and to the extent any provisions herein are inconsistent with the provisions contained in the Athletic Facilities Bonding Resolution, the provisions contained herein shall control.

13. A copy of this resolution shall be maintained by the Secretary and shall be continuously available for public inspection at the office of the Secretary during normal business hours of the University on every business day beginning on the earlier of 10 days after adoption of this resolution or the date of issuance of the Bonds and ending on, and including, the date of issue of the Bonds.
- b. University Art and Teaching Museum, Scope/Cost Increase, Twin Cities Campus
Project increase: \$615,000
Total estimated cost of the project: \$13,000,000
Funding: Parking Reserves, Central Reserves and Private Donations
Estimated completion date: June 1993
- c. Summer Residence, Scope/Cost Increase, Cedar Creek Natural History Area, Bethel, Minnesota
Estimated cost of the project: \$105,000
Funding: National Science Foundation; College of Biological Sciences; Office of Academic Affairs; and Cedar Creek Natural History Area
Estimated completion date: December 1991

PROJECTS FUNDED BY LEGISLATIVE APPROPRIATION

The committee voted unanimously to recommend that the appropriate administrative officers are authorized to proceed with the design and construction of the following project:

- a. Fire Alarm and Emergency Lighting Upgrade, Morris Campus
Estimated cost of the project: \$127,000
Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: February 1992

LAND TRANSACTIONS

The committee voted unanimously to recommend that the appropriate officers are authorized to proceed with negotiations for the land transactions itemized below:

- a. Lease and Purchase of Land from Minnesota State Agricultural Society, Twin Cities campus, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to complete the following transactions with the Minnesota State Agricultural Society: (1) purchase of 7,070 square feet of Society land south of Como Avenue at \$17,675; (2) lease for a period of 10 years of a strip of Society land at the State Fairground's western boundary between Como and Commonwealth Avenues and the Fairground's parking lots, together with the use of Commonwealth, Arlington, Randall and Buford Avenues, except during the period of the annual State Fair (12 days); (3) grant to the Society the right to operate buses on the Intercampus Transitway during the annual State Fair for a period of 10 years, together with use of the Transitway parking lots and other parking facilities.

Regent Wynia questioned what the University would do about the transitway if the lease was not renewed in 10 years. Senior Vice President Erickson responded that in 10 years the economics of the situation should make it very favorable for both parties to continue with the leasing arrangement. However, if an agreement could not be worked out, the University could use an alternate route which would result in a mile's difference from the present route.

- b. Authority to Negotiate Purchase of 4.56 Acres at 25th Avenue and 5th Street, Twin Cities, Minneapolis, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to negotiate the purchase of approximately 4.56 acres located at 25th Avenue and 5th Street SE, Minneapolis, from the Chicago and Northwestern Transportation Company.

LAND TRANSACTIONS PRESENTED FOR INFORMATION

The committee reviewed the following land transactions for information:

- a. Land Lease (10 year) to the City of Minneapolis, Rosemount Research Center

It was reported that the cities of Minneapolis and St. Paul have requested that the Board of Regents extend for 10 years the land lease covering use of 32.28 acres at the Rosemount Research Center for an Explosives Storage and Testing Yard. Both cities store explosive devices at the Rosemount Research Center and respond to requests from throughout the state, including University campuses and facilities, for assistance in emergencies involving explosives and shock-sensitive chemicals. It was noted that extension of the lease would be subject to early termination by the University in the event Rosemount is selected as the site for a replacement Minneapolis and St. Paul area airport.

Regent Kuderer stated that long-term plans for the Rosemount property should be reviewed after a permanent site for the airport is selected.

Regent Neel requested to see an inventory of University properties. Associate Vice President Hewitt stated that he would provide a listing.

PROJECTS PRESENTED FOR INFORMATION

The committee reviewed for information the following projects:

Magnetic Resonance Research Center Addition Twin Cities Campus

The committee reviewed a proposal for an expansion to the existing Center for Magnetic Resonance Research facility to house a 7.0 Telsa magnet for animal research. Associate Vice President Hewitt explained details of the proposed addition, indicating that it will consist of approximately 1,800 assignable square feet, comprised of a magnet room, operator area, computer space, surgery/laboratory room, and office space. He reported that the estimated cost of the addition was \$390,000, with funding to be provided from gift funds and completion scheduled for June 1992.

Dr. Kamil Ugurbil, Director of the Magnetic Resonance Research Center, and Dr. William Thompson, Head of the Department of Radiology, were present at the meeting to explain details of the research and respond to questions from committee members.

Vice President Perlmutter addressed the committee explaining that funding for the magnet that will be housed in the proposed addition has been applied for from the Keck Foundation. She stated that in order to follow through with the Keck Foundation cycle of review, she would like to request that the committee take action on the project at this time.

Regent Neel moved that the committee recommend to the Board that action be taken on the item.

The committee voted unanimously to recommend approval of Regent Neel's motion.

Diehl Hall Sixth Floor Psychiatry Phase I Remodeling Project Twin Cities Campus

Associate Vice President Hewitt reported that the Department of Psychiatry has proposed a phased demolition and construction remodeling project of approximately 6,000 square feet of existing space on the south side of the sixth floor of Diehl Hall. He reported that the remodeled spaces will fulfill the immediate needs of the department for state-of-the-art research laboratory facilities. Estimated cost of the project was reported to be \$449,000, with funding provided from gift funds. The estimated completion date is July 1992.

Mr. Michael Nemcek, Senior Administrative Director in the Department of Psychiatry, was present to respond to questions from committee members.

The committee then engaged in a discussion regarding capital improvement projects and the fact that only the costs of the buildings or properties are brought before this committee and not the total costs of a project, which would include the cost of operations and additional personnel. Senior Vice President Erickson responded that the point is well taken, however, because grant money is often involved with many of the projects, the total cost of a project to the University is sometimes difficult to report.

With respect to grants, Regent Wynia asked if an internal process is used to determine if a grant fits into the mission of the University.

Senior Vice President Erickson reported that all grant proposals go through an internal process before they are approved for submission and suggested that a meeting be arranged for Regents Neel and Wynia to meet with Associate Vice President Potami from the Office of Research and Technology Transfer Administration (ORTTA), to review that process.

Regent Anderson stated that it might be helpful if ORTTA could report to the Board twice a year instead of annually.

The meeting adjourned at 3:10 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance and Legislative Committee

September 12, 1991

A meeting of the Finance and Legislative Committee of the Board of Regents was held on Thursday, September 12, 1991 at 3:25 p.m. in Room 300, Morrill Hall.

Regents present: Regent Anderson, presiding; Regents Kuderer, M. Page, Sahlstrom and Wynia.

Staff present: Senior Vice President Erickson; Vice Presidents Heydinger and Perlmutter; Associate Executive Director Janzen; Assistant Vice President Vikmanis; Director of Asset Management Paschke; and State Relations Director Peterson.

Student Representatives present: Jeffrey Lund and Tim Wolf.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

The committee voted unanimously to recommend approval of the Senior Vice President for Finance Monthly Report for September 1991.

Regent Kuderer requested information on the process for collecting past due receivables for the University Hospital. Assistant Vice President Vikmanis responded that he would provide information on the process for the committee.

**INVESTMENT SOCIAL CONCERNS
COMMITTEE/POLICY REVISION**

The committee voted unanimously to recommend approval of the proposed Regents' Policy: Investment Policy Relating to Social Concerns. It was noted that the policy supersedes the

policy entitled Voting University-Owned Stock approved February 13, 1976 and the University Policy on Shareholder Resolutions adopted June 11, 1982 and amended December 9, 1983.

The Guidelines for Annual Review of Major Social Issues approved by the Senate Committee on Social Concerns were also presented to the committee for information.

INSURANCE/RISK MANAGEMENT PROGRAM

The committee reviewed a proposed resolution that would authorize the Senior Vice President for Finance and his/her designee to be solely responsible for the acquisition of property, casualty, and liability insurance coverages for the University of Minnesota. Approval to obtain insurance to augment the University's insurance may be granted only if the acquisition of such coverage is in the best interests of the University.

In addition, the resolution also provides that RUMINCO Ltd.'s retained earnings be maintained at a minimum of 50 percent of the total current year's expected losses and reserves for prior year's claims.

Katherine Cram, Director of Business Services, reported that the effectiveness of RUMINCO Ltd. depends upon its ability to retain risks and cover losses for the entire University. Insurance coverage that might be obtained individually by colleges or departments may be of questionable value, especially because the University may be liable for claims rejected by private insurers. Also, University funds may be improperly used to pay insurance premiums for coverages that may not be consistent with the goals of the University's insurance program or its institutional priorities. Approval of the resolution would prevent colleges or departments from obtaining any individual coverage.

Ms. Cram further explained that the second half of the resolution requesting a minimum level of retained earnings for RUMINCO Ltd. is also important, indicating that it is critical for RUMINCO Ltd. to remain financially solvent so the company can continue to protect the University's financial integrity.

MODIFICATION OF RESERVE SPENDING PLAN

The committee reviewed a proposal to modify the Reserve Spending Plan to disburse monies from central reserves for the following: Moving of the Loading Dock at 11 Oak Street, \$150,000; Funding for Student Monitor Program, \$268,000;

Funding for Epidemiology Move and Site Preparation, \$306,500; and Funding for Moving and Configuration of Space for Human Sexuality Program, \$115,000. The item will be on the agenda for action in October.

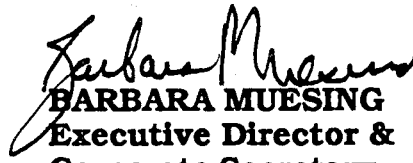
LEGISLATIVE STRATEGY

Donna Peterson, Director of State Relations, presented a brief report on legislative strategy for the 1992 session.

Ms. Peterson reported that the 1992 session will convene on January 6, will adjourn January 17, will reconvene on February 17 and continue for six or eight weeks.

It was noted that the Regents discussed legislative strategy extensively at their retreat in August, and Ms. Peterson reported that as a result of those discussions, all information sent to legislators from the Office of External Relations is copied to all Regents. In addition, an example of a detailed sheet on each Special, which is being prepared and sent to all legislators, was distributed to the committee. She noted that a brochure summarizing the Specials is also being prepared and distributed and breakfasts are currently being scheduled for President Hasselmo to meet one-on-one with each legislator.

The meeting adjourned at 4:10 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Faculty, Staff and Student Affairs Committee

September 12, 1991

A meeting of the Faculty, Staff and Student Affairs Committee of the Board of Regents was held on Thursday, September 12, 1991, at 1:50 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Sahlstrom, presiding; Regents Keffeler, A. Page, M. Page and Reagan.

Staff present: Chancellors Johnson and Sargeant; Senior Vice President Infante; Vice Presidents Hughes and Perlmutter; Executive Director Muesing; Associate Vice President Carrier.

Student Representatives present: Thomas Bobendrier and Eric Carter.

PERSONNEL

Senior Vice President Infante recommended the appointment of Dr. Robert Anderson as Vice President for Health Sciences and Professor of Laboratory Medicine and Pathology, effective February 16, 1992.

In response to a question from Regent Keffeler, Dr. Infante stated that the total compensation the University offered to Professor Anderson consists of an annual salary of \$150,000, plus \$60,000 per year from medical practice funds of the Department of Laboratory Medicine and Pathology. He reviewed salary data for similar positions at other institutions, and noted that it was necessary to make a competitive offer to attract an individual of Dr. Anderson's caliber.

Regents A. Page and M. Page stated that it would be helpful to have information regarding the size and composition of the candidate pool prior to making a decision regarding appointments. In response, Dr. Infante provided background information on the two searches which led to the recommendation of Dr. Anderson.

In response to a question raised by Regent M. Page regarding Regents being informed about the search process, Dr. Infante stated that the general practice has been to involve Regents in the last stages of interactions with leading candidates. He offered to involve Regents to the extent they would like to participate, but stressed the importance of protecting candidates' personal confidentiality.

Regent Keffeler concurred with the importance of being sensitive to candidates' privacy. As a way of involving the Board, she gave an example that at some point in the search process the Board could be given an opportunity to assess the characteristics of the pool under consideration and the efforts made to attract a pool consistent with the University's diversity objectives.

Regent Reagan raised a concern regarding the impact of high salaries on salaries for other positions, and Dr. Infante agreed.

Regent M. Page stated that it would be helpful to know which Regents are involved in interactions with candidates, and Regent Keffeler indicated that the Board officers could address that point.

Following the discussion, the committee voted unanimously to recommend approval of the appointment.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented the Senior Vice President's Monthly Report, which was included in the docket materials, and supplementary docket items to the committee for approval. He noted the following items:

- Appointment of Gordon Beavers as Acting Dean of the Institute of Technology, effective August 1, 1991
- Appointment of Nicholas LaFontaine as Associate Vice President, Office of the Senior Vice President for Finance and Operations, effective July 16, 1991
- Change in appointment of Edward Foster from Associate Vice President for Academic Affairs to Professor, Department of Economics, effective October 1, 1991
- Appointment of Walter Weyhmann as Acting Dean of the Graduate School, effective September 16, 1991

With regard to the summary of new faculty and professional/administrative staff appointments since July 1, 1991, Regent Keffeler

noted for the record that the 143 new appointments include one Black, 2 American Indians and no Hispanics.

In response to Regent Reagan's question regarding the five-year fixed-term appointment of Douglas Woog as Head Hockey Coach, Dr. Infante noted that the contract will end if Mr. Woog discontinues service to the University for any reason during the five-year period.

Regent M. Page raised several concerns regarding the quarterly summary of appointments. Associate Vice President Carrier stated that the second annual personnel report will be presented to the committee in November, which will provide a comparison of hiring and attrition data for the past two years.

Regent A. Page noted that the appointment summary does not reflect significant progress towards the University's diversity goals, and he stated that something different must be done.

Following the discussion, the committee voted unanimously to recommend approval of the Senior Vice President's Report.

TENURE CODE REVISIONS

Senior Vice President Infante presented the proposed revisions to the Tenure Code to the committee for approval. He noted that the revisions are a codification of current practices and for that reason, the Administration agrees that the Tenure Code should be revised as requested by the faculty.

Dr. Infante indicated that upon assuming his present position, he approached his colleagues in the faculty governance system about developing a new Tenure Code and associated grievance procedures. He expressed confidence that a revised system will be developed in the near future, and within that context he asked the committee to approve the proposed revisions.

Regent Keffeler expressed support for the proposed revisions in light of Dr. Infante's comments, stating that his concerns are similar to those expressed previously by the committee.

Following the discussion, the committee voted unanimously to recommend approval of the proposed Tenure Code revisions.

POLICY ON DISCLOSURE OF CONFLICT OF INTEREST

Senior Vice President Infante, Mark Brenner, Associate Dean of the Graduate School, and John Thuente, Director of the Office of

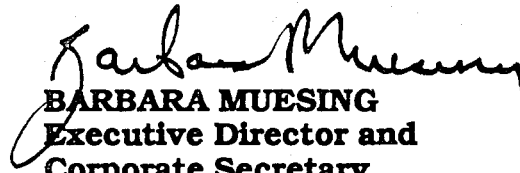
Patents & Licensing, reviewed the revised Policy on Disclosure of Conflict of Interest. (The original policy, which was entitled "Disclosure of Financial Arrangements with Industry", was approved by the Board of Regents on May 13, 1988.) Dr. Infante stated that the policy addresses the issue of real and potential conflicts of interest.

Associate Dean Brenner noted that the University was a leader in trying to address and enhance researchers' ability to interact with industry in an ethical manner when the policy was approved in 1988. He stated that the proposed policy puts the responsibility on investigators to openly disclose any potential conflicts in their relationships with industry.

In response to issues raised by Regent M. Page, Dr. Brenner and Mr. Thuente discussed some provisions included in the policy and gave examples of potential conflicts of interest and how they would be addressed by the University.

Following the discussion, it was noted that this item will be presented for approval at the October meeting.

The meeting adjourned at 2:45 p.m.


BARBARA MUESING
Executive Director and
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Educational Planning and Policy Committee

September 12, 1991.

A meeting of the Educational Planning and Policy Committee of the Board of Regents was held on Thursday, September 12, 1991, at 3:20 p.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Craig, presiding; Regents Keffeler, Neel, A. Page, Reagan and Roe.

Staff present: Chancellors Ianni, Johnson and Sargeant; Senior Vice President Infante; Vice President Hughes; Vice Provost Hopkins; Executive Director Muesing.

Student Representatives present: Darby Laing and Kristina Peterson.

SENIOR VICE PRESIDENT'S MONTHLY REPORT

Senior Vice President Infante presented for the committee's approval the Senior Vice President's Monthly Report, which included University and Minnesota Higher Education Coordinating Board items, and was included in the docket materials. The following were noted:

- Merger of the Department of Veterinary Pathobiology and the Department of Veterinary Biology, College of Veterinary Medicine, into the Department of Veterinary PathoBiology
- Transfer of Music Education from the College of Education to the College of Liberal Arts (CLA), effective Fall 1991, including: Degree in Music Education will be offered through CLA's School of Music, rather than through the College of Education; the tenure appointment of the five tenured faculty members in the program will transfer to CLA; and the degree to be conferred on Music Education students will

change from a Bachelor of Science to a Bachelor of Music degree

- The moratorium on new academic program proposals will be lifted, effective November 1, 1991

Dr. Infante stated that at the October meeting, President Hasselmo will present the budget implementation plan, which is designed to further hone and strengthen the role of the University in the state. He indicated that the following principles will guide the process of evaluating the University's role within the state's higher education system and its continuing reallocation efforts:

- The University is one of many elements of the higher education system in the State of Minnesota and it is important for the University to discharge its role in collaboration, yet in contradistinction, with the other members of the system.
- Within the state's higher education system, the University has a special obligation to provide access to a broad range of educational offerings, especially those of a professional and graduate research nature.
- As the land grant university of the state, the University of Minnesota is a national and international institution. The University receives 21 percent of its total operations and maintenance budget from the state. Those core funds are highly leveraged, resulting in activities receiving support funds from national and industrial communities. Within this context, the University plays a unique role in contradistinction to the other parts of the state's higher education system.
- As the state's land grant institution, the University provides unique services and access to a variety of activities to all citizens of the state.
- As the land grant institution, the state expects the University to play a leading role among the higher education institutions in addressing problems to which higher education can make a contribution.

Dr. Infante stated it is important that the University collaborate with the other higher educational systems in the state and the research universities of the region, while keeping in mind its unique mission and obligations within the state. He indicated that the key element guiding the University's decisions is the concept of leverage.

Dr. Infante stated that the budget implementation plan will also address the University's \$300 million deferred maintenance problem. He indicated that it is absolutely essential to start planning to resolve the situation in a thoughtful and determined fashion in order to have a physical infrastructure that will support the University's programs in the future.

Regent Roe commended Dr. Infante for his excellent report, but expressed concern regarding the lack of emphasis on teaching and learning in his presentation. Dr. Infante responded, stating that he strongly believes that the University is a teaching and learning institution.

Regent Neel stated that while he agrees that the University must collaborate with the state's other higher education systems, it is very important to clarify the University's unique mission for legislators so the University is in the most competitive position to receive funding from the state. He noted that the leverage issue is extremely important, stating that it is vital to insure that the University remains among the best and becomes better in the years ahead, even with limited resources.

In response, Dr. Infante commented on collaboration and discussed the differences between the University and the other systems. He noted that the other systems derive 100 percent of their funding from the state and tuition. University professors teach and, in addition, do research. In a time of careful allocation of resources, he stated that it is important to show that the University, together with the other systems, provides services that are essential to the well-being of the state's educational system and its economic and cultural development.

Regent Keffeler stated that it is important to communicate the unique role of the University in the state's higher education system. In addition, she suggested that it is also important to convey the message that there are some functions the other systems are more uniquely well suited to perform than the University.

Following the discussion, Regent Craig expressed appreciation to Dr. Infante for his presentation. Dr. Infante stated that his report, as modified to reflect the suggestions made during the discussion, will be a part of the budget implementation plan presentation at the October meeting.

The committee voted unanimously to recommend approval of the Senior Vice President's Monthly Report.

**GRADUATE MINOR IN STUDIES OF SCIENCE AND TECHNOLOGY
AT THE Ph.D. AND MASTER'S LEVELS**

Senior Vice President Infante noted that Friday would be Dr. Robert Holt's last day as Dean of the Graduate School, stating that it is a position he has held with great distinction.

Senior Vice President Infante indicated that the proposed free-standing graduate minor in Studies of Science and Technology at the master's and Ph.D. levels illustrates his previous comments regarding the importance of leverage. He stated that the program will be funded by the state and a new major grant by the National Science Foundation (NSF), in addition to considerable support from the industrial community.

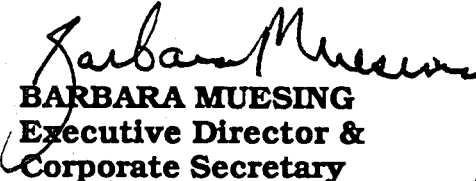
Dean Holt presented the program proposal to the committee for approval. He stated that because of the University's unique ability to bring people together across established disciplines, this program was one of ten selected for funding by the NSF from over 200 applications. He noted that the beneficiaries of this funding will be the students, whose financial burdens will be partially relieved and whose educational experiences will be enriched.

Regent Keffeler questioned the low cost estimate for the program, and Dean Holt stated that the budget form required by the Higher Education Coordinating Board (HECB) for program proposals does not request an accounting of the total cost of the proposed program. Regent Keffeler suggested that in addition to being responsive to HECB guidelines, it would be useful to have information on total program costs. Dr. Infante concurred with the suggestion, stating that in the future he will experiment with providing a total cost accounting.

Following the discussion, the committee voted unanimously to recommend approval of the proposal.

Regent Craig expressed appreciation to Dean Holt for the many enthusiastic and enlightening reports he presented to the committee, and stated that she is sorry to see him leave. Dean Holt stated that it has been easy to make presentations to the committee because he always found the Regents to be interested in the substance of the programs coming forward.

The meeting adjourned at 4:10 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

Year 1991-92

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Committee of the Whole

September 13, 1991

A meeting of the Committee of the Whole of the Board of Regents was held on Friday, September 13, 1991, at 8:40 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Regent Kuderer, presiding; Regents Anderson, Craig, Keffeler, Neel, A. Page, M. Page, Reagan, Roe, Sahlstrom and Wynia.

Staff present: President Hasselmo; Chancellors Ianni, Johnson, Sargeant and Wilhelmson; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Assistant Provost Bakkenist; Associate Vice Presidents Barbatsis, Fischer, LaFontaine and Robb; Assistant Vice President Markham.

Student Representative present: Tim Wolf.

RECOGNITIONS

Civil Service Committee Members

President Hasselmo recognized Nancy Hugg-Wilson and Mary Trandem, Chair of the Civil Service Committee, for their distinguished service on the committee.

Ms. Trandem briefly addressed the committee, and she introduced Jean Goldsberry, the new Chair of the Civil Service Committee. Ms. Goldsberry introduced the following new members of the Civil Service Committee:

Mary Easterling, Human Resources Manager
Office of Student Financial Aid

James Gregory, Senior Engineer
Media Resources

On behalf of the Board, Regent Kuderer expressed appreciation to the members of the Civil Service Committee for their work and to all Civil Service employees who serve on University committees.

Cliff Smith

The committee recognized Cliff Smith for his years of service and deep commitment to the University, and wished him well on his retirement.

President Hasselmo noted that Mr. Smith will leave a living legacy at the University through the "Cliff Award", established in 1990 in his name. He stated that Mr. Smith was the first recipient of the award and it will be presented each year to University employees who have made special efforts to make the University a welcoming place.

Mr. Smith thanked the Board for the recognition.

Minnesota Alumni Association - Minnesota Magazine

Margaret Carlson, Executive Director of the Minnesota Alumni Association, presented the Board with copies of the 90th anniversary issue of Minnesota Magazine.

Regent Kuderer expressed appreciation to Ms. Carlson for her presentation.

Presentation by Northern States Power Company

Thomas Lewis, General Sales Manager-Electric Marketing at Northern States Power Company (NSP), presented Regent Kuderer with a rebate check in the amount of \$116,594 for energy savings resulting from the University Building Energy Efficiency Project (UBEEP). Regent Kuderer noted that as a result of this program, the University will receive total rebates of approximately \$1.5 million.

Mr. Lewis stated that the University has been very supportive of NSP's efforts in this area, and he thanked Senior Vice President Erickson, Assistant Vice President Markham and the Facilities Management staff for their cooperation.

COMPUTING AT THE UNIVERSITY OF MINNESOTA

Senior Vice President Infante led a discussion regarding the purpose and scope of the University's computing activities. He stated

that in addition to the role of computing in information processing, research and technology transfer, it is the essence of all of the University's educational activities. Dr. Infante reviewed photographs illustrating computing activities.

Dr. Infante reviewed the staffing, funds and facilities of the infrastructure that supports the University's computational resources, including administrative computing, academic computing and networking, and high performance computing. He stated that these activities represent significant capital and human investments, and stressed their importance to teaching and learning at the University.

In summary, Dr. Infante stated he and Senior Vice President Erickson have been discussing methods to increase effectiveness and efficiency and move forward in this area, noting that they intend to review significant plans for changes in this arena at a future meeting.

Regent Reagan asked if the University has the capacity to share its computational resources with other universities or industries to generate income. Dr. Infante stated that although the University is a leader in some areas of computing, innovative methods are being used to address weaknesses in other areas. If successful, the University will be in a position of leadership, which will result in the ability to generate income.

Regent Sahlstrom asked if students are informed about computer availability and use, and he asked about computing services on the coordinate campuses. Dr. Infante stated that the Microcomputer Group on the Twin Cities campus introduces faculty, staff and students to computing services. In addition, he stated that he is pleased with the computing facilities that exist on the Crookston and Duluth campuses; however, there is a strong need for additional facilities on the Morris and Twin Cities campuses.

In response to a concern raised by Regent Wynia, Dr. Infante stated that the University has an obligation to introduce students to the computing resources that are available and to provide sufficient access, which is currently an area of weakness.

Regent Kuderer asked about the amount and source of funds necessary to improve the University's computing infrastructure. Dr. Infante stated that the key to improvement is increased efficiency and effectiveness. In addition, the University must retain at least its current level of funding, reallocate internal resources and leverage those funds on external funds. He expressed a concern that the state special which supports supercomputer activities was vetoed by Governor Carlson, and stated the University must work aggressively to restore those funds.

Dr. Infante introduced John Sell, Director of the Minnesota Supercomputer Center, and Michael Skow, Director of Academic Computing and Acting Chief Information Officer of the University.

Following the discussion, Regent Kuderer thanked Dr. Infante for his excellent presentation.

Regent Anderson noted that Representative Wayne Simoneau, Chair of the House Appropriations Committee, was present at the meeting.

SPENCER COMMISSION FOLLOW-UP REPORT

Regent Kuderer noted that Regent Keffeler served on the Blue Ribbon Commission on the Financial Management of the University of Minnesota (Spencer Commission) and members of the Board of Regents participated in the review process which resulted in the Spencer Commission Report issued in November 1988. He stated that this item was placed on the agenda to provide the Board with a report on the progress made by the University in meeting the challenges contained in that report.

Prior to the presentation, Senior Vice President Erickson distributed an update on the current status of the athletic facilities projects.

Senior Vice President Erickson stated that he accepts the challenges outlined in the Spencer Commission Report. He reviewed the following actions taken by the University in response to the four major recommendations contained in the report:

Financial accountability measures and reporting requirements must be established between the University and the Legislature and between the University management and the Board of Regents.

- Restructuring and reallocation
- Accountability measures -- retention rates, graduation rates and faculty research
- Annual Financial Report
- CUFS Reporting System

Comprehensive plans to aggressively correct the University's financial management and reporting systems must be developed by the Administration and be approved by the Board of Regents.

- The Financial Management Project

- CUFS, including endowment management, extended purchasing, grants management, distributed entry, routing and approvals
- Student Accounts Receivable System (STARS) Phase I implemented in February 1991; Phase II scheduled for Fall 1992
- Budget preparation automated in Spring 1991
- Human Resources System (HRS) preliminary draft of requirements completed; options being examined

Key staff must be recruited, trained and assigned responsibility to implement the planned improvements.

- o Appointment of Senior Vice President for Finance and Operations
- o Appointment of Nick LaFontaine as Associate Vice President for Finance and Operations
- o Appointment of Susan Markham as Assistant Vice President, Facilities Management
- o Appointment of Neil Bakkenist as Assistant Provost, Support Services
- o Appointment of Roger Paschke as the University Treasurer
- o Appointment of Diane Collins as the Financial Management Project Director
- o Reorganization of budget and accounting functions

Compliance with University financial controls should be the responsibility of all University personnel and should be supplemented with a comprehensive audit and enforcement program.

- o Appointment of Grainne Medearis as the University Compliance Officer
- o Development of a financial policy manual
- o Change to a responsibility center management model
- o New systems will support decentralization
- o Modified and enhanced internal audit approach

In summary, Mr. Erickson stated that he believes significant progress has been made, but he recognizes that much remains to be done.

Regent Keffeler stated that she feels the members of the Spencer Commission would be impressed with the speed at which the University made changes in Facilities Management and addressed the compliance issues; however, she feels they would be disappointed at the rate at which the University has implemented its new financial

management system (CUFS). She indicated that the management team should be proud of the progress made toward identification of key decision points that the Board and management feel are most important for judging the progress of the University in critical areas and identification of benchmarks for assessing that progress.

Regent Neel commended Mr. Erickson for his presentation, and stated that he is hopeful that efforts to clarify the University's financial system will make the finances of the University understandable for the Regents and the people of the state.

Following the discussion, Regent Kuderer encouraged the Regents to review the Spencer Commission Report because it is a key to many issues the Board will be discussing in the future.

UNIVERSITY FINANCIAL MANAGEMENT

Associate Vice President LaFontaine led a discussion regarding University financial management, stating that it was the first in a series of presentations.

Mr. LaFontaine commented on the traditional management functions of planning, directing, controlling and evaluating. He reviewed the objectives of the University's new financial management system, including improved information, control and operations.

Mr. LaFontaine summarized the key features of the CUFS system, stating that it is an on-line system; transactions will be processed immediately; and it includes integrated sub-systems for purchasing, accounts payable, and endowment and grants management. He also noted other features of the new system relating to budgeting and budget balances, obligations and commitments, and reporting functions.

In response to a question raised by Regent Kuderer, Mr. LaFontaine stated that "unobligated budget" refers to the current budget, less expenditures and encumbrances, and "uncommitted budget" refers to the current budget, less expenditures, encumbrances and pre-encumbrances. He stated that this issue has been discussed with the Regents' Audit Committee and a decision will be made regarding how to present budget information to the Board. Regent Neel asked for clarification of the terminology.

Regent M. Page, Chair of the Audit Committee, urged Regents to direct any questions regarding financial management to the Administration prior to the November meeting of the committee.

Following the discussion, Regent Kuderer thanked Mr. LaFontaine for the preliminary report on the financial management

system. He stated that the series of presentations on the University's financial management structure will provide clarification that will build understanding of financial management at the University.

UNIVERSITY STEAM SERVICE

At the request of Regent Kuderer, Assistant Vice President Markham presented a brief update on the steam service issue. She stated that the vendors have submitted their final formal proposals, noting that the Regents' evaluation criteria have resulted in creative proposals from the vendors.

Ms. Markham stated that the first draft of contract proposals will be sent to the vendors by the end of September, followed by a revision process. She noted that the final contract proposals will be presented to the Board at the January 1992 meeting.

SAFETY AND SECURITY REPORT

Regent Kuderer commented on the Crime Awareness and Campus Security Act of 1990, which is new federal legislation requiring the reporting of crime statistics on college campuses. He noted for the record that the University of Minnesota compiled campus crime data prior to the legislation.

Paul Tschida, Acting Director of Safety and Security, led a discussion regarding campus safety and security. He noted that in response to a recommendation of the 1990 Task Force on Sexual Violence, in March 1991 President Hasselmo appointed the Campus Safety and Security Committee and named him as Chair. He discussed the charge to the committee, noting that the President directed that the review of safety and security on campus be completed by September 1, 1991.

Mr. Tschida stated that the University of Minnesota is among 352 of 8,000 institutions nationwide which currently compile campus crime data. In response to the new law's requirement for timely reporting of incidents, Mr. Tschida stated that he worked with Marcia Fluer, Director of University Relations, and Jamie Tiedemann, Director of the Sexual Violence Program, to establish a procedure for informing the appropriate individuals regarding the facts of such incidents.

Mr. Tschida reviewed the committee's recommendations with respect to sexual violence, University Police, security, community involvement, building access controls and physical environment. The report also includes a recommendation that the committee continue

to meet on a quarterly basis, or as often as necessary, to discuss crime and safety problems and evaluate progress being made on its recommendations and compliance with the new federal law. An annual report will be submitted to the President on the state of campus crime and safety.

Regent Craig commended Mr. Tschida for his report, stating that it will provide reassurance to the University community that something is being done to address the problems associated with campus safety.

President Hasselmo expressed appreciation to Mr. Tschida and the members of the Campus Safety and Security Committee for their outstanding work.

Following the discussion, Regent Kuderer thanked Mr. Tschida for coming to the University and for his excellent presentation. In response to Regent Kuderer, Mr. Tschida stated that the new law requires educational institutions to compile crime data, but it does not include specific reporting requirements.

The meeting adjourned at 10:50 a.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

September 13, 1991

A meeting of the Board of Regents of the University of Minnesota was held on Friday, September 13, 1991, at 11:00 a.m. in the Regents' Room, 238 Morrill Hall.

Regents present: Craig, Keffeler, Kuderer, Neel, A. Page, M. Page, Reagan, Roe, Sahlstrom and Wynia. President Hasselmo presided.

Staff present: Chancellors Ianni, Johnson, Sargeant and Wilhelmson; Senior Vice Presidents Erickson and Infante; Vice Presidents Allen, Heydinger, Hughes and Perlmutter; General Counsel Brady; Vice Provost Hopkins; Executive Director Muesing; Associate Executive Director Janzen; Assistant Provost Bakkenist; Associate Vice Presidents Barbatsis, Fischer, LaFontaine and Robb.

APPROVAL OF MINUTES

The Board of Regents voted unanimously to approve the minutes of the following meetings:

- Audit Committee - July 11, 1991
- Physical Planning & Operations Committee -
July 11, 1991
- Finance & Legislative Committee - July 11, 1991
- Faculty, Staff & Student Affairs Committee -
July 11, 1991
- Educational Planning & Policy Committee -
July 11, 1991
- Committee of the Whole - July 11, 1991
- Committee of the Whole - July 12, 1991
- Board of Regents - July 12, 1991

REPORT OF THE PRESIDENT

President Hasselmo presented his regular monthly report which contained items pertaining to companies started by Institute of Technology alumni; fiscal year 1991 results for contracts & grants and patents & licensing; budget adjustments status report; recognition of General Counsel Surell Brady and retiring Dean Robert Holt; update on search for Vice President for Research/Dean of the Graduate School and appointment of Vice President for Health Sciences; update on Reserve Officer Training Corps (ROTC) and tribute to staff members responsible for coordinating University arrangements for the 1991 International Special Olympics.

A copy of the President's Report is on file in the Regents' Office.

President Hasselmo also reported that according to Minnesota Statute, there is a prohibition against scheduling University activities after 6:00 p.m. on the day of a major political party precinct caucus. He stated that unfortunately a University basketball game was scheduled against Iowa for that evening, however, there is a possibility of rescheduling the game in Iowa. Therefore, he stated that unless Regents would want to place the item on the agenda for discussion, he would not recommend that an exemption be requested. There was no discussion on the item.

REPORT OF THE CHAIR

Chair Kuderer reported that the members of the Board of Regents participated in a retreat August 29-30 in Northfield, Minnesota. He further reported that a Regents' Forum is scheduled on the Crookston campus for September 26 which will include tours and meetings with faculty, staff and students, as well as a dinner with community leaders. Regents Craig, Roe, Rosha, Sahlstrom and Kuderer, along with President Hasselmo, will participate. He noted that Forums will also be held on the Duluth and Morris campuses in the future.

Chair Kuderer reported that the Board of Governors Nominating Committee chaired by Regent Craig held its first meeting. If any Regents wish to nominate individuals to serve on the Board of Governors, please contact any Regent on the committee or the Board of Regents' Office. He further reported that an Agenda Guidelines Committee has been appointed to be chaired by Regent Keffeler with Regents Reagan, Sahlstrom and Wynia also serving. The purpose of the committee is to review

the existing guidelines for setting agendas of the standing committees of the Board and to recommend changes or additions for agenda items to the Committee of the Whole. The committee is to report back to the Board in May 1992.

He reported that the first meeting of the Intersystem Council, created by the Legislature, will be held on October 11. Regents Keffeler and Kuderer have been invited to attend the meeting. Statute requires that the Council meet at least twice a year.

He further announced that a plan for Regents to "adopt a student and a dean" has gotten underway. He stated that the object is to pair a regent with a student at random and a dean and to spend a day with each.

Chair Kuderer also recognized President Hasselmo for being selected as Swedish American of the year.

GIFTS

Associate Vice President Fischer presented the monthly list of gifts to the University of Minnesota, the University of Minnesota Foundation, the Arboretum Foundation and the Minnesota Medical Foundation as listed in the docket material and on file in the Regents' Office.

The Board of Regents voted unanimously to approve the gifts.

CONTRACTS AND GRANTS/APPLICATIONS AND AWARDS

Senior Vice President Infante submitted for approval the contracts and grants/applications and awards as presented in the docket material and on file in the Regents' Office.

The Board of Regents voted unanimously to approve the contracts and grants/applications and awards.

REPORT OF THE COMMITTEE OF THE WHOLE September 12, 1991

Regent Kuderer, Chair of the committee, reported that the committee reviewed several items for information and discussion which included: computing at the University of Minnesota; Spencer Commission follow-up; a presentation on the University's financial management structure; and a safety and security report.

In addition, Chair Kuderer reported that several recognitions were acknowledged at the meeting which included outgoing members of the Civil Service Committee, retiring Northrop Garage attendant Cliff Smith; a presentation of copies of the 90th anniversary issue of Minnesota magazine; and a presentation by Northern States Power Company to the University of Minnesota with a rebate check for energy savings resulting from the University Building Energy Efficiency Project (UBEEP).

REPORT OF THE FACULTY, STAFF & STUDENT AFFAIRS COMMITTEE

Regent Sahlstrom, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the appointment of Dr. Robert Anderson as Vice President for Health Sciences and Professor of Laboratory Medicine and Pathology, effective February 16, 1992.
- b) Approval of the Senior Vice President's Monthly Faculty, Staff and Student Affairs Report for September 1991 as listed in the docket material and on file in the Regents' Office.
- c) Approval of proposed revisions to the Tenure Code. Documentation is filed supplement to the minutes, No. 22,302.

The Board of Regents voted unanimously to approve the recommendations of the Faculty, Staff and Student Affairs Committee.

Chair Sahlstrom reported that the committee also reviewed a proposed revision to the Policy on Disclosure of Conflict of Interest.

**REPORT OF THE PHYSICAL PLANNING &
OPERATIONS COMMITTEE**

Regent Roe, Chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Physical Planning and Operations Report which included reports pertaining to purchasing, project status, property accounting and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of resolution re Purchase of Goods/Services over \$250,000 as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate staff are authorized to award pending purchases/contracts over \$250,000 as presented in the docket materials including the revisions noted at the meeting.

Documentation is filed supplement to the minutes, No. 22,303.

- c) Approval of resolution regarding projects already submitted for information, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to proceed with the design and construction of the following projects:

- a. Cancer Center, Twin Cities Campus
Estimated cost of the project: \$13,940,000
Estimated completion date: November 1994
Funding: Private gifts and external bonding

Resolution approved regarding the external bonding (includes funding for athletic facilities project:

WHEREAS, the Regents of the University of Minnesota (the "University") have approved the construction and equipping of a new cancer center (the "Cancer Center Project");

WHEREAS, the total capital costs of the Cancer Center Project are presently estimated to be \$13,940,000;

WHEREAS, to finance all or a portion of the cost of the Cancer Center Project the University proposes to sell and issue general obligation bonds of the University in one or more series;

WHEREAS, by resolution adopted July 12, 1991 (the "Athletic Facilities Bonding Resolution"), the Regents of the University have approved the sale and issuance of general obligation bonds of the University in an aggregate principal amount not in excess of \$43,000,000 to finance the construction and equipping of a new hockey arena with capacity for 9,600 spectators, the renovation and refurbishing of Williams Arena and Mariucci Arena (the "Athletic Facilities Project") (the Cancer Center Project and the Athletic Facilities Project are herein together referred to as the "Projects");

WHEREAS, financing for the Cancer Center Project and Athletic Facilities Project may be provided by the same series of bonds, and this resolution is intended to supplement the Athletic Facilities Bonding Resolution as well as authorize the issuance of bonds for the Cancer Center Project;

WHEREAS, bonds of the University to be issued to finance either or both of the Projects are herein referred to as the "Bonds";

WHEREAS, the Bonds in one or more series will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University;

WHEREAS, the Indenture of Trust or Order pursuant to which any series of Bonds will be issued will contain the terms of such Bonds and agreements and covenants of the University with respect to the payment of the principal of, premium, if any, and interest on such Bonds;

WHEREAS, Bonds of any series will be sold by the University to one or more investment banking firms, banks or financial institutions which will act as the underwriter of the Bonds, pursuant to an agreement between the University and such investment banking firms, banks or financial institutions;

NOW, THEREFORE, BE IT RESOLVED, by the Regents of the University of Minnesota, as follows:

1. To provide funds to pay part or all of the costs to be incurred for the Cancer Center Project the University hereby authorizes the sale and issuance of the Bonds in an aggregate principal amount not in excess of \$12,000,000 (excluding original issue discount, if any, with respect to the Bonds). It is intended that the interest on the Bonds be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended. The interest rate on any series of Bonds authorized herein and in the Athletic Facilities Bonding Resolution may be a fixed rate or variable rate, as provided in the Indenture of Trust or Order pursuant to which it is issued; provided that the yield on any Bonds which are initially issued as fixed rate Bonds (without regard to any original issue discount) may not exceed 8.00% per annum. The Senior Vice President for Finance and Operations is authorized to approve the terms of any series of Bonds; including but not limited to the principal amount thereof, the maturity date or dates thereof, the interest rate or rates thereon, and the provisions with respect to redemption of

such Bonds prior to the stated maturity thereof.

2. Any series of Bonds for either or both of the Projects may be issued as part of a commercial paper program of the University, which involves the periodic reissuance of obligations of the University, and the authorizations contained herein and in the Athletic Facilities Bonding Resolution includes the issuance of Bonds in accordance with a commercial paper program. The provisions contained in this resolution and the Athletic Facilities Bonding Resolution with respect to the maximum rate of interest on any fixed rate bonds shall not apply to any obligations issued in connection with a commercial paper program.
3. The Senior Vice President for Finance and Operations is authorized to negotiate with one or more banks, investment banking firms or financial institutions the terms and conditions upon which one or more series of Bonds shall be sold and issued, and approve the terms of such sale and issuance. The Senior Vice President for Finance and Operations is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of Bonds, and approve the terms of such credit support or liquidity facility.
4. In connection with the issuance of any series of Bonds the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order of the University under which the series of Bonds is issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and the General Counsel, and the Secretary and Treasurer are

authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order of the University. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.

5. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and General Counsel.
6. The President and Treasurer are authorized to execute and deliver any agreements of the University with the provider of any credit support facility or liquidity facility for any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Senior Vice President for Finance and Operations and General Counsel.
7. The Senior Vice President for Finance and Operations is authorized to approve the Preliminary Official Statement and the final Official Statement to be prepared and distributed by the University to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement.
8. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate for completion of the issuance and sale of the Bonds.
9. The Secretary and other officials of the University are authorized and directed to

prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

10. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement with the initial purchaser or purchasers of any series of Bonds and agreements with the provider of any credit support facility or liquidity facility for any series of Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer. In the absence of the Senior Vice President for Finance and Operations, all authority granted to the Senior Vice President for Finance and Operations by this resolution may be executed by the Treasurer.

11. All or a portion of the costs of the Cancer Center Project may be paid by the University prior to the issuance of the Bonds to finance the Cancer Center Project, and to the extent such costs are paid by the University prior to the issuance of the Bonds it is the intent of the University to reimburse all or a portion of the costs of the Cancer Center Project paid by the University prior to the issuance of the Bonds from the proceeds of the Bonds. The reasonably expected source of funds that will be used to pay the

costs of the Cancer Center Project to be reimbursed from proceeds of the Bonds is amounts which the University has on hand and available for such purpose. The reasonably expected source of funds to be used to pay debt service on the Bonds is any proceeds of the Bonds to be used to pay interest on the Bonds during the period of construction of the Cancer Center Project, and the general revenues and funds of the University.

12. This resolution is intended to supplement the Athletic Facilities Bonding Resolution and to the extent any provisions herein are inconsistent with the provisions contained in the Athletic Facilities Bonding Resolution, the provisions contained herein shall control.

13. A copy of this resolution shall be maintained by the Secretary and shall be continuously available for public inspection at the office of the Secretary during normal business hours of the University on every business day beginning on the earlier of 10 days after adoption of this resolution or the date of issuance of the Bonds and ending on, and including, the date of issue of the Bonds.

- b. University Art and Teaching Museum,
Scope/Cost Increase, Twin Cities Campus
Project increase: \$615,000
Total estimated cost of the project:
\$13,000,000
Funding: Parking Reserves, Central Reserves
and Private Donations
Estimated completion date: June 1993
- c. Summer Residence, Scope/Cost Increase,
Cedar Creek Natural History Area, Bethel,
Minnesota
Estimated cost of the project: \$105,000
Funding: National Science Foundation; College
of Biological Sciences; Office of Academic
Affairs; and Cedar Creek Natural History Area
Estimated completion date: December 1991

d) Approval of the following projects approved in the Capital Request and funded by Legislative Appropriation as follows:

a. Fire Alarm and Emergency Lighting Upgrade, Morris Campus
Estimated cost of the project: \$127,000
Funding: 1990 Capital Appropriation for Health and Safety Improvements
Estimated completion: February 1992

e) Approval of the following land transactions:

a. Lease and Purchase of Land from Minnesota State Agricultural Society, Twin Cities Campus, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to complete the following transactions with the Minnesota State Agricultural Society: (1) purchase of 7,070 square feet of Society land south of Como Avenue at \$17,675; (2) lease for a period of 10 years of a strip of Society land at the State Fairground's western boundary between Como and Commonwealth Avenues and the Fairground's parking lots, together with the use of Commonwealth, Arlington, Randall and Buford Avenues, except during the period of the annual State Fair (12 days); (3) grant to the Society the right to operate buses on the Intercampus Transitway during the annual State Fair for a period of 10 years, together with use of the Transitway parking lots and other parking facilities.

b. Authority to Negotiate Purchase of 4.56 Acres at 25th Avenue and 5th Street, Twin Cities, Minneapolis, as follows:

RESOLVED, that on the recommendation of the President and the Senior Vice President for Finance and Operations, the appropriate administrative officers are authorized to negotiate the purchase of approximately 4.56

acres located at 25th Avenue and 5th Street SE, Minneapolis, from the Chicago and Northwestern Transportation Company.

The Board of Regents voted unanimously to approve the recommendations of the Physical Planning & Operations Committee.

Chair Roe reported that the committee also reviewed for information and voted unanimously to forward to the Board for action the following project:

- a. Center for Magnetic Resonance Research Addition, Twin Cities Campus
Estimated cost of the project: \$390,000
Funding: Gift funds
Estimated completion date: June 1992

The Board of Regents voted unanimously to approve the project.

Chair Roe reported that the committee also reviewed the following land transaction for information:

- a. Land Lease (10 year) to the City of Minneapolis, Rosemount Research Center

In addition, the committee reviewed the following project for information:

- a. Diehl Hall Sixth Floor Psychiatry Phase I Remodeling Project, Twin Cities Campus

REPORT OF THE FINANCE & LEGISLATIVE COMMITTEE

Regent Sahlstrom, reporting for the chair of the committee, stated that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Finance and Legislative Report including accounts receivable, central reserves, debt management and miscellaneous items as presented in the docket material and filed in the Regents' Office.
- b) Approval of Regents' Policy: Investment Policy Relating to Social Concerns, as follows:

Within the context of its overall mission of teaching, research, and public service, the Regents of the University of Minnesota recognize its fiduciary responsibility for investment of the assets of the University. The regents have delegated to the senior vice president for finance and operations and designees the authority for day-to-day objectives and guidelines as amended. The regents recognize that the senior vice president for finance and operations is, as a result of regents' policies, the body of trust law, and the laws of the United States and the State of Minnesota, held to strict stands of propriety and fiduciary responsibility in the management of the assets held in trust for the University.

Consistent with these responsibilities and obligations of the regents and the senior vice president for finance, the regents also desire that the University be socially responsible regarding its investments. Therefore, the regents have designated the Social Concerns Committee of the University Senate to provide guidance to the regents and the senior vice president for finance and operations in effectively implementing socially responsible policies regarding investments.

The Social Concerns Committee shall have the following functions regarding investment issues:

Definition of Issues

The committee shall define the issues of social concern to the University as a whole through:

- regular interaction with the University community and campus advocacy groups;
- monitoring with the assistance of deans and department heads, the press, literature, and current events regarding socially responsible investment activity;
- maintaining a significantly diverse membership as outlined by the University Senate.

Responsibilities

In furthering the regents' desire to be socially responsible regarding its investments and consistent with the regents' fiduciary obligations, the committee shall:

- annually determine which shareholder resolutions should be of concern to the University and recommend specific votes on these resolutions to the senior vice president for finance and operations. All such recommendations and votes shall be reported to the regents;
- recommend, where appropriate, resolutions on specific issues that the University as a shareholder would place before affected companies;
- where appropriate and in recognition of the strict fiduciary responsibilities regarding investments, recommend to the senior vice president for finance and operations restrictive investment policies or positive social investment policies;
- monitor the effectiveness of action taken regarding shareholder resolutions or social investment policies;
- recommend other actions consistent with the fiduciary responsibilities of the regents and the senior vice president for finance and these guidelines.

The Board of Regents voted unanimously to approve the recommendations of the Finance & Legislative Committee.

Regent Sahlstrom reported that the committee also reviewed a proposed resolution relating to the insurance/risk management program; proposed modifications to the Reserve Spending Plan; and participated in a short discussion relating to legislative strategy.

REPORT OF THE EDUCATIONAL PLANNING & POLICY COMMITTEE

Regent Roe, reporting on behalf of the chair of the committee, reported that the committee voted unanimously to recommend approval of the following actions:

- a) Approval of the Senior Vice President's Monthly Educational Planning and Policy Report as presented to the committee in the docket material.
- b) Approval of resolution re Free-standing Graduate Minor in Studies of Science and Technology, as follows:

RESOLVED, that the proposal for a free-standing minor in Studies of Science and Technology at the Master's and Ph.D. levels, as presented for information at the July 1991 meeting of the Board of Regents, is hereby approved.

The Board of Regents voted unanimously to approve the recommendations of the Educational Planning & Policy Committee.

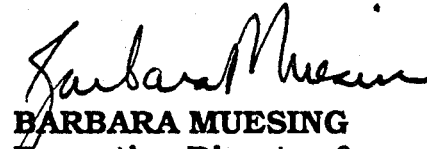
REPORT OF THE AUDIT COMMITTEE

Regent M. Page, Chair of the committee, reported that there was no report this month.

NEW BUSINESS

Regent Roe noted that members of the Board had received a flyer with respect to collective bargaining negotiations with University of Minnesota Hospital employees and indicated that even though the University has taken a position with regard to salary increases, he would urge the administration to continue those negotiations on the Hospital contract.

The meeting adjourned at 12:15 p.m.


BARBARA MUESING
Executive Director &
Corporate Secretary

