

MEETING OF THE BOARD OF TRUSTEES

OF THE

UNIVERSITY OF ILLINOIS

February 9, 1995



The February meeting of the Board of Trustees of the University of Illinois was held in Chicago Room C, Chicago Illini Union, Chicago campus, Chicago, Illinois, on Thursday, February 9, 1995, beginning at 10:30 a.m.

Chair Thomas R. Lamont called the meeting to order and asked the secretary to call the roll. The following members of the board were present: Mrs. Judith Ann Calder, Mr. William D. Engelbrecht, Dr. Jeffrey Gindorf, Mrs. Susan L. Gravenhorst, Mr. Thomas R. Lamont, Ms. Ada N. Lopez, Mrs. Martha R. O'Malley, Ms. Judith R. Reese. The following members of the board were absent: Dr. Gloria Jackson Bacon, Governor Jim Edgar. The following nonvoting student trustees were present: Mr. Christopher Didato-Castillo, Chicago campus; Mr. Chapin Rose, Urbana-Champaign campus.

Also present were President Stanley O. Ikenberry; Dr. Sylvia Manning, vice president for academic affairs; Dr. James J. Stukel, chancellor, University of Illinois at Chicago; Dr. Michael Aiken, chancellor, University of Illinois at Urbana-Champaign; and the officers of the board, Dr. Craig S. Bazzani, comptroller (and vice president for business and finance); Mr. Byron H. Higgins, university counsel; Mr. Lester H.

McKeever, Jr., treasurer; and Dr. Michele M. Thompson, secretary. In addition, the following persons were also in attendance: Mr. Donald K. Coe, director, University Office of Public Affairs; Mr. Kirk Hard, executive assistant to the president of the University; and Mr. R. C. Wicklund, associate secretary emeritus.

EXECUTIVE SESSION DEFERRED

Mr. Lamont announced that owing to the fact that the time available to the board for consideration of many issues was short, he would suggest deferring the executive session until later in the day. There was concurrence among the trustees for this change in schedule.

MEETING OF THE COMMITTEE ON FINANCE AND AUDIT

Mr. Lamont asked Mrs. Calder to convene the Committee on Finance and Audit. Mrs. Calder announced that this committee meeting was scheduled for the purpose of receiving a report from Vice President Bazzani on a proposal to purchase natural gas on a long-term basis to supply the University with a more economical arrangement for obtaining an assured supply of this important energy source for the University's needs. Dr. Bazzani emphasized that the assurance of a steady supply was the major concern and the basis for presenting this proposal. He told the board that it was not simply designed to save money. However, he explained that there is an expectation that the University will save \$4 million over 10 years in the purchase of natural gas by implementing this long-term plan. He recommended that the University issue Certificates of Participation to provide the revenue needed.

Dr. Bazzani reviewed the elements of this proposal and indicated that this would come to the board for a vote in March, at that board meeting. (Materials describing the proposed purchase plan for natural gas were distributed and are on file with the secretary.)

In response to Mr. Engelbrecht's question about what might go wrong with this arrangement, particularly with regard to price, since the contract is to continue for 10 years, the board members were assured that precautions had been taken to ensure a very favorable price for the University in the contract, including mediation on costs. Further, it was explained that there is also a mechanism for ceasing this arrangement earlier than the end of the contract if necessary to protect the University by changing the physical mechanism that delivers natural gas or changing the financial arrangements.

Board members were pleased with the arrangements presented for supply of this energy source and with the financial approach. It was explained that there was just one insurance organization willing to participate in this. This is the AMBAC organization.

MEETING OF THE COMMITTEE ON THE UNIVERSITY HOSPITAL AND CLINICS

Dr. Gindorf called this meeting to order and asked Vice Chancellor R. K. Dieter Haussmann to present materials and information related to the agenda for the committee.

Dr. Haussmann first presented the performance report for the second quarter of the fiscal year for the hospital and clinics. This included census data, operations improvement information, and the income statement. Patient occupancy was reported to be 74 percent. Dr. Haussmann noted that clinic visits are up. He also noted that emergency room visits are up and many of these patients are Medicaid patients. It was reported that one-quarter of hospital admissions come through the emergency room.

Second, Dr. Haussmann told the board that the UIC hospital and clinics do not have ongoing relationships with patients outside the hospital. He introduced a plan to use the Mile Square Health Center as a model in pursuing community groups to work with patients to encourage use of the UIC clinics on a regular basis.

Third, Dr. Haussmann briefly reviewed the Medical Service Plan, stating that it is performing quite well.

Fourth, Dr. Haussmann reviewed the status of Mile Square Health Center, noting that there are 10.5 FTE physicians working at Mile Square and that there is a plan to add as few as three and as many as five new physicians to the staff there. He responded to one question about the availability of family practice physicians by stating that the market was very competitive for physicians with this specialty.

(Materials related to all the above issues are on file with the secretary.)

Next, Dr. Haussmann described plans to develop more fully the relationship with Advocate Care, formerly EHS. He stressed that it is necessary for the UIC hospital to have a partner in the private health care setting so that health sciences students can have access to patients in this sector as a part of their education at UIC. He described the extant affiliations with Advocate and indicated that the hospital would not be a dues-payer in the relationship with Advocate as a contracting arrangement. He stressed that UIC hospital needs market access in areas that are controlled by Advocate. He explained that affiliations exist with some hospitals that are a part of Advocate now, e.g., Christ Hospital, for access to their specialties in oncology and heart disease.

Dr. Haussmann then turned to a discussion of a managed care plan for Medicaid patients. He indicated that a new HMO for the UIC hospital especially designed for Medicaid patients is proposed. He reported that in such a new plan 50,000 Medicaid enrollees would be needed. He proposed using the University of Illinois HMO Plan Trust as the vehicle for the new Medicaid HMO.

In closing, Dr. Haussmann drew the trustees' attention to two items

in the regular agenda. One was the budget for Mile Square Health Center for calendar year 1995. He explained the increase in this as due to anticipated growth in services. The second was a recommendation for extending a contract with a collection agency. This is recommended based on the agency's past success.

(Mrs. Calder left the meeting at this time.)

Dr. Haussmann then introduced Dr. Robert F. Biehl, director, Division of Specialized Care for Children (DSCC). Dr. Biehl briefed the board members on the purpose and special programs of DSCC. He also discussed billing arrangements of DSCC and programs mandated by the Public Law dealing with care and treatment of handicapped children. (Materials distributed by Dr. Biehl are on file with the secretary.)

MEETING OF THE COMMITTEE ON BUILDINGS AND GROUNDS

Mr. Engelbrecht introduced this committee and explained that Associate Vice President Robert K. Todd would review the items listed on the committee's agenda and added that there would be two other brief reports, one on external signs at UIC and one dealing with repairs needed for the parking garage at Krannert Center for the Performing Arts at Urbana.

Mr. Todd then briefly described the selection of architects/engineers for Capital Development Board projects at Rockford and at Urbana and called the board members' attention to the report on the status of capital projects for the University. He noted that this list included an Ambulatory Care Facility at Chicago. Following this, Mr. Todd asked for questions on any of the capital projects recommended for the board's approval later in the meeting.

Next, Mr. Todd explained to the board that the decision had been made to use signs painted a color called architectural bronze for the outside signs at the Chicago campus.

He then turned to the topic of constructing a new Ambulatory Care Facility at Chicago. Dr. Haussmann described the plan and Mr. Todd reported that there would be a recommendation presented to the board in the near future, probably at the March meeting, to hire a construction manager for this.

Dr. Bazzani then informed the board of a problem with the parking garage connected to the Krannert Center for the Performing Arts at Urbana. He explained that this was similar to the problems that were present in the parking lot in Chicago at Paulina and Taylor Streets that the board had heard of at an earlier time. Dr. Bazzani stressed the importance of having the parking garage at Krannert available and in good repair. He explained that it is used at nearly all times, either for performances or by staff for daily parking. He indicated that the Repair and Renovation Reserve would be used for the funds to complete these repairs. He noted that as a consequence of this repair program, parking rates at Urbana might be increased. The cost of the repairs was estimated

to be \$7 million for repair of two levels of parking spaces. Dr. Bazzani asked the board for authority to initiate this process by hiring Construction Technology Laboratories, Inc., as a project consultant.

The committee members agreed by consensus to direct Dr. Bazzani to proceed and bring a report to them at their next meeting.

There being no further business, the committee meeting was adjourned.

MEETING OF THE COMMITTEE ON ACADEMIC AFFAIRS

Ms. Reese introduced the meeting and indicated that Dr. Larry Braskamp, dean of the College of Education at Chicago, would present information concerning the various efforts of the college to reach out to the city and the public schools in Chicago. Dean Braskamp then described programs developed over the past five years in the college to interact more closely with the public schools and the fact that faculty with interests in working on issues confronting urban schools have been specifically recruited by the college. Following these remarks he turned to one of the faculty members of the college, Professor William Ayers, and invited Dr. Ayers to describe the latest partnership activity undertaken by the college to provide assistance to the Chicago schools, the Annenberg Challenge Grant award.

Professor Ayers summarized the events in which he had participated with groups involved in helping to achieve success in securing this award and stressed that he thought that the Chicago schools must be a part of this nationwide effort to assist urban schools because of the good record established in Chicago in the past several years that included activities of the College of Education at UIC. He indicated that he hoped the grant would be used to revitalize the initiative under way in Chicago regarding school reform. He told the board of a group known as the Chicago School Reform Collaborative which was created by the Annenberg grant. He noted that money for this was not to go to the central office of the school board in Chicago. He said the Collaborative was formed to get money directly to the individual schools. He also said that an important part of the plan is to create time for teachers to interact with each other. Dr. Ayers explained that since the Board of Education is not administering this grant, the fiscal agent for the present will be the Donors Forum of Chicago. He explained that eventually an independent board will be formed with a director to act as fiscal agent and another individual to act as project director. Lastly, Dr. Ayers reminded all that the Annenberg grant is a challenge grant. Money to match this must be raised in Chicago.

There being no further business, the committee adjourned and the board recessed for lunch. (A brief description on research on sickle cell disease was presented following lunch. A copy is filed with the secretary of the board.)

BOARD MEETING RECONVENED

When the board reconvened in regular session, the members of the board, officers of the board, and officers of the University as recorded at the beginning of these minutes were present, with the exception of Trustee Calder.

BUSINESS PRESENTED BY THE PRESIDENT OF THE UNIVERSITY

President Ikenberry recognized and introduced observers from the campus senates and from the University Senates Conference.¹

The president then asked Chancellor Aiken to introduce the new associate chancellor for public Affairs at Urbana, Dr. William M. Murphy.

Next, he reported to the board that the month of March would be most crucial since the governor's budget will be introduced in the General Assembly this month. Most important in this budget is the recommendation for increases in faculty salaries. If this recommendation is approved, it would provide for budget stability for the third year in a row. The president indicated that the budget recommended by the Illinois Board of Higher Education and advanced by the governor is within reach. Though modest, it is attainable.

Next, he told the board of developments in legislative proposals to change the governance of higher education in the State. He noted that a bill introduced to transfer Sangamon State University to the University of Illinois and give individual boards to all other institutions in the Board of Regents system and to all in the Board of Governors system had been introduced in both chambers of the General Assembly. He said that the bill appears to be moving very rapidly.

In view of the speed with which these proposed changes seem to be moving through the legislature, the president urged the board to consider these issues very seriously and think of: (1) what will be the future status of faculty throughout the University; (2) how will programs at the Chicago and Urbana campuses of the University be reviewed for possible offerings at a Springfield campus; (3) what are the possibilities for restructuring the campus at Springfield; (4) how will the University deal with collective bargaining for faculty in this situation (he stressed the importance of avoiding the creation of two classes of faculty); and (5) how will the University make certain that any change that would add a campus to the University will be more than simply a change made in name only.

The president then referred to the costs, mostly one time, of adding Sangamon State University to the University of Illinois, citing the cost of changing many systems to conform to those in place at the University of Illinois.

In concluding his remarks about proposed governance changes

¹ University Senates Conference: Tawfik Y. Sabet, professor of oral biology, Chicago campus; Urbana-Champaign Senate Council: Thomas J. Riley, associate professor of anthropology; Chicago Senate: Edward A. Lichter, professor of medicine, College of Medicine at Chicago.

President Ikenberry informed the board that he did not support recent IBHE recommendations for an extension of powers for the IBHE. He indicated that he had written the executive director, Dr. Richard Wagner, objecting to the suggestion that the powers of the IBHE be enhanced at the cost of limiting academic decisions traditionally made by University governance boards.

STATEMENT BY TRUSTEE THOMAS R. LAMONT

Mr. Lamont, stating that he wished to make a comment as an individual trustee, asked Ms. Reese to assume the chair for him and then to recognize him as a member of the board to make this comment.

This having been done, Mr. Lamont then spoke to the board members stating that as a resident of Springfield he often receives many comments on matters of legislation. He said that the bill described above in President Ikenberry's report has been the subject of many comments made to him in recent weeks. He said that he has explained that this bill was not a product in any way of the University of Illinois. He then said that the bill has been characterized as a "union-breaking" proposal. He stated that he fully supported all groups of University employees and any decisions they as a group are entitled to make.

Following these remarks, Mr. Lamont returned to his role as chair.

APPOINTMENTS TO STANDING COMMITTEES OF THE BOARD

Chair Lamont presented the standing committees¹ and other appointments for 1995 as follows:

Academic Affairs

Judith R. Reese, Chair
Susan L. Gravenhorst
Ada N. Lopez
Martha R. O'Malley
*Christopher Didato-Castillo
*Chapin Rose

Athletics

Susan L. Gravenhorst, Chair
William D. Engelbrecht
Jeffrey Gindorf
Martha R. O'Malley
*Chapin Rose

Buildings and Grounds

William D. Engelbrecht, Chair
Gloria Jackson Bacon
Judith Ann Calder
Ada N. Lopez
Judith R. Reese

Diversity

Ada N. Lopez, Chair
Judith Ann Calder
William D. Engelbrecht
Susan L. Gravenhorst
Judith R. Reese
*Christopher Didato-Castillo

Finance and Audit

Judith Ann Calder, Chair
Gloria Jackson Bacon
William D. Engelbrecht
Jeffrey Gindorf
Susan L. Gravenhorst
*Chapin Rose

Student Affairs

Martha R. O'Malley, Chair
Gloria Jackson Bacon
Susan L. Gravenhorst
Ada N. Lopez
Judith R. Reese
*Christopher Didato-Castillo
*Chapin Rose

¹ Nonvoting student members are designated by an asterisk.

University Hospital and Clinics

Jeffrey Gindorf, Chair

Gloria Jackson Bacon

Judith Ann Calder

Martha R. O'Malley

Judith R. Reese

*Christopher Didato-Castillo

Distinguished Service Medallion

Thomas R. Lamont, Chair

Gloria Jackson Bacon

Susan L. Gravenhorst

Ada N. Lopez

Judith R. Reese

The chair of the board and the president of the University are members, ex officio, of all committees, the chair of the board with vote.

Representative, Illinois Board of Higher Education

Mr. Lamont announced that Mrs. Gravenhorst would serve as the alternate member to the Illinois Board of Higher Education.

Election of Civil Service Merit Board Representatives

On motion of Ms. Lopez, Dr. Gindorf, Mrs. Gravenhorst, and Mrs. O'Malley were elected to serve on the Civil Service Merit Board.

State Universities Retirement System Representatives

On motion of Dr. Gindorf, Mrs. Calder and Mr. Lamont were elected.

Representative, University of Illinois Foundation

Mr. Lamont announced that Ms. Reese would serve as representative to the University of Illinois Foundation.

Representative, University of Illinois Alumni Association

Mr. Lamont announced that Mr. Engelbrecht would serve as representative to the University of Illinois Alumni Association.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Ms. Reese reported that she had attended the most recent meeting of the University of Illinois Foundation Board. She indicated that the total donations for both campuses had increased by about 60 percent this year. Also, she noted that matching gifts were down about 12 percent. She told the board that the campaign had reached the 50 percent mark. She also reminded the board members of the Spring Gathering of the President's Council scheduled April 28-29 at the Four Seasons Hotel in Chicago.

Mr. Rose spoke to item no. 13 in the regular agenda and expressed the gratitude of students at the Urbana campus that efforts were being made to control flooding of the Boneyard Creek in Champaign-Urbana.

Chancellor Stukel told the board that he sadly announced the death of Professor Robert Mier of the Chicago campus. The chancellor said

that Professor Mier's contributions to the campus and to the City of Chicago were many.

REGULAR AGENDA

The board considered the following reports and recommendations from the president of the University.

By consensus, the board agreed that one vote would be taken and considered the vote on each agenda item nos. 1 through 4 inclusive. The recommendations were individually discussed but acted upon at one time.

(The record of board action appears at the end of each item.)

Interim Dean, College of Urban Planning and Public Affairs, Chicago

(1) The chancellor at Chicago has recommended the appointment of Allan W. Lerner, presently interim director of the School of Urban Planning and Policy and professor of political science and of urban planning and policy, as interim dean of the College of Urban Planning and Public Affairs, beginning February 10, 1995, on a twelve-month service basis at an annual salary of \$94,613, which includes a \$13,198 administrative stipend. (Salary will revert to academic year appointment upon completion of interim status.)

Dr. Lerner will serve as the first dean of the College of Urban Planning and Public Affairs. The appointment is effective through August 31, 1996. During the last year of his appointment, a national search for a permanent dean will be conducted. Dr. Lerner will continue to hold the rank of professor of political science on indefinite tenure and professor of urban planning and public affairs. A search for a permanent dean will commence sometime within the next six months.

The vice president for academic affairs concurs.

I recommend approval.

On motion of Ms. Reese, this appointment was approved.

Chair, Department of Medicine, College of Medicine at Peoria, Chicago

(2) The chancellor at Chicago, after consultation with the dean of the College of Medicine, has recommended the appointment of Sara L. Rusch, M.D., presently clinical associate professor of medicine and acting chair of the Department of Medicine in the College of Medicine at Peoria, as associate professor of clinical medicine and chair of the Department of Medicine at the College of Medicine at Peoria, effective February 10, 1995, on a twelve-month service basis on 60 percent time at an annual salary of \$75,000, of which 25 percent is for her associate professor position at \$31,250 and 35 percent is an administrative stipend at \$43,750.

Dr. Rusch will succeed Dr. Richard W. Carlson who resigned on August 31, 1994.

This recommendation is made with the approval of a search committee,¹ the

¹ William H. Albers, M.D., professor, physician surgeon, medical director, and chair of pediatrics, College of Medicine at Peoria, *chair*; Gilda Cardenosa, M.D., clinical associate professor of radiology, College of Medicine at Peoria; Howard S. Cohen, M.D., clinical associate professor of pediatrics, College of Medicine at Peoria; John J. Coon, M.D., clinical associate professor of family practice, College of Medicine at Peoria; Michael A. Frasca, M.D., associate professor of clinical medicine and physician surgeon in medicine, College of Medicine at Peoria; Erich H. Loewy, M.D., professor and physician surgeon in medicine, College of Medicine at Peoria.

Executive Committee of the College of Medicine at Peoria, and the Executive Committee of the College of Medicine and after consultation with the faculty of the department.

The vice president for academic affairs concurs.

I recommend approval.

On motion of Ms. Reese, this appointment was approved.

Appointments to the Faculty

(3) The following new appointments to the faculty at the rank of assistant professor and above, and certain administrative positions, have been approved since the previous meeting of the Board of Trustees.

Positions in the University are classified in the following categories and are designated in the budget by the symbols indicated.

A — Indefinite tenure

N — Term appointment not eligible to be appointed for an indefinite term and not credited toward probationary period

Q — Initial term appointment for a professor or associate professor

Y — Twelve-month service basis

1-7 — Indicates the number of years of service which will be credited at the end of the contract period toward completion of the probationary period relating to tenure.

Figures following a symbol indicate percentage of time if the appointment is on a part-time basis (e.g., N75 means one year on three-fourths time).

Chicago

MARC S. ATKINS, associate professor of psychiatry, on 100 percent time, and director of psychiatric training, on zero percent time, College of Medicine at Chicago, beginning December 1, 1994 (AY100;NY), at an annual salary of \$75,000.

PETER G. OKKEMA, assistant professor of biological sciences, beginning August 21, 1994 (N), at an annual salary of \$45,000 (on leave of absence without pay through January 5, 1995).

JAMES M. SINACORE, assistant professor of family practice, College of Medicine at Chicago, beginning January 1, 1995 (NY), at an annual salary of \$56,000.

Administrative Staff

WILLIAM M. MURPHY, associate chancellor for public affairs, Urbana-Champaign, beginning March 13, 1995, at an annual salary of \$96,000.

MICHAEL E. TRISTANO, executive associate vice chancellor for administration and human resources, Chicago, beginning January 1, 1995 (NY), at an annual salary of \$95,000.

On motion of Ms. Reese, these appointments were confirmed.

Authorization to Apply for and Accept a Fiscal Year 1995 Grant from the Federal Aviation Administration, Willard Airport

(4) The FAA has requested that we apply for a grant to fund a project to conduct a site investigation and to develop construction plans and specifications for Phase I of a multi-phase, multi-year rehabilitation of Runway 14R/32L, its parallel taxiway and intersecting pavements. The project will be accomplished by a consulting engineering firm. The FAA grant will provide \$243,000 from the airport's FY 1995 Federal entitlement funds. The remaining \$326,985 of the FY 1995 Federal entitlement funds will be carried over to FY 1996 to partially fund Phase I of the runway

rehabilitation. Project funding has been established at \$270,000. The FAA grant will provide \$243,000 (90 percent of the project cost). The State of Illinois' Department of Transportation, Division of Aeronautics, will provide the State's five percent matching share of \$13,500 and the University's five percent matching share of \$13,500. No University funds are required for this project. Phase I is estimated to cost \$996,136 and Phase II is estimated to cost \$3,722,342.

This runway was last resurfaced in 1974. The stress caused by twenty years of winter climate has resulted in extensive "D" cracking. "D" cracking occurs in concrete runways due to the environmental stress of freezing and thawing of concrete. A nine-month study, sponsored by airport management and conducted by faculty of the University of Illinois' Civil Engineering Department, with expertise as pavement specialists, has indicated that the proposed project is the next step in solving the problem.

The firm of Crawford, Murphy & Tilly, Inc., Springfield, is recommended as the consulting engineering firm for this project and for Phase I and Phase II of the runway rehabilitation. For this project, the consultant will make an in-depth analysis of the on-site condition, will propose solutions, and will develop construction plans and specifications to accomplish Phase I of the rehabilitation of the pavements.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the University submit a grant application to the FAA, accept the grant offer, and select the firm of Crawford, Murphy & Tilly, Inc., for this project, Phase I and Phase II of the runway rehabilitation. This firm is recommended for the purpose of studying and developing construction plans and specifications for Phase I of the construction project.

On motion of Ms. Reese, this recommendation was approved.

By consensus, the board agreed that one roll call vote would be taken and considered the vote on each agenda item nos. 5 through 15 inclusive. The recommendations were individually discussed but acted upon at one time.

(The record of board action appears at the end of each item.)

Approval of 1995 Budget for the Mile Square Health Center, Chicago

(5) The chancellor at Chicago recommends approval of the budget for the Mile Square Health Center for calendar year 1995 as required by the terms of the 1990 agreement between the University's Board of Trustees and the City of Chicago. The center's coordinating committee approved the budget on November 9, 1994. The Chicago City Council approved the budget on November 16, 1994.

The vice chancellor for health services, along with the center's executive director and coordinating committee, has proposed an operating budget of \$6,304,782 for the year representing an increase of 9.5 percent over the actual expenditure level for calendar year 1994. The projected level of services at the center is expected to increase by 70.4 percent from 40,375 patient encounters in 1994 to 68,815 patient encounters in 1995. The University's contribution to this budget is \$712,250, an increase of 4.3 percent. A summarized budget is presented below.

NET REVENUE:

Patient Services.....	\$3 790 372
Grant Revenues.....	1 774 380
Other Revenue	27 780
UICMC Revenues.....	<u>712 250</u>
<i>Total Net Revenues</i>	<i>\$6 304 782</i>

EXPENSES:

Salaries and Wages	\$5 052 459
Operating Expenses	1 252 323
<i>Total Expenses</i>	<u>\$6 304 782</u>
<i>Net Revenue over Expenses</i>	- 0 -

The vice president for business and finance recommends approval.
I concur.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

**Contract Amendment for MANG Services,
University of Illinois Hospital and Clinics, Chicago**

(6) The chancellor at Chicago recommends the approval of an amendment to increase the payments to HHL Financial Services, Inc. (HHL), Lincolnwood, for services associated with the filing of Medicaid applications. At the June 10, 1994, board meeting, a contract was approved to allow payment for the professional services of HHL for filing and qualifying patients for Medical Assistance No Grant (MANG) applications provided in Fiscal Year 1994, but not paid until FY 1995 by the Illinois Department of Public Aid (IDPA).

The approved contract was limited to \$250,000 and resulted from an estimate of approximately \$1,250,000 in paid claims to the hospital. However, due to the large backlog of claims with IDPA, payments in the amount of \$2,750,000 are expected to be received as a result of HHL's efforts. It is necessary, therefore, to increase the contract with HHL by \$300,000 to a total of \$550,000.

Funds are available in the Hospital Income Fund. The vice president for business and finance recommends approval.

I concur.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Contract, Stairs and Life Safety Remodeling, Illini Union, Urbana

(7) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract for \$295,000 to Ranken Steel, Inc., Champaign, the lowest responsible bidder, on the basis of its base bid, for the structural steel and miscellaneous metal work for the stairs and life safety remodeling project in the Illini Union at the Urbana campus.

The proposed \$2.3 million project consists of reconfiguration and enclosure of the north interior stair towers to satisfy code requirements while preserving the essential architectural integrity of the building's interior space. Concurrent with this project, the men's room on the north lower level is to be relocated, facilitating construction of the northwest interior stair tower. Also included in the project is the installation of sprinkler systems in the basement and the stairwells.

Funds are available from the Auxiliary Facilities System Series 1993 Revenue Bond issue.

A schedule of the bids received has been filed with the secretary of the board for record.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Contract, Window Replacement, Goodwin and Green Apartments, Urbana

(8) The president of the University, with the concurrence of the appropriate administrative officers, recommends the award of a contract in the amount of \$457,922 to Replacement Window Systems, Inc., Markham, the lowest responsible bidder, on the basis of its base bid (\$449,756) plus alternate #G-1 (\$8,166), for the window replacement project for the Goodwin and Green Apartments at the Urbana campus. (Alternate #1 is to provide insulated glass injected with Argon gas and to seal the unit.)

The Goodwin and Green Apartments were constructed in 1950 and 1951. The original windows installed are single-glazed, double-hung windows. The proposed \$500,000 window replacement project consists of replacing the existing windows with new energy-efficient insulated units.

Funds are available from the Auxiliary Facilities System FY 1995 R&R and Housing Division Funds.

A schedule of the bids received has been filed with the secretary of the board for record.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Increase in Project Budget; and Increase in Architectural/Engineering Contract, Office of Admissions and Records Building, Urbana

(9) On October 20, 1994, the board approved the revised project budget of \$5,859,797 for the Office of Admissions and Records Building at the Urbana campus. The project includes planning, construction, utilities, site development, and landscaping. The 29,000 gsf (16,475 nasf) facility will house the Office of Admissions and Records, currently located in three buildings on campus. The proposed three-story building will be located south and east of the Levis Faculty Center on Gregory Street; and the scope of the project will include steam and electric utility extensions, site development, and building construction. The utility infrastructure extensions will include new chilled water lines, steam and condensate mains, and electrical distribution center upgrades, which will also accommodate future facilities to be located in the same area.

Subsequently, at the request of the Urbana campus, upgrades to the appearance

and quality of the facility's exterior and interior have been included in the project. These upgrades include slate or copper roofing, window glazing and frame upgrades, more durable floors, a wider range of interior finishes, improved HVAC systems, elevator access to mechanical systems, emergency generator, and a wider range of lighting options. The cost for adding these upgrades to the project is estimated to be \$830,000, for which campus Institutional Funds are available.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the project budget be increased from \$5,859,797 to \$6,689,797 (an increase of \$830,000).

It is further recommended that the contract with the project architect, Ware Associates, Chicago, be increased by \$73,000 for the professional architectural and engineering services required for the expanded scope of the project.

Funds for the project are available initially from campus Institutional Funds with anticipated reimbursement from a future Auxiliary Facilities System bond sale.

On motion of Dr. Gindorf, these recommendations were approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Delegation of Authority to Award Contracts for Remodeling Clark Hall, Urbana

(10) Clark Hall, located on Fourth Street at the Urbana campus, was constructed in 1941. The first and fourth floors of Clark Hall are used as residential areas whereas the second and third floors have been converted to the main administration office of the Housing Division.

The proposed project is to remodel Clark Hall in order to comply with the provisions of the Americans with Disabilities Act. The scope of the remodeling includes additional parking at the front entry, exterior ramps and walks, automatic exterior doors, installation of an elevator, and remodeling of toilet rooms.

In order for the project to be completed on schedule (no later than August 15, 1995), it is essential that contracts be awarded prior to the March 9, 1995, meeting of the Board of Trustees. Bids are to be received February 14 and 16, 1995.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the comptroller be delegated the authority to award contracts to the lowest responsible bidder for each division provided the total of the bids received does not exceed \$490,000.

A report of the bids received will be presented to the board at its March 9, 1995, meeting.

Funds are available from the Housing Division's Building Maintenance Reserve Account.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

**Report of Contract Award; and
Delegation of Authority to Award a
Contract for Structural Steel,
Bielfeldt Athletic Administration Building, Urbana**

(11) Since the proposed \$6.7 million Bielfeldt Athletic Administration Building project at the Urbana campus is on a very compact schedule, on October 20, 1994, the board authorized the comptroller to award contracts for Bid Group 2 (foundation, structural steel, and site utilities) provided the total of the bids received did not exceed \$890,000.

On November 16, 1994, and January 11, 1995, bids were received for Bid Group 2. The bids for the foundation and the site utilities work were within the project estimate; however, the bids for the structural steel portion of Bid Group 2 exceeded the project estimate. After review of the bids, the project architect recommended, and the Office for Capital Programs concurred, that the structural steel be rebid.

The bid documents are being revised for the structural steel portion of Bid Group 2, and bids are to be received at or around the end of February 1995. It is estimated that the total of the low bids received will not exceed \$470,000.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the comptroller be delegated the authority to award contracts to the lowest responsible bidder for the structural steel portion of Bid Group 2 provided the total of the bids received does not exceed \$470,000.

A report of the bids received for the structural steel will be made at the March or April 1995 meeting of the board.

The following contracts for the foundation and site utilities work have been awarded and the award in each case is to the lowest responsible bidder on its base bid plus acceptance of the indicated alternate (B-1, which is for additional sanitary manhole and sanitary sewers):

Bid Item #2 — Foundations

English Brothers Company, Champaign ..	Base Bid	\$265 500
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Bid Item #4A — Electrical/

Telecom Ductbank

Coleman Electrical Service, Inc.,

Mansfield	Base Bid	120 000
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Bid Item #4B — Water Main and

Sanitary Sewers

Cross Construction, Inc., Urbana	Base Bid	\$60 500
	Alt. B-1	7 000

67 500

Bid Item #4C — Storm Sewers

Cross Construction, Inc., Urbana	Base Bid	61 000
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Total		\$514 000
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A schedule of the bids received has been filed with the secretary of the board for record.

The 37,250 gsf facility will house the Division of Intercollegiate Athletics administrative offices and offices for the majority of the men's and women's athletic programs, as well as a Hall of Fame.

Private gift funds for this work are available with the possibility of reimbursement from a subsequent revenue bond sale for the project.

(Note: A proposal for Bid Item #2 — Foundations was received from Imperial Concrete Company, Inc., Champaign, on its base bid of \$220,220. That firm notified the University that it made a serious error in its bid and requested permission to withdraw it since, due to the error, the firm could not fulfill its contractual obligation without suffering economic hardship. The architect/engineer and the Office for Capital Programs have determined that there is clear and demonstrable evidence that the bidder made a bona fide error in the preparation of the bid, that the error will result in a substantial loss to the bidder, and have recommended that the bidder be allowed to withdraw its bid. Further, the architect/engineer has talked to English Brothers Company, Champaign, about its bid and was informed that the firm understands all of the project's specified requirements. The university counsel has advised that, under these circumstances, the University's regulations allow the University to permit the withdrawal.)

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Supplemental Funding, Noyes Laboratory Remodeling, Urbana (Contract With Capital Development Board)

(12) On July 9, 1993, the Board of Trustees requested the Capital Development Board to employ the firm of RUST Environment & Infrastructure, Inc., Schaumburg, for remodeling Noyes Laboratory at the Urbana campus.

The basic project consists of a multi-phased project to update the instructional laboratories on the second and fourth floors, including new equipment, proper ventilation, and upgrade in electrical systems.

In January 1995, bids were received by the Capital Development Board for the project. The Urbana campus has recently identified funds which will allow the acceptance of bid alternate #2 which provides for remodeling the organic chemistry laboratory and its associated prep and storage room (3,700 nsf).

State statutes provide that the Capital Development Board and the University may contract with each other and other parties on the design and construction of any project to be constructed on University property.

Accordingly, the president of the University, with the concurrence of the appropriate administrative officers, recommends that the University now contract with the Capital Development Board in order to finance the expanded project scope at an additional cost of \$647,000 for the Noyes Laboratory remodeling project.

University funds are available from the Institutional Funds budget of the Urbana campus and the School of Chemical Sciences.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Employment of Architects/Engineers, Capital Development Board Projects, Rockford, and Urbana

(13) The president of the University, with the concurrence of the appropriate administrative officers, recommends that the Board of Trustees request the Capital

Development Board to employ architects and engineers as indicated below for capital projects for Fiscal Year 1995 at the College of Medicine at Rockford and at the Urbana campus. The professional fee for each firm employed will be negotiated by the Capital Development Board in accordance with its procedure.

<i>Project</i>	<i>Project Budget</i>	<i>Professional Firm Recommended</i>
<i>College of Medicine — Rockford</i>		
Repair Masonry and Windows	\$ 110 000	Williams & Elliot, Rockford
<i>Urbana</i>		
Campus Flood Control	2 880 000	Berns, Clancy and Associates, Urbana
Boneyard Creek Flood Control		
Dorner Drive Retention Basin		Daily and Associates Engineers, Inc., Champaign

Funds for the employment of the professional firms have been appropriated to the Capital Development Board for FY 1995.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Lease of Space, College of Medicine, Peoria

(14) The chancellor at Chicago recommends that the comptroller be authorized to execute leases with OSF Healthcare Systems, an Illinois not-for-profit corporation, d/b/a Saint Francis Medical Center, for leased space located in the Medical Park Physicians Center (515 N.E. Glen Oak Avenue) and the Hillcrest Medical Plaza Building (420 N.E. Glen Oak Avenue) in Peoria. The leases are for the period of February 1, 1995, to June 30, 1995, and include four one-year renewal periods. The four one-year renewal periods are automatic unless the University gives 120 days' notice of its intent to not renew the leases.

Five office suites totaling 10,014 rentable square feet will be leased for an initial five-month term at an annual rate of \$149,352 (\$14.92 per square foot). The rental payments for the initial term will be \$62,230. In each subsequent fiscal year, the rent will be subject to an annual escalation based on reasonable increases in the landlord's costs, with a cap of 4 percent per year. All other expenses are the responsibility of the landlord.

The leased space will house clinical operations of the Departments of Surgery, Obstetrics/Gynecology, and Pediatrics, and the administrative offices of the Department of Surgery.

Funds are available in the restricted funds operating budget of the College of Medicine for Fiscal Year 1995. Funds for FY 1996 and each annual renewal period will be included in the College of Medicine's Operating budget. The annual renewals are subject to the availability of funds.

The vice president for business and finance recommends approval.

I concur.

On motion of Dr. Gindorf, this recommendation was approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Purchases

(15) The president submitted, with his concurrence, a list of purchases recommended by the directors of purchases and the vice president for business and finance.

The purchases were presented in one category — purchases from institutional funds. The term designates funds received by the University under contracts with the United States government, private corporations, and other organizations; grants from foundations, corporations, and other donors; and University revolving funds authorized by law.

The total amount of these purchases from institutional funds was \$3,048,051.

A complete list of the purchases, with supporting information (including the quotations received), was sent to each member of the board in advance of the meeting. A copy is being filed with the secretary of the board for record.

On motion of Dr. Gindorf, the purchases recommended were authorized by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

Comptroller's Financial Report Quarter Ended December 31, 1994

(16) The comptroller presented his quarterly report as of December 31, 1994. A copy has been filed with the secretary of the board.

This report was received for record.

SECRETARY'S REPORT

The secretary presented for record appointments to the faculty and changes of status made by the president, resignations, terminations, and retirements. A copy of the report is filed with the secretary.

EXECUTIVE SESSION

Chair Lamont, referring to Section Two of the Open Meetings Act, stated: "A motion is now in order to hold an executive session to consider information regarding the appointment, employment, or dismissal of employees or officers, to discuss pending, probable, or imminent litigation, the acquisition of real property, to discuss campus security, and to receive legal advice from counsel."

The motion was made by Dr. Gindorf and approved by the following vote: Aye, Mr. Engelbrecht, Dr. Gindorf, Mrs. Gravenhorst, Mr. Lamont, Ms. Lopez, Mrs. O'Malley, Ms. Reese; no, none; absent, Dr. Bacon, Mrs. Calder, Governor Edgar.

(The student advisory vote was: Aye, Mr. Didato-Castillo, Mr. Rose; no, none.)

In addition to the trustees, President Ikenberry, Dr. Bazzani, and

Dr. Thompson were present at this meeting. The purpose of this executive session was to discuss compensation for the next president of the University. President Ikenberry told the board that he thought the salary for the new president should be at least \$225,000.

In addition, the president recommended that the board consider better air service for the president and the trustees.

In closing, he advised the board that they should consult with Dr. Bazzani on matters of compensation as the time draws near for discussing this with candidates for the position.

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session was adjourned. The board reconvened in regular session at this time.

ANNOUNCEMENTS FROM THE CHAIR OF THE BOARD

Chair Lamont called attention to the schedule of meetings for the next three months: March 9, Urbana (one-day meeting); April 12-13, Chicago; May 11, Urbana (one-day meeting).

There being no further business, the board adjourned.

MICHELE M. THOMPSON
Secretary

THOMAS R. LAMONT
Chair