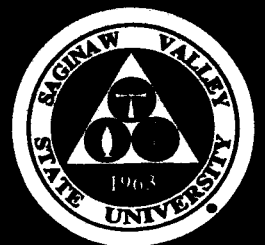


**SVSU.**  

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**BOARD OF CONTROL**  
**MINUTES**

**AUGUST 23, 2004**



SAGINAW VALLEY STATE UNIVERSITY  
BOARD OF CONTROL  
AUGUST 23, 2004  
REGULAR FORMAL SESSION  
INDEX OF ACTIONS

RES-1615	RESOLUTION TO GRANT UNDERGRADUATE AND GRADUATE DEGREES APPROVED .....	2
RES-1616	RESOLUTION TO AUTHORIZE THE ISSUANCE AND DELIVERY OF GENERAL REVENUE BONDS, SERIES 2004B AND PROVIDING FOR OTHER MATTERS RELATING THERETO APPROVED .....	3
BM-1010	MOTION TO ADJOURN APPROVED .....	10

MINUTES  
BOARD OF CONTROL  
Regular Formal Session  
August 23, 2004  
Board of Control Room, Third Floor Wickes Hall

Present: Braun  
Cotter  
Gamez  
Gilbertson  
Law  
Sedrowski  
Sims  
Yantz

Absent: Karu

Others

Present: L. Beuthin  
J. Boehm  
D. Clarke  
G. Goetz  
G. Hamilton  
S. Hocquard  
A. Hratchian  
N. Kessler  
D. Kozma  
R. Maurovich  
T. McCann  
O. McCray  
B. Mudd  
J. Muladore  
L. Powell  
C. Ramet  
M. Shannon  
J. Stanley  
M. Thorns  
D. Wilber  
L. Williams  
R. Williams  
R. Yien  
Press (2)

I. CALL TO ORDER

Chairperson Sims called the meeting to order at 1:33 p.m., with Board members Braun, Gamez, Law, Sedrowski, and Yantz present.

II. PROCEDURAL ITEMS

A. **Approval of Agenda and Additions to and Deletions from Agenda**

The agenda was approved as distributed.

B. **Approval of Minutes of July 9, 2004 Regular Formal Session of the Board of Control**

**It was moved and supported that the minutes of the July 9, 2004 Regular Formal Session of the Board of Control be approved.**

The minutes were unanimously APPROVED as written.

C. **Recognition of the Official Representative of the Faculty Association**

Professor Marcia Shannon, President of the Faculty Association, invited the Board to attend the Faculty Association Banquet, which will be held the evening of October 15<sup>th</sup>.

Professor Shannon distributed copies of an anthology of poetry, drawings, and cartoons by inmates at the Saginaw Correctional Facility who have taken classes there from SVSU faculty members Dr. Vincent Samarco and Mr. Michael Mosher. The Project Coordinator of this program is Dr. Phyllis Hastings.

Professor Shannon told the Board about a joint project including the Faculty Association, the Student Association, and the Administration. This project will collect data relating to the ways in which SVSU's faculty, staff, and students are involved in the surrounding 14-county areas, and how

they impact those communities.

(Trustee Cotter joined the meeting at 1:42 p.m.)

**D. Communications and Requests to Appear Before the Board**

- Gavin Goetz, SBC Director of External Affairs, presented the Board with a token check for \$74,807, representing a grant from the SBC Foundation to support Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), a federal program which helps youth from low-income communities attain a postsecondary education. Dr. Mamie Thorns, SVSU's Special Assistant to the President for Diversity Programs, who submitted the grant proposal, introduced Deborah Clarke, Superintendent of the Buena Vista School District, and members of the Buena Vista Board of Trustees. They expressed their appreciation for the partnership created with SVSU by Dr. Thorns and by the grant.
- Thomas McCann, Staff Member of the Month for August, was presented to the Board. (See Appendix One: McCann)

**II. ACTION ITEMS**

1. Resolution to Grant Undergraduate and Graduate Degrees

**RES-1615 It was moved and supported that the following resolution be adopted:**

**WHEREAS, Saginaw Valley State University is granted the authority to confer undergraduate and graduate degrees as outlined in Section 5 of Public and Local Acts of Michigan 1965; and**

**WHEREAS, Operating Policy 3.101 Article III of the Board reserves to the Board the authority to grant degrees;**

**NOW, THEREFORE, BE IT RESOLVED, That the Board of Control of Saginaw Valley State University approves the awarding of undergraduate and graduate degrees at the August 23, 2004 Commencement as certified by the faculty and Registrar.**

The motion was APPROVED unanimously.

- 2. Resolution to Authorize the Issuance and Delivery of General Revenue Bonds, Series 2004B and Providing for Other Matters Relating Thereto

**RES-1616 It was moved and supported that the following resolution be adopted:**

**WHEREAS, the Board of Control of Saginaw Valley State University (the “Board”) is a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, as amended, with general supervision of Saginaw Valley State University (the “University”) and the control and direction of all expenditures from the University’s funds; and**

**WHEREAS, the Board proposes to undertake the projects described on Exhibit A attached hereto and made a part hereof, together with other projects to be subsequently approved by the Board and designated to be financed, in whole or in part from the proceeds of the bonds authorized hereby (collectively, the “Project”); and**

**WHEREAS, financing for the majority of the components of the Projects has been acquired, but some of the Projects have increased in size, scope or costs, resulting in requirements for the issuance of the bonds authorized hereby; and**

**WHEREAS, the Board has previously issued General Revenue Bonds in several series, and it may be appropriate and economic to refund all or any portion of the outstanding principal maturities of those General Revenue Bonds (the outstanding bonds, if any, to be refunded to be determined by an Authorized Officer (hereinafter defined) and to be herein called the “Bonds to be Refunded”); and**

**WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University’s funds, the Board determines it is necessary and desirable to authorize the issuance and delivery of the Board’s General Revenue Bonds, Series 2004B (the “Bonds”) in order to provide funds which, together with other available funds, will be used to pay all or a portion of the costs of the Project, to fund capitalized interest, if applicable, and costs incidental to the issuance of the Bonds and the refunding, including insurance premiums, if appropriate; and**

**WHEREAS, a trust indenture (the “Trust Indenture”) must be entered into by and between the Board and a trustee (the “Trustee”), to be designated by an Authorized Officer (herein defined), pursuant to which the Bonds will be issued and secured; and**

**WHEREAS, it is necessary to authorize the Authorized Officers determine to sell the**

bonds at competitive sale or to negotiate the sale of the Bonds with an underwriter or group of underwriters to be selected by an Authorized Officer (collectively, the “Underwriter”) and to enter into a bond purchase agreement (the “Bond Purchase Agreement”) and, if deemed appropriate, a Remarketing Agreement (the “Remarketing Agreement”) or a Broker Dealer Agreement (the “Broker Dealer Agreement”) with the Underwriter setting forth the terms and conditions upon which the Underwriter will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the President and the Vice President for Administration and Business Affairs (each an “Authorized Officer”), or either of them, to negotiate, execute and deliver on behalf of the Board, any of the following as shall be necessary for the purposes of this Resolution: the Trust Indenture, the Bond Purchase Agreement, the Remarketing Agreement or Broker Dealer Agreement, and other related documents, to establish the specific terms of the Bonds and to accept the offer of the Underwriter or successful bidder to purchase the Bonds, all within the limitations set forth herein; and

WHEREAS, the financing of the Project will serve proper and appropriate public purposes; and

WHEREAS, the Board has full power under its constitutional authority and supervision of the University, and control and direction of expenditures from the University funds, to acquire and construct the Project and to pay all or a portion of the costs of the acquisition, construction and installation of the Project by issuance of the Bonds, and to pledge General Revenues for payment of the Bonds:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CONTROL OF SAGINAW VALLEY STATE UNIVERSITY, AS FOLLOWS:

1. The Board hereby approves each component of the Project as set forth in Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them to proceed with the Project and each component thereof. The Board may subsequently approve additional components of the Project and specify that such additional components shall be financed in whole or in part from the proceeds of the Bonds, upon which occurrence such components shall thereupon become components of the Project hereunder. Either Authorized Officer is authorized to determine the specific amount of the cost of each component of the Project to be financed from the proceeds of the Bonds.

2. The Board hereby authorizes the issuance, execution and delivery of the Bonds in one or more series to be designated GENERAL REVENUE BONDS, SERIES 2004B with appropriate additional or alternative series designations, if any, in the aggregate original principal amount to be established by an Authorized Officer, but not to exceed the principal amount necessary to produce proceeds of Three Million Two Hundred Fifty Thousand Dollars (\$3,250,000), to be dated as of the date or dates established by an Authorized Officer, for the

**purpose of providing funds which, together with other available funds, will be used to pay all or a portion of the costs of the Project, and the costs related to the issuance of the Bonds, including capitalized interest for such period as an Authorized Officer may deem appropriate and bond insurance premiums, if appropriate. No Series of Bonds shall be issued in an amount in excess of that estimated to be sufficient to pay the costs of the components of the Project previously approved by the Board, together with costs of Bond issuance and other costs related thereto. The Bonds shall be serial Bonds or term Bonds, which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity shall be no earlier than May 1, 2005 and the last maturity shall be no later than December 31, 2035. The Bonds may bear no interest or may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the highest yield (computed using the stated coupon and the stated original offering price) for any maturity shall not exceed 6.5% per annum, and the Bonds may be issued in whole or in part as capital appreciation bonds, which for their term or any part thereof bear no interest but appreciate in principal amount over time at compounded rates (not in excess of 6.5% per annum) to be determined by an Authorized Officer. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or a portion of their term, and the variable rate of interest shall not exceed the lesser of the maximum rate permitted by law or the maximum rate, if any, to be specified in the Trust Indenture. In addition, all or part of the Bonds may be issued in related series, one of which bears interest at a variable rate and one of which bears interest at a residual rate determined by subtracting the variable rate from the fixed rate paid by the Board, but the combined rate on such Bonds, taking the two related series together, which shall be determined by an Authorized Officer, shall not exceed 6.5% per annum. The Bonds may be subject to redemption or call for purchase prior to maturity at the times and prices and in the manner as shall be established by an Authorized Officer, but no redemption premium shall exceed 3% of the principal amount being redeemed. Interest on the Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Bonds shall be issued in fully registered form in denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, all as shall be provided in the Trust Indenture. As shall be determined by an Authorized Officer, the Bonds shall be sold by competitive sale following publication of a notice of sale in the form approved by an Authorized Officer, or by negotiation with the Underwriter to be selected by an Authorized Officer pursuant to the Bond Purchase Agreement. If the Bonds are sold by negotiation, the purchase price shall be established by an Authorized Officer (but the Underwriter's discount, exclusive of original issue discount, shall not exceed 1.5% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.**

**In connection with the issuance of the Bonds, or in connection with the conversion of the Bonds from one interest rate mode to another, or in relation to all or any portion of any**



other series of the Board's General Revenue Bonds (the "Other Bonds"), either of the Authorized Officers may, on behalf of and as the act of the Board, enter into an interest rate swap, cap forward starting swap, option, swaption or similar agreement or agreements (collectively, the "Swap Agreement") with a counter-party or counter-parties to be selected by the Authorized Officer. Such Swap Agreement shall provide for payments between the Board and the counter-party related to interest on all or a portion of the Bonds or the Other Bonds, or to indexed or market established rates. If the Swap Agreement is entered into in connection with the Bonds, the expected effective interest rates on the Bonds, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein. Any Swap Agreement in the form of an option, swaption or forward starting swap, may, if the Bonds to which such agreement relates are not ultimately issued, be required to be terminated, with a possibility of a resulting termination payment due by the University.

Any or all of the Bonds may be made subject to tender for purchase at the option of the holder thereof. The obligation of the Board to purchase any Bonds subject to tender options may be made payable from available cash reserves of the University, subject to such limitations as may be specified in the Trust Indenture, or may be made payable from a letter of credit, line of credit or other liquidity device (the "Liquidity Device"), all as shall be determined by an Authorized Officer and provided for in the Trust Indenture. Any reimbursement obligation for draws under the Liquidity Device shall be a limited and not a general obligation of the Board, payable from and secured by a pledge of General Revenues. Either Authorized Officer is authorized to execute and deliver, for and on behalf of the Board, any agreements or instruments necessary to obtain, maintain, renew or replace, and provide for repayments under, any Liquidity Device deemed by such officer to be required for the purposes of this Resolution. Purchase obligations shall not be considered as "principal and interest requirements" hereunder. In the alternative, any or all of the Bonds may be subject to rights on behalf of the holders thereof to tender their Bonds for purchase by the market through a dutch auction procedure, subject to a specified maximum interest rate not in excess of the lesser of the maximum rate specified by law or the rate specified in the Trust Indenture.

3. The Bonds, and the obligations of the Board under the Swap Agreement and the Liquidity Device, if any or all is or are entered into as provided herein, shall be limited and not general obligations of the Board payable from and secured by a lien on General Revenues (as shall be defined in the Trust Indenture to include generally all or a portion of the following: student tuition and other fees before allowances for scholarships, housing and auxiliary revenues before allowances for scholarships, unrestricted gifts and grants, unrestricted investment income, unrestricted receipts from the sales and service of educational activities, and other miscellaneous revenues, all subject to certain reductions, limitations and exceptions) and moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture or agreements entered into in connection with the Swap Agreement or Liquidity Device. Except as otherwise determined by an Authorized

**Officer, as provided below, the lien shall be on a parity basis with the liens on General Revenues securing previously issued outstanding bonds and notes of the Board.**

**No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, the Swap Agreement or the Liquidity Device, or any claim based thereon, against the State of Michigan, or any member or agent of the Board (including, without limitation, any officer or employee of the University), as individuals, either directly or indirectly, nor, except as provided in the Trust Indenture, Swap Agreement or Liquidity Device, or agreements related thereto, against the Board, nor shall the Bonds and interest with respect thereto, or the Swap Agreement or Liquidity Device become a lien on or be secured by any property, real, personal or mixed of the State of Michigan or the Board, other than General Revenues and the moneys, securities or other investments from time to time on deposit in certain funds established as pledged pursuant to the Trust Indenture or agreements related to the Swap Agreement or Liquidity Device.**

**Notwithstanding anything herein to the contrary, any obligations of the Board under the Swap Agreement or any agreement with respect to the Liquidity Device may, if determined appropriate by an Authorized Officer, be payable and secured on a subordinated basis to the Bonds and other General Revenue obligations of the Board.**

**4. The right is reserved to issue additional bonds, notes or other obligations payable from and secured on a parity basis with the Bonds from the General Revenues, upon compliance with the terms and conditions as shall be set forth in the Trust Indenture.**

**5. The Authorized Officers, or either of them, are hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select the Trustee and, if the Bonds are to sold on a negotiated basis, the Underwriter, and to negotiate, execute and deliver the Trust Indenture in such form as shall be not inconsistent herewith, and the Bond Purchase Agreement and Remarketing Agreement or Broker Dealer Agreement, if necessary, in the form as an Authorized Officer may approve, which approval shall be conclusively evidenced by the execution of the Trust Indenture, the Bond Purchase Agreement, the Remarketing Agreement or Broker Dealer Agreement, respectively, all within the limitations set forth herein.**

**6. An Authorized Officer, or either of them, are hereby authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the Bonds by placing his or their manual or facsimile signature or signatures thereon, and to deliver the Bonds to the Underwriter upon payment of the purchase price therefor, determined pursuant to Section 2 hereof.**

**7. The Authorized Officers are hereby authorized to cause the preparation of a Preliminary Official Statement and an Official Statement, and to deem such documents “final” in accordance with law. The Underwriter or successful bidder is authorized to circulate and use, in accordance with applicable law, the Preliminary Official Statement and the Official Statement in connection with the offering, marketing and sale of the Bonds.**

8. **The President, the Vice President for Administration and Business Affairs, the Secretary and any other appropriate officer of the Board or the University are hereby authorized to perform all acts and deeds and to execute and deliver all instruments and documents for and on behalf of the University required by this resolution, the Trust Indenture or the Bond Purchase Agreement, as necessary, expedient and proper in connection with the issuance, sale and delivery, and ongoing administration, of the Bonds, the Trust Indenture, the Swap Agreement, the Liquidity Device or the Bond Purchase Agreement, as contemplated hereby.**

9. **Either Authorized Officer is authorized and directed to execute and deliver, for and on behalf of the Board, a continuing disclosure undertaking with respect to the Bonds, in the form such officer deems appropriate.**

10. **The Vice President for Administration and Business Affairs is hereby authorized and delegated the power to issue a declaration of intent to reimburse the University from Bond proceeds for any expenditures with respect to any component of the Project incurred prior to the issuance of the Bonds, all in accordance with I.R.S. Regulation 1.103-18.**

11. **All resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.**

(See Appendix Two: Project Descriptions)

James G. Muladore, Vice President for Administration and Business Affairs, told the Board that the proposed resolution would enlarge the new housing expansion project approved by the Board at its April 23, 2004 meeting from the previously approved 98 beds to a total of 170 beds. This action would add 72 beds to the original project, at an additional cost of approximately \$3.5 million. This action is being recommended because of an unexpectedly strong demand for housing and the expectation that building the three additional units now, rather than in a year or two, would result in financial savings and less disruption to the campus. The project improvement fits with the overall business plan for the auxiliary systems, and the revenues from rental income would cover debt services associated with the project. Additional parking will be constructed to replace approximately 400 spaces lost because of the expanded housing.

President Gilbertson noted that the April resolution had approved the reduction in the size of the Ryder Center swimming pool and the addition of volleyball and basketball courts in the space to be made available. However, this renovation is no longer being recommended, as the projected costs would be prohibitive. Cardinal Gymnasium will be upgraded, instead, to meet the quality of the rest of the facilities on campus.

Trustee Yantz noted that it would be advisable to expand the housing addition at this time, as interest rates are currently very low and the construction crews are already on site, which would result in savings.

The motion was APPROVED unanimously.

#### IV. INFORMATION AND DISCUSSION ITEMS

##### **3. Report on Campus Landscape Master Plan**

Douglas Kozma, David Wilber, and Neal Kessler, Landscape Architects with JJR, Inc., presented an overview of a proposed landscape master plan. The objective of the plan is to identify and schedule for completion specific projects which will improve the campus' appearance as well as efficiently utilize natural and staff resources.

##### **4. Report on Solidica Grant**

Dr. Ronald R. Williams, Dean of the College of Science, Engineering and Technology, discussed the rapid prototype project being developed by SVSU, Michigan Molecular Institute in Midland, and Solidica (a business located in Ann Arbor).

**5. Report on SVSU Foundation**

Lucille Beuthin, Vice President for Public Affairs/Executive Director, Development & SVSU Foundation, reviewed the membership of the SVSU Foundation Board, the various fund-raising instruments the Foundation utilizes, the functions of the Annual Fund, endowments, and past and future fund-raising campaigns.

**V. REMARKS BY THE PRESIDENT**

President Gilbertson told the Board it would be a busy week, starting with Commencement tonight, with freshmen moving onto campus later in the week, the Faculty/Staff Back to School Picnic on Thursday, and the first football game of the season on Saturday.

**VI. OTHER ITEMS FOR CONSIDERATION OR ACTION**

There were no other items for consideration or action.

**VII. ADJOURNMENT**

**6. Motion to Adjourn**

BM-1010 **It was moved and supported that the meeting be adjourned.**

The motion was APPROVED unanimously.

The meeting was adjourned at 2:59 p.m.


Respectfully submitted:

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Linda L. Sims  
Chair

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D. Brian Law  
Secretary



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Jo A. Stanley  
Recording Secretary  
Secretary to the Board of Control

# SV SAGINAW VALLEY STATE UNIVERSITY

## AUGUST 2004 STAFF MEMBER OF THE MONTH

### Tom McCann

Director, Math Resource/Support Center • August 2004

A stroll around the Math Resource Center at SVSU will provide you with a some interesting arithmetical insight. From an antique Russian abacus, a four foot long yellow slide rule, and century-old educational posters to computer-generated fractal art, the room is a mini-museum of math history.

Most of the students who walk through the door would prefer to discuss history—or any other subject, for that matter—to mathematics, according to the center's director, Tom McCann.

"Every first-time student who comes in this room tends to be confused, sometimes depressed, and sometimes angry," he said.

As a result, McCann tries to create an inviting and soothing environment...math decor aside.

"We try to make this the friendliest place on campus," he said.

It seems to be working. The center logged nearly 5,000 visits during the past school year. McCann is quick to credit those on the front line.

"My tutors are terrific," he said. "They do all the hard work."

McCann and his tutors don't need a syllabus to know exam dates.

"We always know when there's a test. We're really busy," he said.

The tutors' work requires more than explanations of trigonometry or chaos theory. It often involves psychology, too, because many visitors are emotional.

"We do a lot more counseling than people realize," McCann said.

A math teacher for 32 years in Saginaw Public Schools, McCann wishes more students were counseled about math during their formative years.

"Our educational system allows students to be 'math avoiders,'" he said.

As a result, McCann says many students arrive in college without a solid understanding of algebra, which he describes as "the language of mathematics."

"In most things in life, people know they need a foundation, but in math, people try to start in the middle," McCann said.

McCann and his colleagues devote considerable time to testing incoming students and seeing they are placed in the appropriate course. He praises the professors in the math department for incorporating material that students can apply outside the classroom.

"It is nice that SVSU offers math classes in the General Education curriculum that have some practicality," he said.

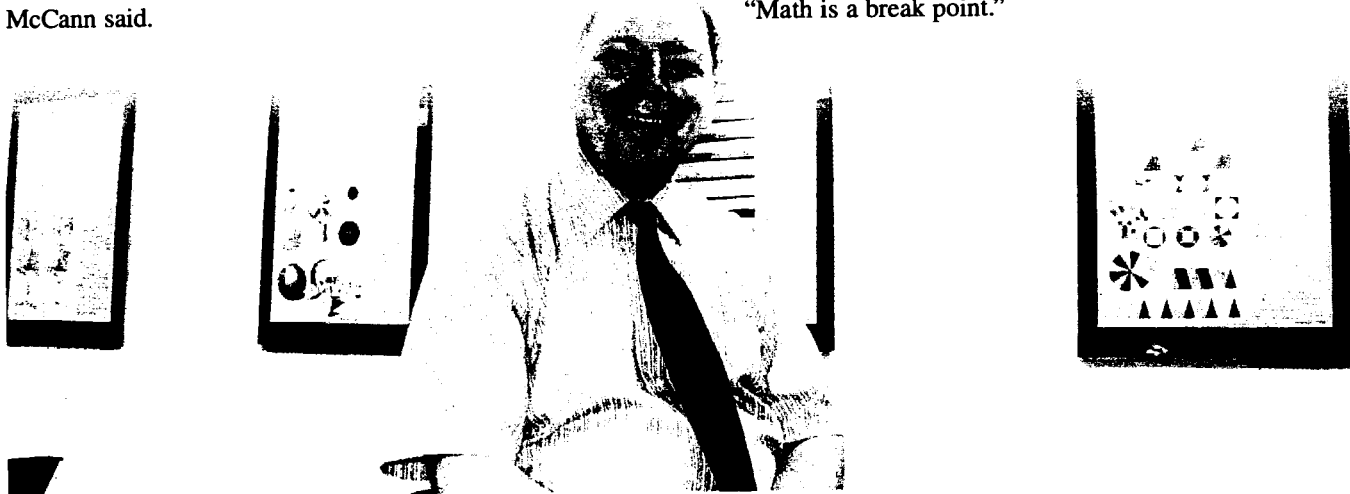
McCann tries to be practical in his personal life, where family is at the forefront and visits to children and grandchildren are given priority. His wife, Suzanne, works part time in the SVSU Health Center.

"We're in a transition in our life," McCann said. "We knew we were too young to give up what we were doing."

McCann realizes that his help can sometimes mean the difference between walking across the stage or dropping out of school.

"In the end, if students can get through math, they can get through the University," he said.

"Math is a break point."



**EXHIBIT A**

**PROJECT DESCRIPTION**

1. Doan Center and Dining expansion and renovation, including a new site for retail operations.  
Currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$3,200,00
  2. Student Housing - Village III – 170 beds in Village style apartments  
Currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$8,450,000
  3. Additional Parking Capacity for Village I and Village II Apartments  
Currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$380,000
  4. Ryder Center - Natatorium renovation, including replacement of dyatron units  
- Cardinal Gymnasium renovation, including floor repair and replacement and  
bleachers  
Currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$1,000,000
  5. Curtiss Hall - Conferencing – carpet and decorating upgrades  
Currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$650,000
  6. Bookstore - Interior upgrades  
Currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$50,000
  7. Contingency for the Projects listed above  
Currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$145,000
- Total currently estimated cost (exclusive of capitalized interest and bond issuance expense) -  
\$13,875,000