

A G E N D A

SAGINAW VALLEY COLLEGE

BOARD OF CONTROL  
REGULAR MONTHLY MEETING

Monday, December 8, 1969 - 7:30 p.m.

Board Room in Wickes Hall

- 1.) Call to Order by Chairman
- 2.) Approval of Minutes of Meeting of November 10, 1969
- 3.) Administrative Reports
- 4.) Proposed Constitution of Student-Faculty Government
- 5.) Committee Reports
  - a) Academic Committee
  - b) Building Committee
- 6.) Communications
- 7.) Other Business
- 8.) Adjournment

## MINUTES

BOARD OF CONTROL  
SAGINAW VALLEY COLLEGE

## REGULAR MONTHLY MEETING

SVC Board Room - Wickes Hall  
December 8, 1969

Present: Arbury  
Brown  
Curtiss  
Groening  
Kendall, John  
Vaupre  
Zahnow

## Others

Present: Broucek  
Driver  
Gross  
Kearns  
Marble  
Kendall, James  
Peele  
Press (2)  
Rosenblum

Absent: Runkel, excused

## I. CALL TO ORDER

The Chairman called the meeting to order at 7:45 p.m.

## II. APPROVAL OF MINUTES OF PREVIOUS MEETING

BM-204 Mr. Brown moved that the minutes of the Regular Monthly Meeting held November 10, 1969 be approved.  
Mr. Kendall supported.

Ayes: Arbury, Brown, Curtiss, Groening, Kendall, Vaupre, Zahnow  
Absent: Runkel

Motion carried.

## III. ADMINISTRATIVE REPORTS

A. The President said he received a communication from Rev. Runkel asking to be excused from the Board Meeting. In his letter, Rev. Runkel indicated

that he has received a new appointment as Rector of St. James' Church, Grosse Ile, effective February 1, 1970, and that it will be necessary for him to travel to Grosse Ile today to talk with the Vestry.

B. Library Report

As of December 1, 1969, a total of 51,389 books have been catalogued, in the process of being catalogued, or on order. A detailed report of the Librarian was distributed.

C. North Central Accreditation

The President reported that the North Central Examining Team will visit SVC on January 12, 1970. There are four questions that will need to be answered to their satisfaction if SVC is to be an effective candidate for accreditation:

- 1.) What is the basic college?
- 2.) Is the faculty adequate to the goals of the institution?
- 3.) Is the decision-making structure understood, effective and acceptable?
- 4.) Is the commitment to interdisciplinary study attainable?

The President indicated that the North Central Commission will make their decision sometime the latter part of March or early April.

IV. COMMITTEE REPORTS

A. Academic Committee

Mrs. Arbury reported that the Academic Committee met to discuss the subject of tenure for Dr. Marble and Dr. Levine. The Committee proposes that tenure be given to Dr. Marble and Dr. Levine as faculty members:--Marble as Professor of Political Science and Levine Professor of Chemistry--, but not as administrative officials--president and dean. Mr. Brown said that in view of the fact that

policy has not been definitely adopted, he would feel that the Board is at liberty to grant tenure as recommended by the Committee.

BM-205 Mrs. Arbury moved that tenure be given to Dr. Samuel Marble and Dr. Samuel Levine as faculty members in political science and chemistry respectively.  
Mr. Brown supported.

Ayes: Arbury, Brown, Curtiss, Groening, Kendall, Vaupre, Zahnow  
Absent: Runkel

Motion carried.

B. Building Committee

Mr. Brown reported that bids for the physical education facility will be opened at 8 p.m. on Thursday, December 18, 1969. He said that it is the consensus of the Building Committee that the contract for the general contractor be awarded after the mechanical bids have been opened.

Dr. Marble reported that the President and other College representatives will attend a hearing in Lansing on Wednesday evening to discuss the release of planning money for a second academic building and dormitory complex with the Joint Capital Outlay Committee. Several members of the Board agreed to contact the local legislators to urge them to attend the Hearing.

V. COMMUNICATIONS

A. Ann Arbor Trust Proposal for Athletic Facility Bonds

Mr. William Broucek, Vice President of Ann Arbor Trust Company, distributed an Official Statement covering the issuance of \$1 million revenue bonds and the proposal of First of Michigan Corporation to purchase the bonds at a net interest rate of 7.23 per cent for the purpose of constructing an athletic facility at SVC. He said the proposal was open for discussion. During the discussion, Mr. Curtiss said that in view of today's market conditions, a bid

could be had at a cost lower than this and that he felt competitive bidding could offer a better rate. He indicated that he was not in favor of this type of negotiated bond offer. Mr. Broucek was called upon to review the terms of the proposal.

RES-71 Mr. Zahnow offered the following Resolution for adoption:  
WHEREAS, in order to properly serve the needs of students attending Saginaw Valley College, it is necessary and advisable that a new athletic facility be constructed and equipped on the campus of Saginaw Valley College at University Center, Michigan; said building to be used by students as a physical education facility, an intramural activities facility and for intramural sports, in accordance with plans and specifications prepared by Prine, Toshach and Spears, architects of Saginaw, Michigan, (all hereinafter referred to in this resolution as the "Project"); and

WHEREAS, the said Project will be for the benefit and use of all students attending Saginaw Valley College; and

WHEREAS, the estimated cost of said Project has been determined to be One Million Two Hundred Thousand (\$1,200,000.00) Dollars; and

WHEREAS, to provide part of the funds necessary to pay costs of constructing, furnishing and equipping the Project, including funds for a debt service reserve, the Board of Control of Saginaw Valley College deems it necessary and advisable to borrow the sum of One Million (\$1,000,000.00) Dollars, and in evidence thereof issue its negotiable bonds secured by and payable out of fees collected each term from students attending Saginaw Valley College, the balance of the funds necessary to construct and equip the Project to be provided by other funds of the Board of Control of Saginaw Valley College available and set aside therefore; and

WHEREAS, the Board of Control of Saginaw Valley College desires that the holders of said bonds proposed to be issued should have the maximum reasonable security for the payment of said bonds, and to that end the financial officers of the College and the fiscal agent have prepared and submitted to this Board a complete and detailed Official Statement outlining the terms, conditions and security of said bonds and further outlines the covenants, agreements and provisions necessary to provide adequate and proper security for said bonds and to provide for prompt payment of principal of and interest thereon when due; and

WHEREAS, the Board of Control of Saginaw Valley College, under the constitution and laws of the State of Michigan, particularly Section 6, Article VIII, of the Michigan Constitution of 1963 has full power under its constitutional authority and supervision of the College and control and direction of expenditures from the College funds to acquire and construct the Project, to issue and sell said bonds, and pledge student fees for their payment;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CONTROL OF SAGINAW VALLEY COLLEGE, as follows:

1. That the Board of Control of Saginaw Valley College (hereinafter referred to in this resolution as the "Obligor"), does hereby determine it to be necessary and for the best interests of Saginaw Valley College, its students and personnel, to construct and equip the Project in accordance with the plans and specifications therefor prepared by Prine, Toshach and Spears, architects of Saginaw, Michigan.

2. That the total estimated cost of constructing and equipping the Project, including payment of incidental expenses and financing costs as specified in paragraph 4 of this resolution, but not including the establishment of the debt service reserve, which total estimated cost is One Million Two Hundred Thousand (\$1,200,000.00) Dollars, is hereby approved and confirmed.

3. That the estimated period of usefulness of the Project is determined to be not less than forty (40) years.

4. That for the purpose of paying part of the cost of constructing and equipping the Project, including payment of architectural, legal and financing expenses, contingencies and establishing a debt service reserve for the bonds, there be borrowed the sum of One Million (\$1,000,000.00) Dollars, and that in evidence thereof there be issued the bonds of the Obligor in the aggregate principal sum of One Million (\$1,000,000.00) Dollars, which bonds are sometimes referred to in this resolution as the "bonds."

5. That said bonds shall be designated Saginaw Valley College Athletic Facilities Bonds, the principal of and interest thereon to be payable solely out of the proceeds of the collection of fees charged each term to students attending Saginaw Valley College and allocated and pledged to the payment thereof in accordance with the requirements, terms, conditions and covenants outlined in the Official Statement filed with the Obligor and approved by this resolution and to be further specified in a trust agreement to be executed by and between the Obligor and Trustee, shall be dated as of December 15, 1969, and shall be issued in three series, as follows:

SERIAL BONDS

SERIAL BONDS shall be in the principal amount of \$295,000.00, and shall consist of 59 coupon bonds of the denomination of \$5,000.00 each, numbered in direct order of maturity from 1 to 59, inclusive, bearing interest at the rate of six and three-quarters per cent (6-3/4%) per annum, payable as herein-after provided, and maturing serially as follows:

\$20,000.00 December 15th of each of the years 1975 and 1976;  
\$25,000.00 December 15th, 1977;  
\$30,000.00 December 15, 1978;  
\$25,000.00 December 15, 1979;  
\$30,000.00 December 15, 1980;  
\$35,000.00 December 15th of each of the years, 1981,  
1982, and 1983;  
\$40,000.00 December 15, 1984.

TERM BONDS, SERIES A

Principal Amount: \$250,000 consisting of 50 coupons bonds of the denomination of \$5,000.00 each, numbered 60 to 109, inclusive, bearing interest at the rate of seven per cent (7%) per annum, payable as hereinafter provided, and maturing on December 15, 1989.

TERM BONDS, SERIES B

Principal Amount: \$455,000 consisting of 91 coupon bonds of the denomination of \$5,000.00 each, numbered 110 to 200, inclusive, bearing interest at the rate of seven and one quarter per cent (7-1/4%) per annum, payable as hereinafter provided, and maturing on December 15, 1994.

Interest on all of said bonds shall be payable on June 15, 1970, and semi-annually thereafter on December 15 and June 15 of each year, both principal and interest to be payable in lawful money of the United States of America at Ann Arbor Trust Company, Ann Arbor, Michigan, Trustee under the Trust Agreement hereinafter referred to.

Outstanding bonds of this issue shall be subject to redemption prior to maturity, as a whole or in part, at the option of the Board, on any interest payment date on or after June 15, 1980. Bonds redeemed prior to maturity, either as a whole or in part, shall be redeemed at par and accrued interest to the date fixed for redemption, plus premiums (expressed in a percentage of par) in accordance with the following schedule:

3% of the par value of each bond redeemed on or after June 15, 1980, but prior to or on December 15, 1982;  
2% of the par value of each bond redeemed on or after June 15, 1983, but prior to or on December 15, 1985;  
1% of the par value of each bond redeemed on or after June 15, 1986, but prior to or on December 15, 1988.  
No premiums shall be paid on bonds redeemed on or after June 15, 1989.

Unless called as a whole, redemption of bonds prior to maturity shall be in the following order of priority; First, Term Bonds, Series A by call by lot; Second, Term Bonds, Series B by call by lot; and Third, Serial Bonds in inverse numerical order.

Twenty days notice of the call of any bonds for redemption shall be given by the Trustee under the Trust Agreement, herein referred to, by publication in a newspaper of general circulation in the City of Detroit, Michigan, and in case of registered bonds twenty days notice shall be given by mail to the registered owner at the registered address.

6. That the bonds shall be payable to bearer and transferable by delivery unless and until the same shall have been registered by the holder thereof, or his attorney thereunto duly authorized, in writing, on books to be kept for such purpose by the Trustee, which registration shall be endorsed by the Trustee on the bond so registered. The principal of any bond so registered shall thereafter be payable only to the registered owner thereof, and any payment so made shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid; Provided, However, that the registration of any bond shall not in any way affect payment of interest thereon or the negotiability of the interest coupons thereto attached, which shall be payable to bearer in accordance with the terms of and on presentation of said coupons. Any bond so registered may be transferred on the books of the Trustee by the registered owner thereof, or his attorney thereunto duly authorized, in writing, which transfer shall be endorsed thereon by the Trustee, and any bond registered to bearer shall thereupon again become payable to bearer and transferable by delivery in the same manner as before the registration thereof.

7. That said bonds shall be secured and payable out of fixed amounts of fees charged and collected each term from students attending Saginaw Valley College, as a part of the total student fees, and allocated and paid into the Debt Retirement Fund, as outlined in the Official Statement, and to be established for the payment of said bonds under the

provisions of the Trust Agreement herein referred to (defined in said Trust Agreement and hereinafter referred to in this resolution as "Allocated Special Fees"), in an amount fully sufficient to retire said bonds and the interest thereon at maturity, in accordance with the terms, covenants, conditions and provisions of the Official Statement filed with the Obligor and approved by this resolution. The amount of said allocated special fees necessary to be set aside to pay the principal of and interest on the bonds of this issue under the requirements therefor specified in the Official Statement and to be further specified in the Trust Agreement; and the amounts necessary to be set aside to meet the payments on any additional obligations of equal standing, similarly secured by a pledge and allocation of student fees hereafter issued within the limitations expressed in this resolution and to be expressed in the Trust Agreement, shall be a first lien or charge on all of the College Fees now or hereafter collected, for the benefit of the holders of such bonds or obligations. The term "College Fees" as used herein shall mean and include the general tuition fees and any special fees to be collected as a part thereof, established from time to time by the Obligor and collected from students attending Saginaw Valley College at the time of registration.

8. That the right is reserved to issue additional obligations for authorized purposes, secured by a pledge and allocation of College Fees, having equal standing and priority of lien or charge against all College Fees charged and collected: Provided, However, that such obligations shall not be issued unless the total amount of said College Fees actually collected for each of the two preceding complete fiscal years prior to the issuance of said additional obligations, as shown by audit reports of the College for said fiscal years, are equal to at least two hundred per cent (200%) of the maximum annual debt service requirements on all outstanding bonds or other obligations including the bonds then to be issued, secured by pledges and allocations of said College Fees, or special fees included and collected as a part thereof and allocated therefrom.

9. That the Obligor covenants and agrees that it will at all times, as long as the bonds of this issue and the interest thereon remain outstanding and unpaid, charge, establish, maintain and collect College Fees (as that term is to be defined in the Trust Agreement), in

an amount sufficient to provide annually sums equal to at least two hundred per cent(200%) of the maximum future annual debt service requirements on all outstanding bonds or other obligations secured by pledges of said College Fees or special fees included and collected as a part thereof and allocated therefrom.

10. That the Official Statement submitted, and hereinbefore referred to, setting forth the details of this bond issue, including the security and covenants in relation thereto, application of proceeds, and other terms and conditions in relation to this authorized bond issue is hereby approved as to content and form, a conformed copy of which is attached to this resolution and made apart hereof, the same as though each of the provisions therein contained were herein repeated.

11. That legal counsel to the Board, with the cooperation and assistance of the Vice President of Saginaw Valley College and Ann Arbor Trust Company are hereby directed to draft the necessary Trust Agreement securing said bonds between this Board, as Obligor, and the Ann Arbor Trust Company, as Trustee, which Trust Agreement shall embody, in appropriate language and terms, the covenants, obligations, terms and conditions, specifications, interest rates and other details and security provisions necessary in substantial compliance with the provisions of this resolution and the Official Statement approved and made a part of this resolution. Such Trust Agreement shall be executed for and on behalf of this Board by any two of the following designated officers of Saginaw Valley College, and this Board, to wit: Samuel D. Marble, President, of Saginaw Valley College, or Russell B. Driver, Vice President of Saginaw Valley College, and Charles B. Curtiss, Secretary of the Obligor. Said Trust Agreement upon its execution, as herein authorized, by said officers of Ann Arbor Trust Company, of Ann Arbor, Michigan, as Trustee, shall be binding and effective in accordance with its terms and provisions.

12. That said President or Vice President of Saginaw Valley College and Secretary of the Obligor are hereby authorized, empowered and directed, in the name of and under the seal of the Obligor, and as its corporate act and deed, to execute the bonds herein authorized in the manner to be prescribed in the aforementioned Trust Agreement, and to facilitate the same are authorized to use their initials in lieu of their first names; and the coupons appertaining to said bonds shall be executed by the facsimile signature of said Vice President of Saginaw

Valley College. Said officers are authorized to perform all acts and deeds and execute all instruments and documents necessary, expedient and proper in connection with the borrowing of said One Million (\$1,000,000.00) Dollars and the issuance and sale of the bonds.

13. That said officers, either in said Trust Agreement or by the issuance of the bonds, shall not pledge the credit of or create any liability on the part of the State of Michigan, the Obligor, or any member or officer of the Obligor, or any of their successors, other than to pledge and allocate College Fees in accordance with the conditions, covenants and requirements therefor as specified in this resolution, the Official Statement approved hereby and made a part of this resolution and the Trust Agreement.

14. The bonds herein authorized, after their due execution as hereinbefore provided, and after authentication by the Trustee in the manner provided in the Trust Agreement, shall be delivered to the purchaser thereof, First of Michigan Corporation, Detroit, Michigan, upon payment of the purchase price therefor, in accordance with their written commitment to the Ann Arbor Trust Company, which commitment is hereby accepted and approved.

15. That Ann Arbor Trust Company, of Ann Arbor, Michigan, be and hereby is appointed to act as Trustee under the Trust Agreement, and said Trustee shall be entitled to such estates, powers, rights, authorities, benefits, privileges, immunities and exemptions as are set forth in the Trust Agreement.

Mrs. Arbury supported.

Mr. Curtiss said that the Board has an alternative proposal which it has chosen not to receive this evening. In view of the condition of the present market value, he recommended that the Board go to competitive bidding. He said, "I firmly believe that we can get a better rate in competitive bidding." Mr. Brown asked how long it would take to go to competitive bidding. Mr. Broucek said it normally takes from two to three weeks, and it would involve some additional cost of approximately \$1,000 to \$2,000 for ads and printing. Mr. Driver asked what would be the effect of public competitive bidding after turning down a negotiated bid. The College Counsel said it would be costly.

Mr. Broucek said competitive bidding would add 1/4 of 1% to the negotiated 7.23 per cent bid as publicly issued bids are more expensive.

When Mr. Curtiss repeated his opinion that a competitive bid would save money, the Chairman called for a recess.

When the meeting reconvened, Mr. Groening called on Mr. Brown to take the chair.

Mr. Groening said that he would like to move that the previous motion be amended to provide that competitive bids be taken, announcing in advance that the Ann Arbor Trust Company shall not serve as trustees <sup>with the</sup> ~~in association with~~ the First of Michigan Corporation and ~~that~~ the firm of Merrill, Lynch, Pierce, Fenner & Smith also be disqualified from bidding. B.M.  
1/5/

The Chairman called for support to the motion. When there was not a support to the motion, the Chairman announced that the amendment was not in order.

Mr. Groening resumed the chair and asked if there was any further discussion.

Mr. Groening called for a verbal vote to the resolution.

Ayes: Arbury, Brown, Groening, Kendall, Vaupre, Zahnaw  
Absent: Runkel  
Abstained: Curtiss

Motion carried unanimously, subject to one abstention.

## VII. OTHER BUSINESS

### A. Classification of Gifts Received.

Mr. Driver presented the following Resolution for Board consideration, and after some discussion the Board recommended adoption.

RES-72 Mr. Brown moved the adoption of the following Resolution:  
For contributions received by Saginaw Valley College without  
restrictions imposed by the donor, the President will have  
authority to make a tentative determination of the fund or

account which should be credited subject to review  
and reclassification by the Board of Control.  
Mr. Vaupre supported.

Ayes: Arbury, Brown, Groening, Kendall, Vaupre, Zahnow  
Absent: Runkel

Resolution adopted.

B. Liquidated Damages - Consolidated Construction Co.

Mr. Driver reported that the contract with Consolidated Construction Co. provided for liquidated damages at the rate of \$150 per day. SVC proposed an adjustment to \$100 to recognize the early completion of Unit C. Through James Kendall, Consolidated Construction Co. have increased their offer from \$25 to \$75. The architects have advised, "Don't let them off the hook."

BM-206 Mr. Brown moved that the matter be referred to the  
Finance Committee for recommendation.  
Mr. John Kendall supported.

Ayes: Arbury, Brown, Groening, Kendall, Vaupre, Zahnow  
Absent: Runkel

Motion carried.

C. Unfinished Strip along Parking Lot.

Mr. Brown said that there are two proposals for consideration in completing the strip along the parking lot: 1) Concrete the entire area at a cost of \$4,760; or 2) Score the concrete and provide places for the planting of trees which would cost \$5,736, or an additional \$976. Mr. Brown said that the tree planting is more than the State Building Division has agreed to pay for this change order, so that the additional cost of \$976 may have to come from contributed funds. It was the consensus of the Board that the area be paved.

BM-207 Mr. Brown moved that the strip along the parking lot be  
paved at a cost of \$4,760.  
Mr. Zahnow supported.

Ayes: Arbury, Brown, Curtiss, Groening, Kendall, Vaupre, Zahnow  
Absent: Runkel

Motion carried.

D. Special Meeting

BM-208 Mr. John Kendall moved that a Special Meeting be held on Monday, December 22, 1969, at 8 p.m. in the Board Room in Wickes Hall to award contracts for the construction of an athletic facility.  
Mrs. Arbury supported.

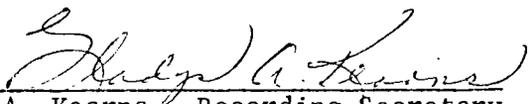
Ayes: Arbury, Brown, Curtiss, Groening, Kendall, Vaupre, Zahnow  
Absent: Runkel

Motion carried.

There being no further business to transact, the meeting adjourned at  
9 p.m.

Respectfully submitted,

  
\_\_\_\_\_  
Charles B. Curtiss - Secretary

  
\_\_\_\_\_  
Gladys A. Kearns - Recording Secretary

SDM  
gak mrm