

**SVSU**

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**BOARD OF CONTROL**

**MINUTES**

**JUNE 13, 1994**



SAGINAW VALLEY STATE UNIVERSITY  
BOARD OF CONTROL  
JUNE 13, 1994  
REGULAR MEETING

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MINUTES  
BOARD OF CONTROL  
Regular Meeting  
1:30 p.m.  
Board of Control Room - Wickes Hall  
June 13, 1994

Present: Braun  
Curtiss  
Escobedo  
Gilbertson  
Roberts  
Rush  
Walpole  
Ward

Absent: Kelly

Others

Present: A. Beutler  
G. Corser  
J. Dwyer  
G. Elashhab  
J. Fallon  
M. Frahm  
G. Hamilton  
J. Houghton  
C. Lange  
J. Lyddon  
J. Muladore  
J. Nagy  
K. Nowaczyk  
J. Olvera  
R. Payne  
J. Peterson  
R. Ruffin  
J. Stanley  
N. Sterchle  
R. Thompson  
J. Wood  
J. Woodcock  
R. Yien  
Press ( 3)

1. CALL TO ORDER

Chairperson Rush called the meeting to order at 1:31 p.m.

II. PROCEDURAL ITEMS

A. Approval of Agenda and Additions and Deletions to Agenda

There were no additions or deletions to the agenda. Hearing no objection, Chairperson Rush ordered the agenda approved as distributed.

B. Approval of Minutes of May 6, 1994 Regular Meeting

It was moved and supported that the minutes of the May 6, 1994 regular monthly meeting be approved.

Trustee Ward asked that the last sentence of the first paragraph on page eight be amended to read "we *cannot* take an active part . . . ." instead of "we can take an active part...."

Chairperson Rush asked that the memo distributed to the Board by Trustee Ward and referred to in the minutes be added to the minutes as an appendix.

The minutes were unanimously APPROVED as amended.

C. Recognition of the Official Representative of the Faculty Association

Chairperson Rush recognized Professor George Corser, Chairperson of the Faculty Association, who read the attached statement. (See Appendix One: Corser)

D. Communications and requests to Appear before the Board

Mr. Richard Payne, Executive Assistant to the President/Secretary to the Board, introduced Ms. Kazuko Ikumoto, Exchange Professor from Shikoku University in Tokushima, Japan.

III. ACTION ITEMS

- 1) Resolution to Approve Goals Through 1997-98 and Objectives for 1994-95

RES-1104 WHEREAS, Board of Control Policy 3.101, Article III, Item #1, states that the Board of Control reserves unto itself authorization to annually adopt or reaffirm the mission, goals, objectives and priorities of the institution; and

WHEREAS, The Board has reviewed and modified proposed goals and objectives; NOW, THEREFORE, BE IT RESOLVED, That the Board of Control approves institutional goals through 1997-98 and associated objectives for 1994-95. (See Appendix Two: Goals)

President Gilbertson deferred his comments until the discussion on Resolution 1105.

Chairperson Rush noted that the goals and objectives had been discussed in some detail over the past several months, and that the Board members were all very familiar with them. He asked for discussion. Hearing none, he called for the vote.

The motion was APPROVED unanimously.

- 2) Resolution to Adopt General Fund Operating Budget for 1994-95

RES-1105 It was moved and supported that the following resolution be adopted:

WHEREAS, The Administration and Board of Control of the University have analyzed the level of General Fund expenditure allocations required for personnel, services, supplies and equipment to maintain the quality of instructional and support services provided to students;

NOW, THEREFORE, BE IT RESOLVED, That the attached General Fund Budget Summary, including the Tuition and Fees Schedule to be effective beginning with the Fall Semester 1994, be adopted as the General Fund Operating Budget for Saginaw Valley State University's 1994-95 fiscal year. (See Appendix Three: Budget)

President Gilbertson told the Board that the General Fund Budget was directly related to the goals and objectives which had just been adopted in the previous resolution. He then presented a brief overview of the proposed General Fund Operating Budget for the 1994-95 fiscal year.

The sources of revenue for the General Fund Budget are threefold. The largest source is the appropriation from the State of Michigan. Although the appropriation comprises a smaller percentage of the total budget than in the past several years, it still constitutes more than half of SVSU's overall General Fund revenue. The next largest source -- of almost equal size -- is made up of tuition and fees. The remaining income (approximately 4 percent of the budget) is derived from a variety of sources, including overhead charges on grants, contributions from donors, and rental of facilities.

Almost three quarters of General Fund expenditures go toward salaries and benefits programs. This year the University has established collective bargaining agreements already in place with the major employees groups -- the faculty and the maintenance/clerical group. Taken as a whole, with both salaries and benefits built in, the overall inflationary increase for compensation is budgeted at approximately a 3.9% increase.

The remainder of the budget goes toward the other costs of running an institution. Utilities for 1994-95 are budgeted at approximately a 3.4% increase. Insurances are being budgeted at about a 6.6% increase -- largely because of increased premiums on workers' compensation. Supplies and services budgets will go up about 3.0%, which is roughly the Consumer Price Index.

The proposed budget includes a number of changes which have policy implications. Three years ago a base budget for the operation of the West Complex was established to ensure that funds would be available when that facility opens. This budget proposes adding \$150,000 to that base budget so that over a period of five years -- by the 1996-97 year -- it will grow to approximately three quarters of a million dollars, which conservatively will be

minimally required to operate that building in terms of personnel, utilities, insurances and maintenance. In addition to the inflationary increase, an allocation of \$25,000 to the Library Acquisitions Budget was recommended to wean the Library from reliance on a diminishing pool of gift funds, which had been raised by the FORWARD 90 campaign. This \$25,000 would complete that three-year process, and the Library Acquisitions Budget would become fully funded through the General Fund.

An increase of \$75,000 was recommended to make adjunct faculty salaries more competitive.

An increase of \$50,000 to the University equipment budget was recommended to begin building a base budget to provide for the maintenance and replacement of equipment, much of which was acquired at the time Brown Hall, the Science Building and Zahnow Library were built.

The proposed budget also includes the following changes:

- 1) \$92,318 to fund new faculty positions in Mathematics and Teacher Education;
- 2) \$12,000 for a half-time staff position in library circulation;
- 3) \$20,220 to increase a half-time position in the Financial Aids Office to full-time (salary plus benefits);
- 4) \$25,000 additional allocation to support growth in the Macomb Graduate Program in Education;
- 5) \$60,000 to increase the Scholarship Budget to accommodate the increasing number of exceptionally talented students electing to attend SVSU.

President Gilbertson stated that the proposed budget assumes a 4.4% increase in

State appropriations over last year.

A loss of 6.2% in miscellaneous income to the General Fund Budget is expected because a number of grants will probably not be continued. This will not impact the General Fund Budget, as there will be an equal loss on the expense side.

Tuition and fee revenue is projected at \$15,406,000 (a 4.9% increase), based on a 4% increase in rates plus a 1% enrollment growth. Applications for the fall look very solid, although it is anticipated that growth patterns will slow somewhat because of physical plant and human resources limitations.

Because of the tuition restructuring process last year, most course and lab fees are now included in the tuition rate. This is different from many universities where the tuition is only part of what students pay -- there are other increases in course and lab fees which also impact them, but do not show up as dramatically as an increase in the tuition rate.

President Gilbertson told the Board: "This tuition increase is far more moderate than in years past, totally because of the fact that we anticipate....that the State will increase our appropriation. I want to say that this is our first appropriations increase in three years. We are deeply grateful we have been protected against cuts in our appropriation over the past three years, and we're also deeply grateful that all sides -- both the Executive and the Legislative Branches -- now deem that higher education ought to share in the economic rebound as new resources become available....During the current year we were 12th out of 15 in our tuition and fees charges to students among our sister institutions in the State. We wouldn't anticipate that this increase will change our position. It's roughly in the range that our sister institutions are discussing."

Other changes, which do not impact on the General Fund Budget, include funding of the soccer program through the elimination of a full-time assistant football coaching position, the addition of a Director of Writing Programs through the elimination of a staff position in Academic and Career Development Services and addition of a Director of Continuing Education through the elimination of the Director of Institutional Research position. A coordinator of English as a Second Language (ESL) Program position will be added from a new revenue account, while an assistant football coach position will be funded with savings from the coaching transition and elimination of a part-time coaching position.

Joel Olvera, President of Student Government, asked where the 30 cent increase in the General Service Fee would go. President Gilbertson stated that the General Service Fee is utilized to fund debt service and parking among other expenses, which have also gone up....The 30 cents represents approximately a 4% increase over last year. Taken together, tuition and fees went up 4%.

Chairperson Rush noted that the proposed budget was very consistent and tied in directly with the goals and objectives the Board had just approved. He asked for further comments or questions. Hearing none, he called for the vote.

The motion was APPROVED unanimously.

3) Resolution to Authorize the Issuance and Sale of Bond Anticipation Notes to Temporarily Finance Part of the Cost of the West Complex

RES-1006 It was moved and supported that the attached resolution be adopted:  
(See Appendix Four: Bonds)

Mr. Jerry Woodcock, Vice President for Administration and Business Affairs, told the Board that because of the number of projects which have been approved at the various state

universities, the State doesn't have sufficient cash flow to handle that amount of dollars. Consequently they've stated that it is the responsibility of individual institutions to pay early architectural fees, legal fees and construction fees until the leases have been signed. At that time the State will, in effect, reimburse them. Resolution 1006 would allow SVSU, if necessary, to borrow the needed funds until such time as the State has made the proper arrangements to repay the University.

Trustee Ward asked how much it was anticipated the University would have to borrow.

Mr. Woodcock replied: "At this point in time, we've advanced about \$900,000 through University funds. It depends basically on when everything gets approved. Hopefully, it wouldn't be over \$6 million."

James Muladore, Assistant Vice President for Administration and Business Affairs & Controller, added: "It's possible we may not even need to enter into this agreement....September and October are the University's low point in terms of cash availability....but by the actual start date of the project we could, perhaps, forego the need to borrow. We will attempt to avoid borrowing because of the cost of doing so."

Trustee Ward asked if this would be supported by the general revenues of the University or the receivable from the State.

Mr. Woodcock replied that it would be from the general cash flow of the institution.

Mr. Muladore added that the general revenue bond is on the same footing as the general revenue bond issued the previous year for the Doan Center expansion.

Trustee Ward asked: "There's nothing conditional or tentative or provisional about

the receivable we're going to get from the State, is there?"

Mr. Woodcock answered that the State would not pay interest expenses, but would cover the principal.

Trustee Curtiss asked how the bonds would be marketed.

Mr. Muladore replied that there would be an announcement in the Municipal Bond Advisory. It is anticipated that underwriters and banks would bid on the bonds.

Mr. Woodcock added that Grand Valley State University is already being reimbursed by the State for their construction.

Chairperson Rush asked for further questions or comments. Hearing none, he called for the vote.

The motion was APPROVED unanimously.

4) Resolution to Approve Reappointment of Mr. and Mrs. Ned S. Arbury and Mrs. Lyla Williams to the Marshall M. Fredericks Sculpture Gallery Board

RES-1107 It was moved and supported that the following resolution be adopted:

WHEREAS, The Marshall M. Fredericks Sculpture Gallery Board is comprised of qualified individuals who will have the responsibility of advising the President of the University and the University Board of Control regarding major decisions of the Gallery; and

WHEREAS, Mr. and Mrs. Arbury and Mrs. Williams have demonstrated a sincere interest and willingness to assist the Gallery in its endeavors; and

WHEREAS, Members of the Gallery Board recommend that Mr. and Mrs. Arbury and Mrs. Williams be appointed for three-year terms expiring in June, 1997;

NOW, THEREFORE, BE IT RESOLVED, That Mr. and Mrs. Ned S. Arbury and Mrs. Lyla Williams be appointed for three-year terms expiring in June, 1997;

President Gilbertson told the Board that the Arburs and Mrs. Williams are very good friends of the University and the Gallery. The Gallery Advisory Board functions to both bring support for and provide advice about acquisitions and the like for the Marshall

Fredericks Gallery.

Chairperson Rush asked for further comments or questions. Hearing none, he called for the vote.

The motion was APPROVED unanimously.

5) Resolution to Amend Board Bylaws to Grant and Revoke Contracts to Public School Academies in Accordance with Act 362 of Public Acts of 1993

RES-1008 It was moved and supported that the following resolution be adopted:

WHEREAS, Senate Bill No. 896 was signed into law by Governor John Engler on January 14, 1994, which establishes Public School Academies; and

WHEREAS, This statute permits the governing board of a state public university to "act as an authorizing body to grant a contract to organize and operate one or more public school academies;"

NOW, THEREFORE, BE IT RESOLVED, That the Board of Control of Saginaw Valley State University amend its Board bylaws to reserve unto itself the authority to "Grant and Revoke Contracts to Public School Academies in Accordance with Act 362 of Public Acts of 1993."

Chairperson Rush stated: "I would like to make a point of explanation on this resolution, so that everyone here understands how our University operates. We have a separation of delegations or functions within the University by which the President basically runs the University and the Board reserves specific powers to itself. The Bylaws indicate 30 separate powers that are withheld at the present time, which are reserved by the Board. This is just the way this particular University operates. This has been its policy for a long time.

"From time to time, one of these reserved functions may be added to or deleted. At the present time, because the Legislature passed a law which went into effect in early 1994, we are obliged to respond to that law. This is step number one, through which we are just

doing a housekeeping function. We are adding to the reserve powers -- as mandated by statute -- that this Board of Control has the power to grant and revoke contracts as of the Public School Academies Act. Again, this is simply a housekeeping item. It has no political implications whatsoever. It doesn't indicate that we're taking any powers away from Dr. Gilbertson. It simply means that we're doing our job and that we recognize the fact that the Legislature has given us that new responsibility."

Chairperson Rush asked for questions. Hearing none, he called for the vote.

The motion was APPROVED unanimously.

6) Resolution to Approve Constitutional Amendment II to the Student Government Constitution

RES-1109 It was moved and supported that the following resolution be adopted:

WHEREAS, The original Article I, Section 4, Subsection 3 of the Student Government Constitution has been found not to be adequately explicit in its explanation of the Student Government President's power of veto; and

WHEREAS, The Student Government drafted Constitutional Amendment II to replace in full Article I, Section 4, Subsection 3 of the Constitution in order to clarify the scope, timetable and limitations of the Student Government President's veto power; and

WHEREAS, The Student Government presented Constitutional Amendment II to the SVSU student body for ratification on March 29, 30 and 31, 1994; and

WHEREAS, Constitutional Amendment II was ratified by majority vote of the SVSU student body;

NOW; THEREFORE, BE IT RESOLVED, That Constitutional Amendment II is hereby approved by the SVSU Board of Control to replace Article I, Section 4, Subsection 3 of the Student Government Constitution. (See Appendix Five: Constitution)

Mr. Olvera told the Board that the Student Government Constitution was somewhat vague regarding the Student Government President's veto. Constitutional Amendment II would set the Presidential veto power at ten regular business days. If the President fails to sign and approve the action within that time or fails to return the action to the Senate for

reconsideration within the same period, the action will automatically be approved.

The Amendment also gives the Student Government President the line item veto and sets up a timeline for the Senate to override the President's veto.

Chairperson Rush asked for questions or comments. Hearing none, he called for the vote.

The motion was APPROVED unanimously.

#### IV. INFORMATION AND DISCUSSION ITEMS

##### 7) Staff Member of the Month

Jack Wood, Staff Member of the Month for June, was presented to the Board. (See Appendix Six: Wood)

##### 8) Panel Presentation on Institutional Values

Dr. John A. Fallon III, Vice President for Public Affairs, told the Board that SVSU's relationships outside the confines of the campus are broad, diffuse and diverse. He described the University's dealings with various constituencies, including the media, the legislature, friends and donors, students and their families, the public at large, local governments, civic groups, public and private schools in the region, the health and medical fields and SVSU alumni.

Dr. Fallon introduced the panel, which consisted of: Dr. Albert J. Beutler, Executive Director of the SVSU Foundation and Development; Ms. Jo Peterson, Director of the Business and Industrial Development Institute; Mr. James P. Dwyer, Director of Admissions; Dr. Eugene Hamilton, Associate Vice President for Advancement and Public Service; Mr. John Nagy, President of Saginaw Products Corporation and former President

of the Saginaw County Chamber of Commerce; and the Honorable Howard Wetters, State Representative from the 97th District in Bay City.

Dr. Beutler discussed the manual distributed by the Council for the Advancement and Support of Education (CASE), which deals basically with three issues: guidelines for campaign management, campaign reporting standards, and standards for reporting various types of gifts and pledges. He also reviewed the "Donor Bill of Rights" which was developed by CASE and the National Society of Fund Raising Executives (NSFRE), and how these two documents relate to the SVSU Foundation and Development Office.

Ms. Peterson described the ways the Business and Industrial Development Institute (BIDI) helps the University fulfill the public service component of its mission, uniting the resources of the regional communities in an effort to enhance the growth and development of business and industry.

Mr. Dwyer told the Board about the pressure being felt by Admissions Offices throughout the nation to recruit students and the possibly unethical methods used by some colleges to improve their enrollments.

Dr. Hamilton commented on the ethics and values SVSU integrates into its responses to the external community's requests to share in the intellectual and physical resources of campus, which is perceived by many as a source of assistance as well as an asset to the region.

Mr. Nagy stated that values such as honesty, integrity, decency, fairness, respect and trust are easy to list, but hard to define when they are being applied. It helps when you put them in the perspective of expectations, and the expectations for universities are very high.

Colleges and universities make two promises to their students. One is the promise that they will provide an education which should increase the value of the students when they enter their chosen field of employment. The second, perhaps more indirect, is that the university will make the students better people by exposing them to new thoughts and ideas.

Representative Wetters told the Board that SVSU manages to maintain the very high ethics and values it practices internally when it interfaces with the government in the legislative process. He stated: "SVSU's people who work with me in state government are always there to answer questions. They are regularly in contact with me regarding issues about which they are concerned -- not just budgetary issues, but other issues as well. They regularly sit down with all the legislators in this area and talk with them, not just about specific issues that are of the utmost importance, but about generally the way the University is running, about what concerns they have and about what might be coming down the road that they might have to deal with. They are very good lobbyists in that sense. In Lansing there are two kinds of lobbyists that I or any other legislator have come in contact with. There are power lobbyists....and there are informational lobbyists. They're the people who are there with the information to answer your questions. The information they provide you has integrity and value and you know that you can count on them. And that's the way I view the people who interface with the Legislature from Saginaw Valley State University."

Chairperson Rush thanked the panelists.

#### V. REMARKS BY THE PRESIDENT

President Gilbertson congratulated Dick Thompson, Dean of Students, and George Corser on their birthdays. He also congratulated Joel Olvera on his marriage the previous

weekend. He told the Board that Jan Lyddon, Director of Institutional Research, would shortly be leaving SVSU to accept a position at Western Michigan University. He thanked her for the excellent job she had done while at Saginaw Valley State University and wished her the best in the future.

VI. OTHER ITEMS FOR CONSIDERATION

There were no other items for consideration.

VII. ADJOURNMENT

9) Motion to Adjourn

BM-854 It was moved and supported that the meeting be adjourned.

The motion was APPROVED unanimously.

Chairperson Rush adjourned the meeting at 3:14 p.m.

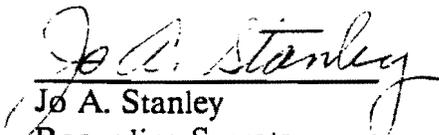
Respectfully submitted:

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Thomas E. Rush  
Chairperson

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Robert H. Walpole  
Secretary

  
Jo A. Stanley  
Recording Secretary

## STEWARDSHIP

Steward derives from an Anglo-Saxon word meaning "keeper of the house," as distinct from master or owner. Stewardship is both the office and the duties of a steward. We are stewards, not masters, of SVSU. Our house belongs to the people of Michigan, especially the people of our service region. Our mission statement presents the ways we have chosen to guide our stewardship for the people as well as other institutions of this region.

It is our task to the best of our abilities to faithfully protect, maintain, nurture, and enhance our inheritance with courage, sagacity, honor, dignity, and grace. The seeming permanence of our sanctuary of learning and searching for truths is illusion. This precious sanctuary can be damaged, even destroyed, if diverted from its *raison d'être*, as we may be witnessing of some schools in other parts of the educational system. We are indeed trustees answerable to all posterity if we permit our inherited sanctuary to be squandered, deformed, or destroyed.

Amidst the dangers of this decade of the 1990s, there are opportunities that present themselves, such as the recent legislation which permits the creation of charter schools but does not impose their creation. This opportunity, like virtually any other, must be approached and evaluated with a healthy skepticism. The benefits and dangers are not yet clear.

One of the gems in the treasure of our inheritance is the deserved reputation that graduates of the College of Education at SVSU are among the best in the State of Michigan. The partnership between SVSU through the faculty and deans of the College of Education has evolved over many years and is based on communication, collaboration, and trust among and between the parties. Both SVSU students and K-12 public school students have benefitted from this enduring "gentlemen's agreement" partnership. This partnership could conceivably be enhanced by constructive cooperation to establish a charter school or seriously damaged by a destructive competitive approach.

To date the news is not all good for the first charter school as reported today on page one of the Detroit Free Press. Even Plato warned of the dangers of buying and selling knowledge.

Surely...knowledge is the food of the soul; and we must take care...that the Sophist does not deceive us when he praises what he sells, like the dealers wholesale or retail who sell the food of the body; for they praise indiscriminately all their goods, without knowing what are really beneficial or hurtful: ... And their customers seem equally ignorant, unless he who buys of them happens to be a physician of the soul. If therefore, you have understanding of what is good and evil, you may safely buy knowledge...; but if not, ... pause, and do not hazard your dearest interests at a game of chance. For there is far greater peril in buying knowledge than in buying meat and drink."

To see the benefits and dangers, we must follow the good advice of removing the log from our own eye, thus clarifying our vision to deal with the mote in our neighbor's eye.

To this worthy end the SVSU Board of Control has taken the best possible action at its last meeting, to establish an ad hoc committee to study this politically and emotionally charged opportunity. Our inheritance is well protected and our public well served by this action. I am confident that no stone will be left unturned in this process and that all significant resource persons will be heard and their concerns and advisories given fair and impartial consideration..

Fundamentally this is an ethical issue to be decided by the best judgement of each individual steward.

I close with two questions:

Who speaks for the K-12 children and the SVSU students?

What kind of spirit do we want people to catch from SVSU?

George A Corser  
June 13, 1994

## RECOMMENDED GOALS THROUGH 1997-8 AND OBJECTIVES FOR 1994-5

Resolved, that the Board of Control approves the following long-term goals and associated objectives:

Goal 1: ENHANCE THE QUALITY OF THE UNIVERSITY'S ACADEMIC PROGRAMS.

Objective 1 for 1994-5: Promote and support efforts and activities to assess and improve student performance and academic standards, and respond to NCA request for Report in this regard.

Objective 2 for 1994-5: Review goals and courses offered in the General Education Program, with particular attention to the "International Understandings" component, and begin revisions or improvements as may be indicated, and respond to NCA request for Report in this regard.

Objective 3 for 1994-5: Promote and support efforts and activities to improve the quality of teaching and learning within the University, with special attention on the development and improvement of writing programs.

Objective 4 for 1994-5: Plan for development of new programs and services that will fully utilize opportunities made available by West Complex facilities, including increased public service and continuing education courses and greater use of instructional and research technology.

Objective 5 for 1994-5: Support enhanced cultural and intellectual activities and events on campus, and increase participation in same.

Objective 6 for 1994-5: Support faculty and staff research and professional development activities, including expanding access to collections and data bases through the Library and campus computing network.

Objective 7 for 1994-5: Develop substantive curricular and service goals for the College of Business and Management.

Goal 2: ACHIEVE AN APPROPRIATE ENROLLMENT/RESOURCE BALANCE WHICH PERMITS STUDENT BODY GROWTH WITHIN THE LIMITS OF AVAILABLE RESOURCES

Objective 1 for 1994-5: Continue efforts to increase full-time faculty staffing in those disciplines most affected by recent enrollment growth, or in areas where future growth is most promising.

Objective 2 for 1994-5: Continue efforts to achieve greater efficiency in use of resources, including promoting enrollment growth in underenrolled courses and programs and the reallocation of staffing as may be appropriate.

Objective 3 for 1994-5: Continue to promote overall institutional enrollment growth at a moderate rate.

Objective 4 for 1994-5: Consider feasibility of new or expanded degree programs in response to student demand or regional need, and plan development of such programs where indicated.

Goal 3: **IMPROVE AND EXPAND THE UNIVERSITY'S SERVICE TO A WIDER DIVERSITY OF PEOPLE.**

Objective 1 for 1994-5: Support the recruitment and retention and success and growth of minority students, evaluate the effectiveness of existing programs in this regard, and make changes and improvements as indicated.

Objective 2 for 1994-5: Treat each faculty or staff position vacancy as an opportunity to increase the number of faculty and staff who bring diverse ideas and backgrounds to the campus.

Objective 3 for 1994-5: Increase and enhance multi-cultural programming on campus and in the service region.

Objective 4 for 1994-5: Continue to draw advice and support from the minority communities, including the Minority Advisory Committee and the Bilingual/ Bicultural Advisory Committee, and bring greater visibility to these efforts.

Goal 4: **INCREASE DIRECT ASSISTANCE AND SUPPORT TO K-12 SCHOOLS, ESTABLISH UNIVERSITY AS INTELLECTUAL AND SERVICE RESOURCE FOR THE REGION.**

Objective 1 for 1994-5: Continue to improve programs leading to the initial preparation of teachers and the professional development of practicing professionals in education.

Objective 2 for 1994-5: Support and promote special efforts to expand service programs for K-12 schools and their communities, including consideration of opportunities presented by recent "public school academy" legislation.

Goal 5: **IMPROVE AND EXPAND INTERNATIONAL PROGRAMMING AND RELATED EDUCATIONAL OPPORTUNITIES.**

Objective 1 for 1994-5: Design and promote new and innovative opportunities for students, faculty and staff to study and travel abroad.

Objective 2 for 1994-5: Promote the development of new or redesigned International Perspective courses for the University's General Education Program, including those taught by international faculty.

Objective 3 for 1994-5: Consider feasibility of offering a degree program in International Studies, and develop such program if indicated.

Objective 4 for 1994-5: Improve services and support for international students recruited to study at SVSU.

Objective 5 for 1994-5: Promote broader exposure and interaction of international students and faculty on campus, as well as SVSU faculty and students returning from experiences abroad, and expand the international awareness of all persons on campus.

Goal 6: **IMPROVE SVSU'S PUBLIC SERVICE AND APPLIED RESEARCH ACTIVITIES.**

Objective 1 for 1994-5: Review all programs providing services to business, including BIDI and those supported by Research Excellence Funds, and redirect or redesign these as indicated to focus efforts and improve effectiveness and to provide for greater involvement of faculty and staff in such programs and activities.

Objective 2 for 1994-5: Provide support for specific projects designed to assist regional schools, governments and nonprofit organizations to deal with social, educational and economic problems and opportunities.

Goal 7: **PRESERVE AND EXPAND THE UNIVERSITY'S PHYSICAL PLANT AND CAPITAL EQUIPMENT TO SUPPORT PROGRAMS AND OTHER NEEDS OF STUDENTS AND THE SERVICE REGION.**

Objective 1 for 1994-5: Complete design and begin construction of the West Complex, and complete plans for meeting operating costs associated with this facility.

Objective 2 for 1994-5: Complete design and construction of Founders Building, and complete design for Bell Tower project.

Objective 3 for 1994-5: Complete Doan expansion and renovation.

Objective 4 for 1994-5: Develop plan to address deferred maintenance issues, including resolution of problems associated with University utility systems.

Objective 5 for 1994-5: Increase permanent budget support for equipment improvement and replacement.

Objective 6 for 1994-5: Develop long-term planning priorities for uses of campus land, including the updating of the campus Master Plan.

Objective 7 for 1994-5: Develop plans and funding sources for replacement of University telephone switch and related equipment.

Goal 8: ENHANCE THE VOLUME OF FINANCIAL SUPPORT OF THE UNIVERSITY

Objective 1 for 1994-5: Obtain increased state general operations and special project appropriations.

Objective 2 for 1994-5: Obtain funding for SVSU Foundation Goals.

Objective 3 for 1994-5: Increase annual fund and special event revenues.

Goal 9: ENCOURAGE THE DEVELOPMENT OF PLANNING PROCESSES, INITIATIVES AND PROPOSALS IN FURTHERANCE OF THESE GOALS AND OBJECTIVES FROM UNITS WITHIN THE UNIVERSITY'S COLLEGES AND ADMINISTRATIVE STRUCTURE.

**SAGINAW VALLEY STATE UNIVERSITY  
GENERAL FUND BUDGET  
FY95**

	<u>REVISED BASE (1/94)</u>	<u>FISCAL YEAR 1995</u>
<u>REVENUES:</u>		
State Appropriation	\$17,004,533	\$17,752,700
Tuition and Fees	14,675,000	15,406,000
Miscellaneous	1,525,914	1,430,122
Total Revenues	<u>33,205,447</u>	<u>34,588,822</u>
 <u>EXPENDITURE ALLOCATIONS:</u>		
Compensation	24,337,539	25,487,029
Supplies, Materials & Services	8,201,028	8,348,913
Capital Expenditures	666,880	752,880
Total Expenditures	<u>33,205,447</u>	<u>34,588,822</u>
Revenues Over/(Under) Expenditures	<u>\$0</u>	<u>\$0</u>
 <u>FUND BALANCE</u>		
Balance at Beginning of Year, 7/1/93	\$340,196	
Resources Over/Under expenditures, FY 1993-94	0	
Anticipated Fund Balance at 6/30/94	<u>\$340,196</u>	

**SAGINAW VALLEY STATE UNIVERSITY  
TUITION AND FEES  
1994-95**

**TUITION**

<b>MICHIGAN RESIDENTS:</b>	
Undergraduate Courses	\$92.80/cr.hr.
Undergraduate – Professional Program Courses [a]	99.70/cr.hr.
Graduate Courses [h]	135.50/cr.hr.
<b>NON-RESIDENTS:</b>	
Undergraduate Courses	193.40/cr.hr.
Undergraduate – Professional Program Courses [a]	200.30/cr.hr.
Graduate Courses [h]	265.70/cr.hr.
Auditor	Tuition Rate
Credit by Examination	Tuition Rate

**FEES**

General Service [b]	7.30/cr.hr.
Athletic Season Pass (annual fee)	25.00
Listener's Permit	65.50/course
Off-Campus Service Fee	See Footnote [c]
Applied Music [d]	55.00/cr.hr.
Application	25.00
Orientation	40.00 FTIC 20.00 Transfer
Late Registration	50.00
Hand Registration	25.00 transaction
I.D. Replacement	5.00
Graduation	30.00
Transcript	4.00/official copy 1.00/student copy
Diploma Replacement	5.00
Diploma Cover Replacement	6.00
Return Check Service Charge [e]	17.50
Placement	3.00/Credentials File 20.00/Job Bulletin Subscription

Late Payment [f] \$8.00

**SPECIAL TUITION AND/OR FEE RATES**

The Electronic Campus Program 270.00/cr.hr.  
International M.B.A. 250.00/cr.hr.

Employees [g] 3/4 tuition and general service fee  
Employee dependents [g], dependents of deceased  
employees [g], and senior citizens (60 and over) 1/2 tuition and general service fee

Macomb Program --  
Off-Campus Service Fee [h] 38.50/cr.hr.

[a] Upper division level course in Engineering, Nursing, Occupational Therapy, and Education.

[b] General Service Fee includes (on-campus students only):

Parking Facility Fee	\$1.30/cr.hr.
Student Government Fee	.75/cr.hr.
Publication Fee	.17/cr.hr.
Facility Debt Service Fee	Up to .90/cr.hr.
First Aid Facility Fee	Up to \$1.00/cr.hr.
Registration Processing	Residual

[c] Off-Campus Service Fee calculation based upon distance from campus:

30 miles – includes Bay City, Midland, and Saginaw	\$12.00/cr.hr.
31–45 miles – includes Caro	20.00/cr.hr.
46–60 miles – includes West Branch	28.00/cr.hr.
61 and over miles – includes Kirtland Community College (Macomb has an independent fee structure.)	35.00/cr.hr.

[d] Plus tuition.

[e] If charge involves registration, board and room payment, or apartment rent, late payment charges can also apply.

[f] Late payment charges will be assessed at \$8.00 per statement, up until such time as an account is turned over to a collection agency.

[g] Employees are those individuals who are qualified for fringe benefits.

[h] A laboratory fee of \$60.00 per course may also be assessed.

**BOARD OF CONTROL OF  
SAGINAW VALLEY STATE UNIVERSITY**

**RESOLUTION TO AUTHORIZE ISSUANCE AND SALE OF  
NOT TO EXCEED**

**\$6,000,000**

**BOND ANTICIPATION NOTES,  
Series 1994**

**ADOPTED \_\_\_\_\_, 1994**

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**RESOLUTION TO AUTHORIZE THE ISSUANCE AND SALE OF  
BOND ANTICIPATION NOTES TO TEMPORARILY  
FINANCE PART OF THE COST OF THE WEST COMPLEX**

---

**WHEREAS, in the exercise of their constitutional duties and in order to properly serve the needs of students attending Saginaw Valley State University (the "University"), the Board of Control of Saginaw Valley State University (the "Issuer") has authorized the acquisition, construction and equipping of the West Complex, on the University Center Campus of the University (the "Project"); and**

**WHEREAS, the State Building Authority has stated its intention to provide permanent financing for a portion of the costs of the Project; and**

**WHEREAS, in the exercise of its constitutional duties and in order to properly serve the interests of students attending the University, and to prudently control and direct expenditures of the University's funds the Issuer deems it necessary and advisable to issue its Bond Anticipation Notes, Series 1994 (hereinafter defined as the "Notes") in the principal amount of not to exceed Six Million Dollars (\$6,000,000) for the purpose of temporarily financing part of the cost of acquiring, constructing, renovating and equipping the Project, paying capitalized interest on the Notes, and paying the expenses related thereto and incidental to the issuance of the Notes; and**

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

WHEREAS, in order to market the Notes in the most economic manner it is necessary to authorize the President or the Vice President for Administration and Business Affairs (each an "Authorized Officer") to make determinations as to the terms of the Notes, within the limits set forth herein; and

WHEREAS, the Issuer has been created as a constitutional body corporate under the provisions of Article VIII, Section 6 of the Michigan Constitution of 1963, and has full power under its constitutional authority and supervision of the University, and control and direction of expenditures from the University funds, to acquire, construct, renovate and equip the Project, to pay part of the cost thereof by issuance of the Notes;

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

## ARTICLE I

### DEFINITIONS

In addition to the terms defined in the preambles to the Resolution, the following terms shall have, unless the context otherwise requires, the meanings herein specified:

"General Revenues" means all fees, deposits, charges, receipts and income from all or any part of the students of the University, whether activity fees, tuition, instructional fees, tuition surcharges, general fees, health fees or other special purpose fees; all gross income, revenues and receipts from the ownership, operation and control of the University's housing,

dining and auxiliary facilities system; all unrestricted receipts from the sales and service of educational activities; all grants, gifts, donations and pledges and receipts therefrom; and investment income on all of the above; but excluding all of the following; (a) any deposits required by law or contracts to be held in escrow; (b) any gifts, grants, donations or pledges restricted as to use in a manner inconsistent with payment of debt service on the Notes; (c) appropriations from the State Legislature; and (d) up to an amount equal to 5% of General Revenues each Fiscal Year collected annually from the levy of a special fee hereafter established by the Board and designated by the Board to be excluded from General Revenues.

"Governmental Obligations" means any of the following which at the time of investment are legal investments for the moneys proposed to be invested therein: direct general obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America, or other obligations, including defeased tax-exempt securities and maturing interests in a trusteed fund or funds composed entirely of any of the foregoing instruments, the timely payment of which is fully secured by the payment of principal and interest on direct general obligations of, or obligations the payment of principal of and interest on which is unconditionally guaranteed by, the United States of America.

"Investment Income" means and includes all interest or profit, when received, earned through the investment or reinvestment of all moneys in the Note Fund.

"Issuer" means the Board of Control of Saginaw Valley State University, a constitutional body corporate having general supervision of the University and control and direction of all expenditures from its funds.

"Note" or "Notes" means the Board of Control of Saginaw Valley State University Bond Anticipation Notes, Series 1994, to be issued under this Resolution in the aggregate principal amount of not to exceed \$6,000,000.

"Note Fund" means the Saginaw Valley State University Bond Anticipation Notes, Series 1994 Note Fund established by Section 402 hereof.

"Noteholder" or "holder" (when used with reference to Notes) means the registered owner of any Note.

"Note Payment Date" means the maturity date of the Notes which shall be established by an Authorized Officer.

"Outstanding" or "Notes outstanding" means, as of any date, all Notes delivered under the Resolution, except (i) Notes theretofore acquired by the Issuer and canceled and (ii) Notes for which the Issuer shall have made provision for payment in accordance with the Resolution by depositing with the Transfer Agent or other escrow agent cash or cash and Government Obligations, the principal of and interest on which when due will be sufficient to pay the principal of and interest on said Notes as the same become due through maturity.

"Project" means the project referenced in the preambles hereto.

"Project Fund" means the Saginaw Valley State University Bond Anticipation Notes, Series 1994 Project Fund established by Section 401 hereof.

"Resolution" means this resolution and any other resolutions amendatory or supplementary hereto in accordance with the terms hereof.

"Transfer Agent" means the Transfer Agent appointed by an Authorized Officer or any successor Transfer Agent in accordance with the provisions of Section 301 or 308.

"University" means Saginaw Valley State University.

## ARTICLE II

### NECESSITY FOR ISSUANCE OF NOTES

Section 201. Necessity for Issuance of the Notes. The Issuer, in the exercise of its powers and authority relative to the general supervision of the University and control and direction of all expenditures from the University's funds, as provided in Article VIII, Section 6 of the Michigan Constitution of 1963, hereby determines that the issuance of the Notes for the purposes set forth in the preambles hereto is necessary and advisable in order to enable the Issuer to temporarily finance the cost of the acquisition, construction and equipping of the Project.

## ARTICLE III

### THE NOTES

Section 301. Authorization of the Issuance of the Notes. For the purposes set forth in Article II, there shall be borrowed the sum of not to exceed Six Million Dollars (\$6,000,000) as shall be determined by an Authorized Officer, and in evidence thereof there shall be issued the Notes of the Issuer which shall be designated "Bond Anticipation Notes, Series 1994", in like aggregate principal amount. The Notes shall be sold, at a discount not exceeding 1% of the principal amount of the Notes, at public sale following publication of a notice of sale in the form to be approved by an Authorized Officer, or at negotiated sale with a purchaser or underwriter to be selected by an Authorized Officer, and shall be awarded to the purchaser, underwriter or

winning bidder as shall be determined by an Authorized Officer. The Notes shall bear such rate of interest as shall be set forth in the winning bid, but the net interest cost for the Notes, taking into account the rate and any discount or premium, shall not exceed 6% per annum. An Authorized Officer may place additional limitations on the bids in the Notice of Sale and may determine to award the Notes on the basis of either true interest cost or net interest cost.

The Notes shall be dated as of a date to be selected by an Authorized Officer, shall be payable from the sources as hereinafter set forth, shall be issued in fully-registered form in the denomination of \$100,000 or integral multiples thereof and shall be numbered consecutively from 1 upwards. The Notes shall mature on the date specified by an Authorized Officer, but not later than March 31, 1995.

The Notes shall bear interest payable on the maturity date. The principal amount of and interest on each Note shall be payable in lawful money of the United States of America upon surrender of the Note at the principal corporate trust office of a bank or trust company designated by an Authorized Officer (the "Transfer Agent") in such coin or currency of the United States of America as may be, on the respective dates of payment thereof, legal tender for the payment of debts due the United States of America.

Section 302. Limited Obligation. The Notes shall be limited obligations of the Issuer payable solely from the sources of funds specified in Article VI, and the Notes shall not be a debt or liability of the State of Michigan or a general obligation of the Issuer.

Section 303. Execution, Authentication and Delivery. The Notes shall be signed in the name of and on behalf of the Issuer by facsimile signature of an Authorized Officer printed, lithographed or engraved thereon. No Note shall be valid until authenticated by an authorized

officer or agent of the Transfer Agent. The Notes, when executed and authenticated, shall be delivered by an Authorized Officer to the purchaser thereof upon payment of the purchase price therefor determined pursuant to Section 1001 hereof. Executed blank Notes for registration of transfer shall be delivered to the Transfer Agent for safekeeping concurrently with the delivery of the Notes, and from time to time thereafter as necessary.

In case any officer a facsimile of whose signature shall appear on any Notes shall cease to be such officer before the delivery of such Notes, either as part of the initial delivery of the Notes or in connection with a transfer or exchange, such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The Transfer Agent's certificate of authentication of any Note shall be deemed to have been executed by it if signed by an authorized signatory of the Transfer Agent, but it shall not be necessary that the same person sign the certificate of authentication on all of the Notes issued hereunder.

Section 304. No Redemption of Notes. The Notes shall not be subject to redemption prior to maturity.

Section 305. Form of Issuance and Transfer of the Notes. The Notes shall be issued in the form of fully-registered notes without coupons. Any Note may be exchanged for Notes of other authorized denominations or transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Note to the Transfer Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Note or Notes shall be surrendered for transfer or exchange, an Authorized Officer shall execute or cause to be executed, as specified above, and the Transfer

Agent shall authenticate and deliver a new Note or Notes, in like aggregate principal amount, and with like interest rate and maturity. The Transfer Agent shall require the payment by the Noteholder requesting the transfer or exchange of any tax or other governmental charge required to be paid with respect to the transfer or exchange.

The Transfer Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer or exchange of the Notes, which shall at all times be open to inspection at reasonable times by the Issuer and its auditors or their designees; and, upon presentation for such purpose, the Transfer Agent shall, under regulations as it may prescribe, transfer or exchange or cause to be transferred or exchanged, on said books, Notes as hereinbefore provided.

The form of the Notes shall be substantially as follows:

(Form of Note)

UNITED STATES OF AMERICA  
 STATE OF MICHIGAN  
 BOARD OF CONTROL OF SAGINAW VALLEY STATE UNIVERSITY  
 BOND ANTICIPATION NOTE,  
 SERIES 1994

No. \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Principal Amount: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Date of Original Issue: \_\_\_\_\_

Registered Holder: \_\_\_\_\_

THE BOARD OF CONTROL OF SAGINAW VALLEY STATE UNIVERSITY, a body corporate created by and existing under the Constitution and laws of the State of Michigan (the "Issuer"), for value received, hereby promises to pay the Principal Amount shown above to the Registered Holder or registered assigns, in lawful money of the United States of America on the Maturity Date shown above, with interest thereon until maturity from the Date of Original Issue at the Interest Rate shown above, payable on the Maturity Date. Principal of and interest on this note is payable at the principal corporate trust office of \_\_\_\_\_, in \_\_\_\_\_, Michigan (the "Transfer Agent") or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than 10 days prior to the Maturity Date.

This note is one of an issue of bonds (the "Notes"), of like tenor, except as to denomination, aggregating the principal amount of \$ \_\_\_\_\_, all issued pursuant to a resolution adopted by the Issuer on \_\_\_\_\_, 1994 (the "Resolution"), for the purpose of paying part of the cost of the acquisition, construction, renovation and equipping of a certain capital project on the University Center Campus of the Saginaw Valley State University, paying capitalized interest on the Notes, and paying costs related thereto and incidental to the issuance of the Notes; all in accordance with the authority vested in the Issuer by law, particularly Article VIII, Section 6 of the Michigan Constitution of 1963.

The Notes, including this note, are limited and not general obligations of the Issuer payable solely from the capitalized interest and the proceeds of debt issued by the Issuer or the Michigan State Building Authority deposited in the Note Fund established pursuant to the Resolution, and from General Revenues, as defined in the Resolution. Payment of principal of and interest on the Notes is secured by a pledge of and first lien on General Revenues, on a parity basis with other General Revenue obligations of the Issuer heretofore or hereafter issued. Except as provided above, no recourse shall be had for the payment of the principal amount of

or interest on this note or any claim based thereon against the State of Michigan, the Issuer or any officer or agent thereof or of the Saginaw Valley State University, as individuals, either directly or indirectly nor shall these obligations become a lien on or be secured by any property, real personal or mixed, of the State of Michigan or the Issuer, other than General Revenues as described above. By acceptance hereof and as a part of the consideration for the issuance hereof, the registered owner hereof expressly waives all other recourse.

For a complete statement of the purposes for which the Notes are issued, the funds from which and the conditions under which this note is payable, the general covenants and provisions pursuant to which this note is issued, the rights of the holders of Notes, and the terms and conditions under which this note and the series of Notes of which this is one, or any part thereof, shall be deemed to be no longer outstanding, reference is made to the above described Resolution. A certified copy of the Resolution is on file at the Office of the Vice President for Administration and Business Affairs of the University.

The Notes shall not be subject to redemption prior to maturity.

Any Note may be exchanged for Notes of other authorized denominations or transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Note to the Transfer Agent for cancellation, together with a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Note is surrendered for transfer or exchange, the President or the Vice President for Administration and Business Affairs of the University shall execute or cause to be executed, and the Transfer Agent shall authenticate and deliver, a new Note or Notes, in like aggregate principal amount, and with like interest rate and maturity. The Transfer Agent shall require the noteholder requesting the transfer or exchange to pay any tax or other governmental charge required to be paid with respect to the transfer or exchange.

This Note is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this Note has been duly executed by the authorized signatory of the Transfer Agent.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions and things required to be done, to happen or to be performed precedent to and in the issuance of this Note, have been done, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, the Board of Control of Saginaw Valley State University has caused this Note to be signed for it and in its behalf by the facsimile signature of its \_\_\_\_\_, all as of \_\_\_\_\_, 1994.

**BOARD OF CONTROL OF  
SAGINAW VALLEY STATE UNIVERSITY**

By \_\_\_\_\_

Its \_\_\_\_\_

**Certificate of Authentication**

This is to certify that the within Note is one of the Board of Control of Saginaw Valley State University Bond Anticipation Notes, Series 1994, described in the Resolution herein referred to.

\_\_\_\_\_

Date of  
Authentication:

By \_\_\_\_\_  
Authorized Signatory

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED

the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_

the within Note of

the Board of Control of Saginaw Valley State University

and does hereby irrevocably constitute and appoint

\_\_\_\_\_ Attorney to transfer the said Note on the books of the  
within-named Corporation, with full power of substitution in the premises.

\_\_\_\_\_

Dated: \_\_\_\_\_

In the presence of:

\_\_\_\_\_ Signature(s) Guaranteed

Signatures must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

**Note:** The signature to this Assignment must correspond with the name as written on the face of this Note in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation, or anyone in a representative capacity, proof of his authority to act must accompany the Note.

Section 306. Mutilated Notes. Subject to and in accordance with Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), if any Note shall become mutilated, an Authorized Officer, at the expense of the holder of the Note, shall without further action being required by the Issuer, execute or cause to be executed in the manner specified above, and the Transfer Agent shall authenticate and deliver, a new Note of like tenor in exchange and substitution for the mutilated Note, upon surrender to the Transfer Agent of the mutilated Note and receipt by the Transfer Agent and the Issuer of indemnity satisfactory to them. Subject to and in accordance with Act 354, if any Note issued under this Resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the Transfer Agent and, if this evidence is satisfactory to both the Transfer Agent and the Issuer and indemnity satisfactory to the Transfer Agent and the Issuer shall be given, an Authorized Officer, at the expense of the owner, shall without further action being required by the Issuer, execute or cause to be executed in the manner specified above and the Transfer Agent shall thereupon authenticate and deliver, a new Note of like tenor and bearing the statement required by Act 354, or any applicable Michigan law hereafter enacted, in lieu of and in substitution for the Note so lost, destroyed or stolen. If any such Note shall have matured or shall be about to mature, instead of issuing a substitute Note the Transfer Agent may pay the same without surrender thereof.

Section 307. Cancellation of Notes. All Notes, which have been retired by maturity, redemption or purchase shall be canceled by the Transfer Agent and an appropriate certificate of cancellation with respect thereto delivered to the Issuer. Unless otherwise required by applicable law, regulation or rule, as soon as practicable following the cancellation thereof, all

anceled Notes shall be cremated and an appropriate certificate of cremation delivered to the Issuer by the Transfer Agent.

Section 308. Resignation of Transfer Agent. The Transfer Agent may resign by giving not less than thirty (30) days prior written notice to the Issuer, and the Issuer may remove the Transfer Agent by giving not less than thirty (30) days prior written notice to the Transfer Agent. The Issuer shall designate a successor Transfer Agent and shall mail notice of the appointment of the successor Transfer Agent to each registered owner of the Notes not less than ten (10) days prior to the Note Payment Date. Upon the appointment of a successor Transfer Agent, the predecessor Transfer Agent shall transfer all moneys and funds, the registration books, and all other documents and instruments relating to the Notes held by it as Transfer Agent to the successor Transfer Agent.

#### ARTICLE IV

##### ESTABLISHMENT OF FUNDS

Section 401. Establishment of Project Fund. There is hereby created and established the Project Fund, which shall be a sub-account within a general banking account of the University designated by the Vice President for Administration and Business Affairs. There shall be deposited in the Project Fund (i) all proceeds from the sale of the Notes, except accrued and capitalized interest to be deposited in the Note Fund pursuant to Section 501, and (ii) all investment earnings on investments of the Project Fund. All moneys in the Project Fund shall be used for the purposes and disbursed as provided in Article V.

Section 402. Establishment of Note Fund. There is hereby created and established with the Transfer Agent the Note Fund. There shall be deposited in the Note Fund:

1. Any accrued interest received at the time of delivery of the Notes, together with the amount, if any, determined by an Authorized Officer to be appropriate as capitalized interest on the Notes.
2. The proceeds of indebtedness issued by the Michigan State Building Authority paid to the Issuer and required to be deposited into the Note Fund pursuant to Section 602.
3. The proceeds of renewal notes or of bonds of the Issuer issued for the purpose of refunding the Notes and required to be deposited in the Note Fund pursuant to Section 602.
4. All General Revenues required to be paid into the Note Fund pursuant to Section 603.
5. All Investment Income.
6. Any moneys from the Project Fund which are directed by the Issuer to be deposited therein.

All moneys in the Note Fund shall be used for the purposes and disbursed as provided in Article V.

ARTICLE V

FLOW AND USE OF FUNDS

Section 501. Application of Note Proceeds. Immediately upon the receipt thereof, the proceeds of the sale of the Notes shall be apportioned among and deposited in the following funds and accounts in the following manner:

1. Any accrued interest received on sale of the Notes and any capitalized interest shall be deposited in the Note Fund;
2. The balance of the proceeds of the Notes shall be deposited in the Project Fund.

Section 502. Use of and Disbursements from Project Fund. Moneys in the Project Fund shall be used pursuant to the following purposes:

1. Payment of accounting, financial consulting, legal, printing and other expenses of the Issuer in connection with the preparation, issuance, sale and delivery of the Notes;
2. Payments necessary to finance part of the cost of the acquisition, construction and equipping of the Project or to reimburse the Issuer for general funds expended in connection with the foregoing.

Any amount remaining in the Project Fund after satisfaction of the foregoing priorities shall, as directed by the Issuer, be promptly transferred to the Note Fund. In addition, upon maturity of the Notes, or upon provision for payment of the Notes, the Issuer may direct the transfer of all or a portion of the funds in the Project Fund to the Note Fund. The depository for the

Project Fund shall make disbursements from the Project Fund upon the order of the Issuer, and shall have no duty or liability with respect to the manner or method in which moneys are withdrawn by the Issuer from the Project Fund or in fact are used or applied by the Issuer.

Section 503. Use of and Disbursements from Note Fund. On the Note Payment Date, the Transfer Agent shall use moneys in the Note Fund to pay principal of and interest on the Notes as the same are presented and surrendered. Any amount remaining in the Note Fund after the Notes have been paid or provision made therefor under the Resolution shall be returned to the Issuer.

Section 504. Investment of Funds. Moneys held in the Note Fund, until required for use, shall be invested by Transfer Agent in direct obligations of, or obligations the principal and the interest of which are guaranteed by the United States of America; or obligations of Federal Farm Credit Banks, Federal Home Loan Banks, the Federal National Mortgage Association, the Federal Land Bank, Federal Intermediate Credit Banks, the Export-Import Bank of the United States, the Government National Mortgage Association, the Bank for Cooperatives, the Federal Financing Bank, the Farmers Home Administration and the Federal Home Loan Mortgage Association; or tax-exempt obligations rated A or better by Moody's Investors Service and Standard and Poor's Corporation in the case of long term obligations, or in the highest category by each such rating agency in the case of short-term obligations; or may be deposited in a bank or banks (including the Transfer Agent) in an interest bearing savings account or accounts, bankers' acceptances or in certificates of deposit; or may be invested in any fund or funds composed entirely of any or all of the above described investment vehicles (provided that, with respect to tax-exempt obligations in such funds, the obligations need not be rated A or better,

but rather must be, or be deemed to be by the Fund's sponsor or adviser, investment grade), all as shall be directed by the Issuer. Notwithstanding the foregoing, the funds in the Note Fund may be invested as directed by the State Building Authority, or by the Issuer to the extent required to preserve the exclusion from gross income of the interest on the Notes, or any bonds issued by the State Building Authority or the Issuer.

Interest or profit earned on the above investments or deposits, when received shall be deposited in the Note Fund. Any loss on the above investments or deposits shall be charged to the Note Fund.

Moneys held in the Project Fund may be invested in any investments legally available for University funds. All earnings, gains or losses thereon shall be credited to the Project Fund.

Section 505. Tax Covenant. The Issuer hereby covenants that it shall take all actions within its control necessary to maintain the exclusion of the interest on the Notes from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"), including but not limited to actions relating to the rebate of arbitrage earnings, if required, and the expenditure and investment of Note proceeds and moneys deemed to be Note proceeds. The Notes are hereby designated as "qualified tax-exempt obligations" for the purpose of deduction of interest expense by banks and financial institutions.

## ARTICLE VI

SOURCES OF PAYMENT FOR THE NOTES

Section 601. Sources of Payment for the Notes. The Notes are not debts or general obligations of the State of Michigan, nor general obligations of the Issuer, but are limited obligations of the Issuer payable only from the following:

1. All moneys in the Note Fund, including Investment Income;
2. The proceeds of indebtedness issued by the Michigan State Building Authority paid to the Issuer and required to be deposited in the Note Fund pursuant to Section 602;
3. The proceeds of renewal notes or bonds issued by the Issuer for the purpose of refunding the Notes and required to be deposited in the Note Fund pursuant to Section 602;
4. General Revenues required to be deposited in the Note Fund pursuant to Section 603; and
5. All of the proceeds of the foregoing.

The Issuer hereby pledges and grants to the holders of the Notes a security interest in all of the foregoing, and in order to assure this security the Issuer covenants and agrees that the holders of the Notes shall have a first lien on all moneys in the Note Fund, and that holders of the Notes shall have a first lien on General Revenues of equal standing and priority of lien with the pledge of General Revenues for certain outstanding obligations of the Issuer and obligations which may be issued in the future, in each case which are secured by a first lien on General Revenues. The lien on the pledge of General Revenues, and on the Note Fund, shall be valid

and binding from the date of issuance and delivery of the Notes and all moneys or properties subject thereto which are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of the pledge shall be valid and binding against all parties having claim in tort, contract or otherwise against the Issuer (except for the holders of the Parity Obligations described above) irrespective of whether such parties have notice of the lien. The Issuer reserves the right to issue additional parity obligations payable from and secured by a first lien on General Revenues, subject to meeting the conditions set forth in a certain Trust Indenture dated as of May 15, 1993, between the Issuer and Michigan National Bank, as Trustee.

Section 602. Deposit of Proceeds of Debt. To the extent necessary to pay or provide for the payment of principal and interest on the Notes as provided in Article VII, the Issuer shall deposit into the Note Fund amounts paid to the Issuer by the Michigan State Building Authority with respect to the Project and derived from the issuance of indebtedness of the State Building Authority. In addition, the Issuer shall deposit into the Note Fund amounts necessary to pay or so provide for the payment of the Notes derived from the issuance of renewal notes of the Issuer or bonds issued by the Issuer for the purpose of refunding the Notes.

Section 603. General Revenues as Source of Payment of Notes. On or before the fifth business day prior to the Note Payment Date, the Issuer shall transfer to the Note Fund from General Revenues moneys sufficient, together with funds then on hand in the Note Fund and available therefor, to pay the principal of and interest due on the Notes on such Note Payment Date. To the extent that on the fourth business day preceding the Note Payment Date the moneys then on deposit in the Note Fund are not sufficient to meet the principal of and

interest payment coming due on such date, the Issuer shall deposit into the Note Fund all General Revenues thereafter received until the amount on deposit in the Note Fund is sufficient to pay the principal of and interest due on the Note Payment Date; provided, however, that in making the deposit to the Note Fund, General Revenues shall be divided in each Fiscal Year pro rata between the Note Fund and any note, bond or similar fund or funds for the payment of other obligations of the Issuer secured by a first lien on General Revenues without regard to the existence of any reserve funds for any series of such obligations, based on the amount of debt service due in such Fiscal Year. Subject to the above requirements, the Issuer shall have and retain the full right and ability to receive, collect, expend, invest, use or otherwise hold or dispose of General Revenues as the Issuer deems appropriate.

Section 604. Limitations of Obligations. No recourse under any obligation, covenant, stipulation or indenture contained in this Resolution or in any Note issued hereunder or caused by the creation of any indebtedness hereby authorized, shall be had against the State of Michigan, or the Issuer or any member or officer of the Issuer or any officer of the University; nor shall any such obligation ever be or become a charge against the State of Michigan, nor shall the same become a lien on or secured by any property, real, personal or mixed, of the State of Michigan or the Issuer except as set forth in Section 601, it being expressly understood and agreed that the Notes and the obligations created hereunder are payable only from the sources of funds specified in Section 601, and that no other liability whatsoever shall attach to or be incurred by the State of Michigan, the Issuer, or any member or officer of the Issuer or any officer of the University, or its successors; all other liability, except as herein provided, being expressly waived.

## ARTICLE VII

DEFEASANCE

If all the Notes shall have become due and payable in accordance with their terms or are to be paid at their maturity and the whole amount of the principal and the interest so due and payable upon all of the Notes then outstanding shall be paid or sufficient cash, or cash and non-callable Government Obligations the principal of and the interest on which without reinvestment, when due and payable, will provide sufficient moneys for such payment, shall be held by the Transfer Agent in the Note Fund or by any other escrow agent in trust for the benefit of the holders of the Notes, then and in that case the Resolution shall be defeased and terminated and all obligations of the Issuer hereunder shall thereupon cease, terminate and become void and, on demand of the Issuer, any surplus in the Note Fund other than money held for the payment of the Notes shall be transferred to the Issuer; provided, that the applicable provisions of this Resolution pertaining to the payment of the principal of and interest on the Notes, the registration, exchange and transfer of Notes, and the tax covenant contained in Section 505 shall be continued in force until such have been fully paid.

Notes or portions of Notes for which cash or cash and Government Obligations (including principal of and interest thereon) shall be held by the Transfer Agent or other escrow agent in trust for the holders of said Notes or portions of Notes sufficient to pay all principal and interest through maturity shall no longer be outstanding hereunder, and the holders thereof shall have no further rights hereunder or under the Notes except the right to receive payment from the cash or cash and Government Obligations held in trust as specified above and the right to effect transfers or exchanges of Notes as described above.

All moneys and Government Obligations held by the Transfer Agent or other escrow agent as described above shall be held in trust and applied to the payment, when due, of the Notes payable therewith.

## ARTICLE VIII

### FURTHER COVENANTS

The Issuer covenants and agrees with the holders of the Notes as follows:

- (1) The Issuer shall faithfully perform all of its covenants, undertakings, provisions and agreements contained in the Resolution and in any Note executed and delivered hereunder and in all other proceedings of the Issuer pertaining thereto.
- (2) The Issuer is duly authorized under the Constitution and laws of the State of Michigan to adopt the Resolution, to issue the Notes, and to acquire, construct and equip the Project as contemplated by this Resolution; all action on its part relating to the adoption of the Resolution and the issuance, execution and delivery of any Notes has been or will be duly and effectively taken prior to the delivery of such Notes; and the Notes in the hands of the holders and owners thereof are and will be valid and enforceable limited obligations of the Issuer according to their terms.

## ARTICLE IX

SUPPLEMENTAL RESOLUTIONS

Section 901. Supplemental Resolutions Not Requiring Consent of Noteholders. The Issuer may without the consent of the Noteholders adopt resolutions supplemental to the Resolution as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To add additional covenants and agreements of the Issuer for the purpose of further securing the payment of the Notes;
- (b) To cure any ambiguity or formal defect or omission in the Resolution;
- (c) To amend or subtract from or make substitutions for the Project.

Section 902. Supplemental Resolutions Requiring Consent of Noteholders. Exclusive of supplemental resolutions covered by Section 901 for which consent of Noteholders is not required, the holders of not less than 51% in the aggregate principal amount of the Notes outstanding shall have the right to consent to the adoption by the Issuer of such other supplemental or amendatory resolutions as shall be deemed necessary and desirable by the Issuer; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of or the interest on any Note issued hereunder, or (ii) a reduction in the principal amount of any Note or the rate of interest thereon, or (iii) a privilege or priority of any Note or Notes over any other Note or Notes, or (iv) a reduction in the aggregate principal amount of the Notes required for consent to such supplemental or amendatory resolution.

If the Issuer shall propose to adopt a supplemental resolution requiring consent of the Noteholders, it shall cause notice of the proposed adoption of such supplemental resolution to be mailed to each registered owner at the registered address as shown on the books of the Issuer kept by the Transfer Agent. Such notice shall briefly set forth the nature of the proposed supplemental or amendatory resolution and shall state that copies thereof are on file at the Office of the Treasurer of the University for inspection by all Noteholders. If within six months following the publication of such notice, the holders of not less than 51% in aggregate principal amount of the Notes outstanding at the time of the mailing of such notice have consented in writing to the adoption thereof, upon the adoption of such supplemental or amendatory resolution, the Resolution shall be deemed to be amended in accordance therewith.

## ARTICLE X

### MISCELLANEOUS

Section 1001. Authorization of Official Statement, Preliminary Official Statement, Official Notice of Sale and Other Documents. The Authorized Officers, or either of them are hereby authorized to cause to be prepared and circulated a Preliminary Official Statement with respect to the Notes, to cause to be prepared and published an Official Notice of Sale, if the Notes are to be sold at competitive sale, and to cause to be prepared, and to execute and deliver on behalf of the Issuer an Official Statement substantially in the form of the previously prepared Preliminary Official Statement, relating to the Notes. The distribution and use of the Preliminary Official Statement in accordance with applicable laws, in connection with the sale of the Notes, is hereby ratified and confirmed, and the distribution and use of the Official

Statement in accordance with applicable laws by the underwriter or successful bidder, in connection with the marketing of the Notes, is hereby authorized and approved. Either Authorized Officer is authorized to execute a Note Purchase Contract with an underwriter or purchaser of the Notes, if the Notes are sold at negotiated sale, containing such terms as the Authorized Officer may determine, but not inconsistent with the provisions hereof.

Section 1002. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and Noteholders to the equal and ratable benefit and protection of each Noteholder, and after delivery of the Notes, no change, variation, or alteration of the provisions of the Resolution may be made except in accordance with its terms.

Section 1003. Enforcement of Contract. The contract constituted by the Resolution shall be enforceable by appropriate proceedings taken by the Noteholder(s) under the law.

Section 1004. Other Documentation. The Authorized Officers, the Secretary of the University, and any other appropriate officers or representatives of the Issuer or the University, and each of them, are authorized to perform all acts and deeds and execute and deliver all instruments and documents for and on behalf of the Issuer required by this Resolution, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Notes, and the acquisition, construction, renovation and equipping of the Project all as contemplated hereby.

Subsequent to the issuance of the Notes, all actions permitted or required by the Issuer may be made or undertaken by the President or Vice President for Administration and Business Affairs, or any other duly authorized officer of the Issuer or the University. All determination

of Note terms required to be made by an Authorized Officer shall be made within the ranges or other limitations set forth herein.

The Vice President for Administration and Business Affairs is hereby authorized and delegated the power to issue a declaration of intent to reimburse the Board from proceeds of the Notes or other tax-exempt indebtedness for any expenditures incurred with respect to the Project, all in accordance with the Internal Revenue Service Regulation 1.103-18.

Section 1005. Severability. If any one or more sections, clauses or provisions of the Resolution shall be determined by a court of competent jurisdiction to be invalid or ineffective for any reason, such determination shall in no way affect the validity and effectiveness of the remaining sections, clauses and provisions of the Resolution.

Section 1006. Headings. Any headings shall be solely for convenience of reference and shall not constitute a part of the Resolution, nor shall they affect its meaning, construction or effect.

Section 1007. Conflict. All resolutions or parts of resolutions or other proceedings of the Issuer in conflict herewith be and the same are repealed insofar as such conflict exists.

Section 1008. Effective Date. The Resolution shall take effect immediately upon its adoption.

# *Proposed Constitutional Amendment*

## Section I

Article I, Section 4, Subsection 3 of the Student Government Constitution is hereby repealed, and is replaced in whole by Section II of this Amendment.

## Section II

Any legislative, business or other action approved by the Student Senate shall, before it is enacted, be presented to the President of Student Government. If the President agrees to the action wholly as presented, he or she shall sign it. If the President does not agree, he or she shall, within ten (10) regular business days of Senate approval of said action, return it to the Senate. If the President shall fail to sign and approve the action within the aforementioned ten (10) regular business days, or fail to return the action to the Senate for reconsideration within the same time period, the action shall be considered approved and enacted by the Student Government. In vetoing an action, the President may only reject the action or delete any portion thereof, he or she shall not introduce amendments or substitutions in lieu of the deletion(s). The Senate shall, at its next regular business meeting, decide whether to reconsider the action, including whether to restore any or all items objected to by the President. If two-thirds of the Senate shall agree to the action after such reconsideration, it shall be considered approved and enacted by the Student Government as reconsidered by the Senate. Otherwise, the action shall stand as presented by the President, with the surviving portion(s) considered approved and enacted by the Student Government.

APPROVED BY THE STUDENT SENATE ON MARCH 17, 1994

# 1993 - 1994 STUDENT GOVERNMENT SENATE

## Constitutional Amendment II

Introduced on March 10, 1994 by Senator Barry L. Camp and President Joel D. Olvera.

### Section I

Article I, Section 4, Subsection 3 of the Student Government Constitution is hereby repealed, and is replaced in whole by Section II of this Amendment.

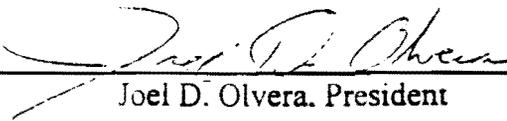
### Section II

Any legislative, business or other action approved by the Student Senate shall, before it is enacted, be presented to the President of Student Government. If the President agrees to the action wholly as presented, he or she shall sign it. If the President does not agree, he or she shall, within ten (10) regular business days of Senate approval of said action, return it to the Senate. If the President shall fail to sign and approve the action within the aforementioned ten (10) regular business days, or fail to return the action to the Senate for reconsideration within the same time period, the action shall be considered approved and enacted by the Student Government. In vetoing an action, the President may only reject the action or delete any portion thereof, he or she shall not introduce amendments or substitutions in lieu of the deletion(s). The Senate shall, at its next regular business meeting, decide whether to reconsider the action, including whether to restore any or all items objected to by the President. If two-thirds of the Senate shall agree to the action after such reconsideration, it shall be considered approved and enacted by the Student Government as reconsidered by the Senate. Otherwise, the action shall stand as presented by the President, with the surviving portion(s) considered approved and enacted by the Student Government.

### Constitutional Amendment II

This Amendment was approved by the Student Senate on: March 17, 1994

Date submitted to the President of Student Government: March 18, 1994

Signature:   
Joel D. Olvera, President  
Student Government

Date of above signature: 3/22/94

Date approved by the students of Saginaw Valley State University: March 31, 1994

Date submitted to the President of Saginaw Valley State University: April 8, 1994

Signature:   
Eric R. Gilbertson, President  
Saginaw Valley State University

Date of above signature: April 8, 1994



# STAFF MEMBER

## OF THE MONTH

**Jack G.  
Wood**

**Head, Circulation  
and Archives,  
Zahnow Library**

**June 1994**

Jack Wood's arrival at SVSU was a burning issue. Literally.

His first position, Head of Special Collections and Archives, was created in the aftermath of the 1985 fire that destroyed many documents detailing the institution's early history. Wood was charged with reconstructing a collection of materials to replace those lost to flames.

He came in April 1987 from the Houston Public Library where he worked with archival records of the Texas History Library. "I began by getting word out that I was here," he recalls. "I went around to different offices and introduced myself, then asked, 'What have you got? Here's what I need.'"

Wood says people, both on campus and friends of the University, were extremely cooperative. Many brought items from their personal collections as well as contributing from outdated office files. As a result, Wood was able to build archives he considers "fairly good. We are missing just a few pieces here and there." Among the elusive items are a few issues of the *Valley Vanguard* and a college catalog from the '60s.

To support on-going additions to the collection, as well as increase filing space

efficiency for University offices, Wood started a records management system. He establishes a schedule for participating offices to submit inactive files to him on a regular basis. These files are stored in a central area of the library, where they are accessible to personnel from the submitting office but not others.

In conjunction with office staff, Wood determines how long each type of record should be retained and whether some should ultimately be discarded or should remain as part of the University's permanent collection.

"I recently acquired 22 boxes of materials related to Jack Ryder's time as president," he notes. The items originally had moved from the presidential offices to the library through the records management process.

While the SVSU library does not have an extensive amount of special collections, Wood notes that contributions of interest do come in from time to time. He mentions an oral history of circus performers in Saginaw, gathered by John Jezierski, as an example.

In recent years, Wood has acquired additional responsibilities. As Head of Circulation, he supervises other full- and part-time staff plus a dozen or so students who handle circulation duties. "We circulate about 200,000 items a year," he says. "We take care of check out and check in, shelving of returned materials and fines for overdue or lost items." He notes that the library has a good tracking system and that losses are minimal.

Wood also is coordinator of collection development funds. He applies a formula to available funds to allocate them appropriately by topic, then monitors use of funds by those making selections.

Wood's wife, Sarah, heads the Sage Library in Bay City. While the two occasionally 'talk shop,' they are more likely to focus on the antics of their pets or the status of the 1½ acres of wildflowers that constitute their front lawn. "We purchased 17 pounds of seed from different parts of the U.S.," he notes.

