



***SAGINAW VALLEY STATE UNIVERSITY***

***BOARD OF CONTROL MINUTES  
SPECIAL FORMAL SESSION***

***August 22, 2017***

**SAGINAW VALLEY STATE UNIVERSITY**  
**BOARD OF CONTROL**  
**Minutes of the Special Formal Session**  
**August 22, 2017**

A special formal session of the Board of Control was held at Saginaw Valley State University Tuesday, August 22, 2017 in Wickes Hall, Room 350 at 9:00 a.m.

**Trustees present included:**

Luis Canales  
Scott Carmona  
JoAnn Crary  
Dennis Durco, Secretary (via teleconference)  
Vicki Rupp, Treasurer  
Jenee Velasquez, Chair  
Donald Bachand, Ex Officio

**Trustees absent included:** John Kunitzer, Vice Chair

**President's Staff present included:**

John Decker, Associate Vice President for Administration & Business Affairs  
Dr. Deborah Huntley, Provost and Vice President for Academic Affairs  
Mary Kowaleski, Executive Assistant to the President/Secretary to the Board of Control  
James Muladore, Executive Vice President for Administration & Business Affairs  
Linda Sims, Executive Director of Communications & External Affairs  
Dr. Mamie Thorns, Special Assistant to the President for Diversity Programs

**Others present included:**

Deborah Bishop	J.J. Boehm	John Kaczynski
Josh Ode	Press	Jeff Roberts
Joe Wojtkiewicz		

SAGINAW VALLEY STATE UNIVERSITY  
BOARD OF CONTROL MINUTES  
AUGUST 22, 2017  
SPECIAL FORMAL SESSION  
INDEX OF ACTIONS

BM-1193     MOTION TO MOVE TO INFORMAL SESSION TO DISCUSS COLLECTIVE  
                 BARGAINING  
                 APPROVED .....1

BM-1194     MOTION TO RECONVENE IN SPECIAL FORMAL SESSION  
                 APPROVED .....1

RES-2247     RESOLUTION TO APPROVE THE SVSU FACULTY ASSOCIATION  
                 MEA/NEA COLLECTIVE BARGAINING AGREEMENT  
                 APPROVED .....1

RES-2248     RESOLUTION OF THE BOARD OF CONTROL OF SAGINAW VALLEY  
                 STATE UNIVERSITY AUTHORIZING THE ISSUANCE AND DELIVERY  
                 OF GENERAL REVENUE BONDS AND PROVIDING FOR OTHER  
                 MATTERS RELATING THERETO  
                 APPROVED .....2

BM-1195     MOTION TO ADJOURN  
                 APPROVED .....3

**I. CALL TO ORDER**

Chair Velasquez called the meeting to order at 9:00 a.m.

**II. ACTION ITEMS**

**1. Motion to Move to Informal Session to Discuss Collective Bargaining**

**BM-1193 Trustee Rupp made a formal motion to move to Informal Session to discuss collective bargaining. Trustee Carmona supported the motion.**

The motion was APPROVED unanimously.

The Board moved to Informal Session at 9:05 a.m. and reconvened in Special Formal Session at 9:40 a.m. with Board members Canales, Carmona, Crary, Durco, Rupp and Velasquez in attendance.

**2. Motion to Reconvene in Special Formal Session**

**BM-1194 Trustee Rupp made a formal motion to Reconvene in Special Formal Session. Trustee Carmona supported the motion.**

The motion was APPROVED unanimously.

**3. Resolution to Approve the SVSU Faculty Association MEA/NEA Collective Bargaining Agreement**

**RES-2247 It was moved and supported that the following resolution be adopted:**

**WHEREAS, Representatives of the University and the SVSU Faculty Association, MEA/NEA, reached a tentative agreement to replace the 2014-2017 agreement between the University and the Association on July 18, 2017; and**

**WHEREAS, The SVSU Faculty Association, MEA/NEA, ratified the tentative agreement on July 31, 2017;**

**NOW, THEREFORE, BE IT RESOLVED, That the Board of Control does hereby approve the collective bargaining agreement between Saginaw Valley State University and the SVSU Faculty Association, MEA/NEA, covering the period from July 1, 2017 through June 30, 2020.**

President Bachand noted that the proposed agreement is a three-year contract and the tentative agreement was ratified by faculty members on July 31, 2017.

President Bachand stated that faculty members included in the bargaining unit would receive salary increases of 2 percent in 2017-18 and 1.9 percent in each of the two

following years. He further added that the agreement also includes increases in the university's contribution toward health care premiums.

President Bachand commented that the association represents nearly 300 faculty.

Chair Velasquez thanked everyone involved in the bargaining agreement process for their extra effort and good work.

The motion was APPROVED unanimously.

4. Resolution of the Board of Control of Saginaw Valley State University Authorizing the Issuance and Delivery of General Revenue Bonds and Providing for Other Matters Relating Thereto

RES-2248     **It was moved and supported that the attached resolution be adopted.**  
(Appendix One: Bond Authorizing)

Jim Muladore, Executive Vice President for Administration and Business Affairs, stated that the proposed bonding resolution will allow SVSU to realize interest savings and prepare for the construction of a building addition which would become the home for the College of Business and Management.

Mr. Muladore explained that if the resolution is approved, it would authorize SVSU to refinance existing debt at lower interest rates. He noted that SVSU could realize more than \$1.4 million in savings over the remaining life of the bonds, which were originally issued in 2010.

Mr. Muladore commented that the proposed resolution would also allow for up to \$12 million in short-term interim financing to support construction of a 40,000-square foot facility connected to the existing Curtiss Hall that will host the College of Business and Management. He noted that SVSU's capital outlay request for \$9.8 million in state funding received planning authorization approval in the 2018 fiscal year budget from the State of Michigan signed by Governor Snyder Friday, July 14. He commented that SVSU hopes to generate up to \$15 million in private donor support for the project. Mr. Muladore concluded that construction is projected to commence in 2018 and the facility is expected to open its doors by 2020.

The motion was APPROVED unanimously.

### **III. INFORMATION AND DISCUSSION ITEMS**

There were no information/discussion items.

**IV. ADJOURNMENT**

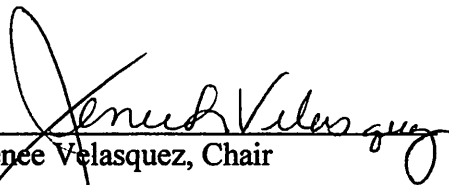
5. Motion to Adjourn

BM-1195      **It was moved and supported that the meeting be adjourned.**

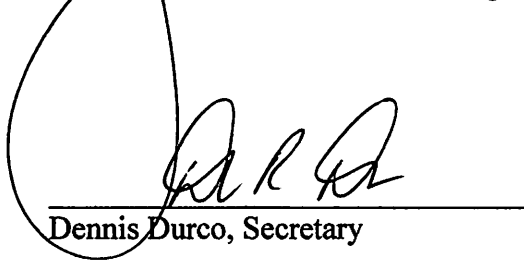
The motion was APPROVED unanimously.

The meeting was adjourned at 10:30 a.m.


Respectfully submitted:



Jenee Velasquez, Chair



Dennis Durco, Secretary



Mary Kowaleski  
Recording Secretary

**RESOLUTION OF THE BOARD OF CONTROL OF  
SAGINAW VALLEY STATE UNIVERSITY  
AUTHORIZING THE ISSUANCE AND DELIVERY OF GENERAL REVENUE BONDS  
AND PROVIDING FOR OTHER MATTERS RELATING THERETO**

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

WHEREAS, in the exercise of its constitutional duties and in order to properly serve the needs of students attending the University, the Board has authorized the acquisition, construction, furnishing and equipping of the capital project described in Exhibit A attached hereto (the “Project”); and

WHEREAS, the Board has previously issued and has outstanding certain series of General Revenue Bonds payable from and secured by a lien on General Revenues (as hereinafter defined) (the “Prior Bonds”); and

WHEREAS, it may be appropriate and economic to refund all or portions of the outstanding Prior Bonds as shall be determined by an Authorized Officer (hereinafter defined) (the portions of the Prior Bonds to be refunded, if any, as determined by an Authorized Officer, is referred to herein as the “Bonds to be Refunded”); and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University’s funds, the Board determines it is necessary and desirable to authorize the issuance of General Revenue Bonds of the Board (the “Bonds”), payable from and secured by a pledge of General Revenues, in order to provide funds that, together with other available funds, will be used to pay all or part of the costs of the Project, to pay all or part of the costs of refunding the Bonds to be Refunded, if any, and to pay costs incidental to the issuance of the Bonds and the refunding; and

WHEREAS, one or more trust indentures (collectively, the “Trust Indenture”) or loan agreements (collectively, the “Loan Agreement”) must be entered into by and between the Board and a trustee (the “Trustee”) or a direct placement lender, in either case to be designated by an Authorized Officer, pursuant to which the Bonds will be issued and secured; and

WHEREAS, it is necessary to authorize the Authorized Officers, or either of them individually, to negotiate the sale of the Bonds with an underwriter or group of underwriters to be selected by an Authorized Officer (collectively, the “Underwriter”) or with a direct placement lender to be selected by an Authorized Officer (the “Purchaser”), and to enter into one or more bond purchase agreements with the Underwriter or Purchaser (collectively, the “Bond Purchase Agreement”) setting forth the terms and conditions upon which the Underwriter or Purchaser will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor, or, in the alternative, to select the Underwriter for all or any portion of any series of the Bonds and

to establish the terms for such Bonds through a competitive sale or bidding process pursuant to a Notice of Sale; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the President and the Executive Vice President for Administration and Business Affairs (each an "Authorized Officer"), or either of them individually, to negotiate the terms of and to execute and deliver on behalf of the Board the Trust Indenture or Loan Agreement, the Bond Purchase Agreement, and other related documents, to publish any Notice of Sale required for the sale of any portion of the Bonds, to establish the specific terms of the Bonds and to accept the offer of the Underwriter or Purchaser to purchase the Bonds, all within the limitations set forth herein; and

WHEREAS, the trust indentures authorizing the Prior Bonds create certain conditions for the issuance of additional obligations payable from and secured by a pledge of General Revenues on a parity basis with the Prior Bonds; and

WHEREAS, the Executive Vice President for Administration and Business Affairs shall, on or prior to the date of delivery of the Bonds, certify that the conditions for issuing the Bonds, secured by General Revenues on a parity basis with the Prior Bonds, have been met; and

WHEREAS, the financing of all or a portion of the costs of the Project and the refunding of the Bonds to be Refunded, if any, through the issuance of the Bonds will serve proper and appropriate public purposes; and

WHEREAS, the Board has full power under its constitutional authority for supervision of the University, and control and direction of expenditures from the University's funds, to acquire, construct, furnish and equip the Project, to refund the Bonds to be Refunded, if any, and to pay all or a part of the costs of the Project and the costs of the refunding by issuance of the Bonds, and to pledge General Revenues for payment of the Bonds.

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

1. The Board hereby approves the definition of the term "Project" as set forth on Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them, to select the portion of the Project to be financed, in whole or in part, from the proceeds of the Bonds, and to fund, as appropriate, the remaining portion of the costs of the Project from available funds of the University or other available funds. The Board further approves the refunding of all or any portion of the Prior Bonds, and authorizes the Authorized Officers, or either of them, to select the portion, if any, of the Prior Bonds to constitute the Bonds to be Refunded, in order to produce interest or other cost savings or a more favorable debt service structure, or to provide more favorable terms or covenants, and to fund, if deemed appropriate, a portion of the costs of the refunding from available funds of the University and the balance of such costs from the proceeds of the Bonds, and to proceed with the refunding.

2. The Board hereby authorizes the issuance, execution and delivery of the Bonds of the Board, in one or more series, to be designated GENERAL REVENUE BONDS, with



appropriate series designations, in the aggregate original principal amount to be established by an Authorized Officer, but not to exceed the principal amount necessary to produce proceeds of TWELVE MILLION DOLLARS (\$12,000,000), plus the amount necessary to accomplish the refunding of the Bonds to be Refunded and to pay costs related thereto. The Bonds shall be dated as of the date or dates established by an Authorized Officer, and shall be issued for the purpose of providing funds which, together with other available funds, will be used to pay all or a portion of the costs of the Project, including, if determined to be appropriate by an Authorized Officer, capitalized interest related to all or a portion of the Project for a period specified by an Authorized Officer, to pay all or a portion of the costs of refunding the Bonds to be Refunded, if any, and to pay costs related to the issuance of the Bonds and the refunding, including the costs of bond insurance premiums, if an Authorized Officer determines such insurance to be appropriate. The Bonds shall be serial bonds or term bonds, which may be subject to redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity or mandatory redemption date shall be no earlier than January 1, 2018 and the last maturity shall be no later than December 31, 2032. The Bonds may bear interest at stated fixed rates for the respective maturities thereof as shall be established by an Authorized Officer, but the weighted average yield of the Bonds (computed using the stated coupon and the stated original offering price) shall not exceed 5.5% per annum for tax-exempt bonds and 8.0% per annum for taxable bonds, subject, in the case of Bonds sold to a Purchaser pursuant to a direct purchase arrangement, to adjustments for increased costs of the Purchaser, rating changes and defaults and other specified factors, but in no event in excess of the lesser of 25% per annum, the maximum rate permitted by law or the maximum rate, if any, specified in the Trust Indenture or Loan Agreement. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or a portion of their term, determined on the basis of an index or a spread to an index or through market procedures, or both, and the variable rate of interest shall not exceed the lesser of 25% per annum, the maximum rate permitted by law or the maximum rate, if any, specified in the Trust Indenture or Loan Agreement. The Bonds may be subject to redemption or call for purchase prior to maturity at the times and prices and in the manner as shall be established by an Authorized Officer, but no redemption premium shall exceed 3% of the principal amount being redeemed, unless the redemption price is based on a "make whole" formula, in which case the redemption premium shall not exceed 25% of the principal amount being redeemed. Interest on the Bonds shall be payable at such times as shall be specified by an Authorized Officer. The Bonds shall be issued in fully registered form in denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, and may be issued in book-entry-only form, all as shall be provided in the Trust Indenture or Loan Agreement. The Bonds shall be sold to the Underwriter or Purchaser for a price to be established by an Authorized Officer (but the Underwriter's or Purchaser's discount, exclusive of original issue discount, shall not exceed 2.00% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.

Any or all of the Bonds purchased by a Purchaser may be made subject to tender for purchase at the option of the holder thereof or to mandatory tender for purchase. The obligation of the Board to purchase any Bonds subject to tender for purchase may be limited to the remarketing proceeds of such Bonds, or may be made payable from General Revenues or from available cash reserves of the University, subject to such limitations as may be specified in the Trust Indenture or Loan Agreement, all as shall be determined by an Authorized Officer and provided for in the Trust Indenture or Loan Agreement.

3. The Bonds shall be limited and not general obligations of the Board, payable from and secured by a lien on the General Revenues of the Board (as shall be defined in the Trust Indenture or Loan Agreement in a manner generally consistent with the definition of General Revenues contained in the trust indentures pursuant to which the Prior Bonds were issued). The lien on General Revenues securing the Bonds shall be on a parity basis with the liens on General Revenues securing the Prior Bonds and other previously issued obligations of the Board secured by a first lien on General Revenues. The Bonds may also be payable from and secured by a lien on moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture or Loan Agreement.

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

The pledge of General Revenues and of funds specified in the Trust Indenture or Loan Agreement shall be valid and binding from the date of the issuance and delivery of the Bonds, and all moneys or properties subject thereto that are thereafter received shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of said pledge shall be valid and binding against all parties (other than the holders of any other bonds, notes or other obligations secured by a parity first lien on General Revenues) having a claim in tort, contract or otherwise against the Board, irrespective of whether such parties have notice of the lien.

4. The right is reserved to issue additional bonds, notes or other obligations payable from General Revenues and secured on a parity or subordinated basis with the Bonds, the Prior Bonds and other obligations of the Board so secured by a lien on General Revenues, upon compliance with the terms and conditions therefor as shall be set forth in the Trust Indenture or Loan Agreement.

5. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select the Trustee, if any, and to negotiate the terms of and execute and deliver the Trust Indenture or Loan Agreement. The Trust Indenture or Loan Agreement may contain such covenants on behalf of the Board and terms as either such officer deems appropriate, including, but not limited to, covenants with respect to the establishment of General Revenues at levels expressed as a percentage of debt service on the Bonds or all General Revenue obligations of the Board, and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by General Revenues. The approval of the Trust Indenture or Loan Agreement and the terms thereof shall be conclusively evidenced by the execution of the Trust Indenture or Loan Agreement by an Authorized Officer. In addition, either Authorized Officer is hereby authorized, empowered and directed to negotiate, if deemed appropriate by an Authorized Officer in connection with the

issuance of the Bonds, for the acquisition of bond insurance and to execute and deliver an insurance commitment or other documents or instruments required in connection with such insurance.

6. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board and as its corporate act and deed, to select the Underwriter or Purchaser and to negotiate, execute and deliver the Bond Purchase Agreement with the Underwriter or Purchaser setting forth the terms of the Bonds and the sale thereof, and containing such other covenants and agreements of the Board as may be required by the Underwriter or the Purchaser in connection therewith, in the forms as an Authorized Officer may approve, all within the limitations set forth herein. In the alternative, if determined appropriate by an Authorized Officer, selection of the Underwriter and setting of the terms for all or any portion of any series of the Bonds may be made through a competitive sale or bidding process, and either of the Authorized Officers is authorized to accept the winning bid or offer of the Underwriter for the purchase of the Bonds.

7. Either Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the Bonds by manual or facsimile signature, and to deliver the Bonds to the Underwriter or Purchaser in exchange for the purchase price therefor.

8. Either Authorized Officer is authorized to solicit ratings on the Bonds from any national rating services that the Authorized Officer deems appropriate and, if necessary, to cause the preparation of a Preliminary Official Statement and an Official Statement with respect to each series of the Bonds, to deem such official statements "final" in accordance with applicable law, and to execute and deliver the Official Statements. In the event that all or a portion of any series of the Bonds is to be sold by means of a competitive sale or bidding process, as provided in this Resolution, either Authorized Officer is authorized to prepare and publish or cause to be published, or otherwise distribute, in such manner as an Authorized Officer shall determine, a Notice of Sale for such Bonds. Either Authorized Officer, or the Underwriter or the University's financial advisor, as appropriate, is authorized to circulate and use, in accordance with applicable law, the Notice of Sale, the Preliminary Official Statements and the Official Statements in connection with the offering, marketing and sale of the Bonds.

9. The President, the Executive Vice President for Administration and Business Affairs, the Secretary and any other appropriate officer or representative of the Board or the University are each hereby authorized to perform all acts and deeds and to execute and deliver for and on behalf of the Board all instruments and documents required by this Resolution, the Trust Indenture or Loan Agreement, the Bond Purchase Agreement or the Notice of Sale, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby, including, if deemed appropriate, one or more escrow deposit agreements with an escrow agent to be selected by an Authorized Officer as may be necessary to accomplish the refunding of the Bonds to be Refunded. Either Authorized Officer is authorized to designate and empower the escrow agent to subscribe for United States Treasury Securities – State and Local Government Series, on behalf of the Board, as may be necessary in connection with any refunding authorized hereby. Either Authorized Officer is further authorized to execute and deliver all instruments and documents for and on behalf of the Board or the University

required, necessary or appropriate for the ongoing administration or operation of the financing program represented by the Bonds, the Trust Indenture or Loan Agreement and the Bond Purchase Agreement. Any action required under the Trust Indenture or Loan Agreement, the Bond Purchase Agreement, the Notice of Sale or any other instrument related to the Bonds, may be taken by and on behalf of the Board by an Authorized Officer. Any reference to an officer of the Board or the University herein shall include any interim or acting officer appointed by the Board.

10. In accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, the Board may be required in connection with the issuance of the Bonds to enter into one or more continuing disclosure undertakings for the benefit of the holders and beneficial owners of the Bonds. Either Authorized Officer is authorized to cause to be prepared and to execute and deliver, on behalf of the Board, the continuing disclosure undertakings.

11. Either Authorized Officer is hereby authorized and delegated the authority to execute, on behalf of the Board, a declaration of official intent to reimburse University funds expended on the Project, and on future projects, from the proceeds of the Bonds or other bonds to be issued in the future, all in accordance with United States Treasury Regulation § 1.150-2. Any and all actions of either of the Authorized Officers previously taken in connection with the execution of such a declaration are hereby ratified and confirmed.

12. If deemed necessary by the University's bond counsel, either Authorized Officer is authorized to arrange for the publication of a notice of and to conduct a public hearing with respect to the issuance of the Bonds, all in accordance with requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

13. Any resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.

EXHIBIT A

THE PROJECT

The Project, as that term is used in the Resolution to which this Exhibit A is attached, consists of the capital project described below:

<u>Project</u>	Currently Estimated Costs to be Funded From <u>Bond Proceeds*</u>
<u>College of Business and Management Expansion</u> Construction, furnishing and equipping of an approximately 40,000 square foot addition to the Business and Professional Development Center to provide various academic, experiential and active learning lab enhancements; academic centers; gathering spaces; and department offices. The Project will also include the renovation, furnishing and equipping of existing space in Curtiss Hall currently occupied by the College of Business and Management.	\$12,000,000

---

\*Exclusive of capitalized interest, if any, and bond issuance costs.

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Control of Saginaw Valley State University at a meeting held on August \_\_, 2017, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with all applicable law, and that the minutes of said meeting were kept and will be or have been made available as required by law.

I further certify as follows:

1. Present at the meeting were the following Board members:

---

---

Absent from the meeting were the following Board members:

---

2. The following members of the Board voted for the adoption of the Resolution:

---

The following members of the Board voted against adoption of the Resolution:

---

RESOLUTION DECLARED ADOPTED.

---

Secretary, Board of Control of  
Saginaw Valley State University