

**Minutes of the
Special Board of Trustees Formal Meeting
February 28, 2001**

- Present:** Chair Ann V. Nicholson; Trustees Henry Baskin, Robert C. Cooper, Penny M. Crissman, David J. Doyle and Louis Grech-Cumbo
- Absent:** Trustees David T. Fischer and Rex E. Schlaybaugh, Jr.
- Also Present:** President Gary D. Russi; Vice Presidents Louis Esposito, Susan Goepf, Lynne C. Schaefer and Mary Beth Snyder; General Counsel and Secretary to the Board of Trustees Victor A. Zambardi; Student Liaisons Bonefacio F. DeLaRosa and Cristina J. Kapustij; and Administrative Assistant Rhonda G. Saunders

I. Call to Order

Chair Ann V. Nicholson called the meeting to order at 2:08 p.m. in the Auditorium of the Elliott Hall of Business and Information Technology.

II. Roll Call

Mr. Victor A. Zambardi, General Counsel and Secretary to the Board of Trustees, conducted a roll call vote. All of the Board members were present except Trustees David T. Fischer and Rex E. Schlaybaugh, Jr.

III. Action Items

A. Approval of Agreement between Oakland University and Oakland University Professional Support Association - Michigan Education Association/National Education Association (OUPSA-MEA/NEA) - July 1, 1999 - June 30, 2002

Trustee Penny M. Crissman stated that a three-year collectively bargained agreement was reached between Oakland University and the Oakland University Professional Support Association - Michigan Education Association/National Education Association (OUPSA-MEA/NEA) on January 30, 2001. The union ratified the agreement on February 5, 2001 by a margin of 204 yes votes, 8 no votes and 1 abstention.

Trustee Crissman moved approval of the following resolution:

RESOLVED, that the Board of Trustees hereby approves the 1999-2002 Agreement between Oakland University and the Oakland University Professional Support Association – Michigan Education Association/National Education Association, with the effective date of July 1, 1999 through June 30, 2002.

Trustee David J. Doyle seconded the motion. The motion was unanimously approved by those present.

B. Approval of Resolution of the Board of Trustees of Oakland University Declaring Intention to be Reimbursed Out of Bond Proceeds

Trustee Louis Grech-Cumbo moved approval of the following resolution:

WHEREAS, the Board is a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, as amended (the "Constitution"), having general supervision and control of Oakland University (the "University") and the control and direction of all expenditures from the University's funds; and

WHEREAS, the Board has proposed to undertake the acquisition of new student apartments, a new school of education and human services building, additions to the University's electrical distribution system, and various other capital projects, all on the Oakland University campus (the "Project"); and

WHEREAS, the Constitution as well as Section 6 of Act 35, Public Acts of Michigan, 1970, as amended ("Act 35"), authorizes the Board to issue bonds for the purpose of the Project, payable from the sources therein provided; and

WHEREAS, the Board, intends to issue and sell one or more series of General Revenue Bonds, Series 2001 (the "Bonds"), pursuant to its constitutional and statutory authority for the purpose of paying all or part of the cost of the Project, paying capitalized interest and the costs of issuance of the Bonds; and

WHEREAS, it is necessary to declare the Board's intention to be reimbursed from the proceeds of the Bonds for expenditures for the costs of the Project made prior to issuing the Bonds, in order to comply with the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board hereby makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. Section 1.150 promulgated pursuant to the Internal Revenue Code of 1986, as amended:

a. The Board reasonably expects to be reimbursed for the expenditures described in (b) below with the proceeds of Bonds to be issued by the University.

b. The expenditures described in this paragraph (b) are the cost of acquiring, constructing, equipping and furnishing the Project which were paid or will be paid subsequent to a date not more than sixty (60) days prior to the date hereof from the general or other fund of the Board.

c. The maximum principal amount of the debt expected to be issued for the acquisition, construction, equipping and furnishing of the Project, including issuance costs, is \$47,000,000.

d. A reimbursement allocation of the expenditures described in (b) above with the proceeds of the Bonds described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Board's use of the proceeds of the debt to be issued for the Project to reimburse the Board for a capital expenditure made pursuant to this resolution.

e. The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).

f. No proceeds of the borrowing paid to the Board in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within the meaning of Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

g. Expenditures for the Project to be reimbursed from the proceeds of the Bonds for purposes of this declaration do not include and are in addition to (i) costs for the issuance of the debt, (ii) an amount in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the borrowing, and (iii) preliminary expenditures not exceeding twenty percent (20%) of the issue price of the borrowing, within the meaning of Treas. Reg. § 1.150-2(f) (such preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to construction of the Project, but do not include land acquisition, site preparation, and similar costs incident to commencement of construction).

2. All resolutions and parts of resolutions, insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Trustee Grech-Cumbo explained that this recommendation is basically requesting approval to roll the proposed project costs into the bond proposal previously approved by the Board. He noted that Mr. David Baker Lewis, of Lewis and Munday, was present to answer questions.

Trustee Henry Baskin moved an amendment to paragraph g. of the resolution to insert the word "not" as stated in the following language:

(ii) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the borrowing, and . . .

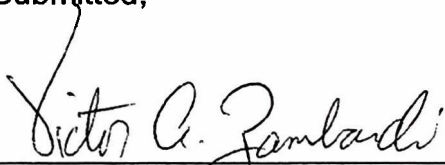
Trustee Grech-Cumbo seconded the motion. The motion to amend the resolution was unanimously approved by those present. The underlying motion, as amended, was unanimously approved by those present.

IV. Adjournment

Chair Nicholson called on Mr. Gregory Jordan, Director of Campus Recreation, who announced that the Oakland University Men's Ice Hockey Club received a bid to the national tournament in Indianapolis. He reported that they won their first game against Central Connecticut State by a score of 5 to 1, and that if they continue to win against Weber State and Miami of Ohio, they will advance to the semi-finals.

Chair Nicholson thanked Mr. Jordan for his report and adjourned the meeting at 2:20 p.m.

Submitted,



Victor A. Zambardi
Secretary to the Board of Trustees

Approved,



Ann V. Nicholson
Chair, Board of Trustees