

**Minutes of the Formal Session  
of the  
Oakland University Board of Trustees  
February 28, 2008**

**Present:** Chair Dennis K. Pawley; Vice Chair Jacqueline S. Long; and Trustees Henry Baskin, Penny M. Crissman, Monica E. Emerson, David T. Fischer, Ann V. Nicholson, and Ganesh V. Reddy

**Also Present:** President Gary D. Russi; Vice Presidents John W. Beaghan, Susan Davies Goepp, Mary Beth Snyder, and Virinder K. Moudgil; General Counsel and Secretary to the Board of Trustees Victor A. Zambardi and Assistant Rhonda G. Saunders; and Student Liaisons Samir R. Hanna and Aaron L. Kochenderfer

**A. Call to Order**

Chair Dennis K. Pawley called the meeting to order at 2:03 p.m. in the Auditorium of Elliott Hall of Business and Information Technology.

**B. Roll Call**

Mr. Victor A. Zambardi, General Counsel and Secretary to the Board of Trustees, conducted a roll call and all of the Board members were present. Trustees Monica E. Emerson and David T. Fischer were present via teleconference.

**C. Reports**

**Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) Activities for the Fiscal Year Ended June 30, 2007 Report**

Mr. John W. Beaghan, Vice President for Finance and Administration, presented the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) Activities for the Fiscal Year Ended June 30, 2007 Report as set forth in the agenda item.

**Meadow Brook Hall Budget Status Report**

Mr. Geoffrey C. Upward, Executive Director of Meadow Brook Hall, presented the Meadow Brook Hall Budget Status Report as set forth in the agenda item.

**D. Consent Agenda for Consideration/Action**

**Consent Agenda**

**Minutes of the Board of Trustees Formal Session of January 9, 2008**

**University Personnel Actions**

RESOLVED, that the Board of Trustees approve the personnel actions below.

**I. Emeritus Appointments**

Barron, Richard F., Professor Emeritus of Education, effective February 28, 2008.

Cronn, Dagmar, Professor Emerita of Chemistry, effective February 28, 2008.

**II. Change of Status**

Eis, Andrea, from Associate Professor of Art History and Chairperson, Department of Art and Art History to Associate Professor of Art History, from January 1, 2008 through April 30, 2008.

Knox, III, Kerro, from Associate Professor of Theatre to Associate Professor of Theatre and Acting Chairperson, Department of Music, Theatre & Dance from January 1, 2008 through April 30, 2008.

Maines, David R., from Professor of Sociology to Professor of Sociology and Acting Chairperson, Department of Sociology & Anthropology, from January 1, 2008 through April 30, 2008.

Meehan, Albert J., from Professor of Sociology and Chairperson, Department of Sociology & Anthropology to Professor of Sociology, from January 1, 2008 through April 30, 2008.

Miree-Coppin, Cynthia E., from Associate Professor of Management to Associate Professor of Management and Acting Chairperson, Department of Management & Marketing, from January 1, 2008 through April 30, 2008.

Parameswaran, Ravi, from Professor of Marketing and Chairperson, Department of Marketing & Management to Professor of Marketing, from January 1, 2008 through April 30, 2008.

Schimmelman, Janice G., from Professor of Art History to Professor of Art History and Acting Chairperson, Department of Art & Art History, from January 1, 2008 through April 30, 2008.

Spagnuolo, Anna M., from Associate Professor of Mathematical Sciences to Associate Professor of Mathematics, effective August 15, 2007.

Wang, Stuart S., from Professor of Mathematical Sciences to Professor of Mathematics, effective August 15, 2007.

Wiggins, Jacqueline H., from Professor of Music and Chairperson, Department of Music, Theatre & Dance to Professor of Music, from January 1, 2008 through April 30, 2008.

**Acceptance of Gifts to Oakland University for the Period of December 1 through December 31, 2007**

RESOLVED, that the Board of Trustees accept the gifts to Oakland University identified in the attached Gift and Pledge Report, Attachment A, for the period December 1 through December 31, 2007.

(A copy of Attachment A is on file in the Board of Trustees Office.)

**Acceptance of Grants and Contracts to Oakland University for the Period of December 1 through December 31, 2007**

RESOLVED, that the Board of Trustees accept grants and contracts to Oakland University identified in the attached Grants and Contracts Report, Attachment A, for the period of December 1 through December 31, 2007.

(A copy of Attachment A is on file in the Board of Trustees Office.)

Trustee Penny M. Crissman, seconded by Ann V. Nicholson, moved approval of the Consent Agenda, and the motion was unanimously approved by those present.

**E. New Items for Consideration/Action**

**Revision of the Residency Classification for Admission and Tuition Purposes Policy**

Ms. Rochelle A. Black, Director of Government Relations, presented the Revision of the Residency Classification for Admission and Tuition Purposes Policy as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the attached revised Residency Classification for Admission and Tuition Purposes Policy to be effective immediately.

(A copy of the revised Residency Classification for Admission and Tuition Purposes Policy is on file in the Board of Trustees Office.)

Trustee Nicholson, seconded by Trustee Ganesh V. Reddy, moved approval of the recommendation, and the motion was unanimously approved by those present.

Next Item

2001 Bond Refunding

Mr. Beaghan presented the 2001 Bond Refunding as set forth in the agendum item.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF OAKLAND UNIVERSITY, AS FOLLOWS:

1. Issuance of Refunding Bonds; Terms; and Related Matters. The Board hereby authorizes the issuance, execution and delivery of the Refunding Bonds of the Board in a single series, to be dated the date of their issuance and delivery and designated GENERAL REVENUE VARIABLE RATE DEMAND REFUNDING BONDS, SERIES 2008, with appropriate additional or other series designations or descriptive terms, in a principal amount to be established by the President or the Vice President for Finance and Administration of the University (each an "Authorized Officer" and together the "Authorized Officers"), but not to exceed the principal amount of \$55,000,000, to implement the refunding of the 2001 Bonds (the "Refunding"), in such case being the amount necessary to produce proceeds sufficient, together with other available funds, to implement the Refunding, to pay costs incidental to the issuance of the Refunding Bonds, and, if approved by Bond Counsel, to pay the termination penalty in connection with the termination of the 2001 Swap. As shall be determined by an Authorized Officer, the Refunding Bonds shall be issued as variable rate demand bonds, subject to tender for purchase at the option of the holder thereof, and subject to redemption in amounts and at times approved by an Authorized Officer, with the first redemption date to occur not earlier than June 1, 2008 and the maturity to occur not later than December 31, 2038; the Refunding Bonds shall bear interest at a variable rate of interest, which shall not exceed the lesser of the maximum rate permitted by law or the maximum rate, if any, to be specified in the Refunding Bond documents. The Refunding Bonds shall be issued in fully registered, book entry form. An Authorized Officer shall specify the denominations in which the Refunding Bonds shall be issued, the manner and times at which principal and interest shall be paid on the Refunding Bonds and the manner of transfer, exchange, execution and authentication of the Refunding Bonds. The Refunding Bonds shall be sold to the initial purchaser (i.e., the "Underwriter") at a discount to be established by an Authorized Officer, but not in excess of 0.55% of the principal amount of the Refunding Bonds, and thereafter the Refunding Bonds shall be sold by the Underwriter at par.

The obligation of the Board to purchase any Refunding Bonds subject to tender options may be made payable from available cash reserves of the University or may be made payable from a letter of credit, line of credit or other liquidity device (a "Liquidity Device"), all as shall be determined by an Authorized Officer and

provided for in the Refunding Bonds and related documents, which Liquidity Device shall be in form acceptable to University General Counsel upon the advice of Bond Counsel. Any reimbursement obligation for draws under the Liquidity Device shall be limited and not a general obligation of the Board, payable from and secured by a pledge of General Revenues as defined below. An Authorized Officer is authorized to execute and deliver, for and on behalf of the Board, any agreements or instruments necessary to obtain, maintain, renew or replace, and provide for repayments under, any Liquidity Device deemed by such officer to be required for the purposes of this Resolution. Purchase obligations shall not be considered as "principal and interest requirements" hereunder.

2. Interest Rate Swaps. If determined to be economic and in the best interests of the Board, an Authorized Officer is authorized and directed to enter into an interest rate swap, (the "Swap Agreement") with a counter-party or counter-parties to be selected by an Authorized Officer, providing for payments between the Board and the counter-party based on a percentage of LIBOR, or to modify the 2001 Swap on the same basis, as determined by the Authorized Officer and in form acceptable to University General Counsel upon the advice of Bond Counsel. If the Swap Agreement is entered into in connection with the Refunding Bonds, or the 2001 Swap is converted, the expected effective interest rates on the Refunding Bonds, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein.

3. Credit Enhancement. The Authorized Officers, jointly or severally, are hereby authorized and directed, in connection with the issuance of variable rate bonds, to select a form of credit enhancement such as a letter of credit, bond insurance, surety bond or other credit facility with respect to payment of principal, interest and premium, if any, on the Refunding Bonds (a "Credit Facility"), and to execute and deliver a credit agreement relating thereto (a "Credit Agreement"), which Credit Agreement shall be in form acceptable to University General Counsel upon the advice of Bond Counsel. Any reimbursement obligation under the Credit Agreement shall be a limited and not a general obligation of the Board, payable from and secured by a pledge of General Revenues. An Authorized Officer is further authorized to execute and deliver, for and on behalf of the Board, such other agreements as may be necessary or appropriate to maintain, renew or replace, and provide for payments under, any Credit Agreement relating to the Refunding Bonds.

4. Limited Obligations of Board; Security. The Refunding Bonds, and the obligations of the Board under any Credit Agreement, Swap Agreement or Liquidity Device, shall be limited and not general obligations of the Board payable from and secured, on a parity basis with all outstanding bonds similarly secured, by a lien on the University's General Revenues (as shall be defined in the documents relating to the Refunding Bonds substantially as set forth below) or such components thereof as shall be determined by an Authorized Officer (collectively, the "Security") and

funds from time to time on deposit in certain funds or accounts established by or at the direction of an Authorized Officer or created pursuant to the documents relating to the Refunding Bonds, including the Credit Agreement. The lien shall be on a parity basis with the liens on General Revenues securing previously issued outstanding bonds and notes of the Board.

"General Revenues" shall be defined generally to be all fees, deposits, charges, receipt 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 Board's housing, dining and auxiliary facilities; all unrestricted receipts from departmental or educational activities; all grants, gifts, donations and pledges and receipts therefrom, unrestricted recoveries of indirect costs, and unrestricted investment income; *but excluding* all of the following: (a) student activity fees approved by student referendum and not reported in the University's current funds; (b) any deposits required by law or contract to be held in escrow; (c) any gifts, grants, donations or pledges and receipts therefrom restricted as to use in a manner inconsistent with payment of amounts due on Parity Obligations (as defined in the documents relating to the 2001 Bonds); (d) appropriations to the University from the State Legislature; and (e) up to an amount equal to an aggregate of 5% of General Revenues each fiscal year collected annually from the levy of any special fee hereafter established by the Board and designated by the Board to be excluded from General Revenues.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Refunding Bonds, any Credit Agreement, Swap Agreement or Liquidity Device, or any claim based thereon against the State of Michigan, the Board or any officer or agent thereof, as individuals either directly or indirectly, nor shall the Refunding Bonds and interest with respect thereto, or any obligation of the Board in connection with a Credit Agreement, Swap Agreement or Liquidity Device, if any, become a lien on or be secured by any property, real, personal or fixed of the State of Michigan or the Board, other than the Security. The faith and credit of the Board and the University shall not be pledged in any way to payment of principal or interest on the Refunding Bonds.

Any pledge of the Security, debt service reserves and other funds shall be valid and binding from the date of the issuance and delivery of the Refunding Bonds or other agreements pursuant to which such pledge is made 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 said pledge shall be valid and binding against all parties (other than the holders of any other bonds, notes or debt obligations secured by a parity first lien on the Security) having a claim in tort, contract or otherwise against the Board, irrespective of whether such parties have notice of the lien.

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

5. Additional Bonds. The Board reserves the right to issue additional bonds, notes or other obligations payable from and secured on a parity basis with the Refunding Bonds from the Security, upon compliance with the terms and conditions as shall be set forth in the Refunding Bonds or related documents.

6. Details of the Refunding. The Authorized Officers, jointly and severally, are hereby authorized and directed to determine the method of refunding, to establish such escrow accounts as are necessary for the deposit of the proceeds of the Refunding Bonds and the investments thereof, to determine which investments of the proceeds of the Refunding Bonds shall be required in order to effect the Refunding, to issue appropriate directions to the trustee for the 2001 Bonds with respect to the redemption of the 2001 Bonds and the giving of notice with respect thereto, to select the escrow agent or trustee, and to take such other actions as shall be necessary and appropriate to effect the refunding of the 2001 Bonds.

7. Termination of 2001 and 2007 Swaps. The Authorized Officers, jointly and severally, are hereby authorized and directed to terminate the 2001 Swap (if not modified as authorized in paragraph 2 above) and the 2007 Swap.

8. Selection of the Trustee, Tender Agent and Remarketing Agent; Execution and Terms of Documents. The Authorized Officers, jointly and severally, are hereby authorized and directed to select the trustee for the holders of the Refunding Bonds to select the Tender Agent, if any, required under the Refunding Bond documents, and to select the Remarketing Agent to remarket Refunding Bonds tendered by holders thereof, and to negotiate, execute and deliver all documents relating to the Refunding Bonds. Such documents may contain such covenants on behalf of the Board and terms as either such Authorized Officer deems appropriate, including, but not limited to, covenants with respect to the establishment of rates, fees, rentals and charges at levels expressed as a percentage of debt service on the Refunding Bonds or all bonds similarly secured, and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by the Security. Such documents also shall be in form acceptable to University General Counsel upon the advice of Bond Counsel.

9. Selection of Underwriter; Terms of Bond Purchase. The Authorized Officers, jointly and severally, are hereby authorized and directed to select the Underwriter for the Refunding Bonds and to negotiate, execute and deliver the terms of the agreement pursuant to which the Refunding Bonds are purchased and sold, and all within the limitations set forth herein and in form acceptable to University General Counsel upon the advice of Bond Counsel.

10. Execution and Delivery of Bonds. The Authorized Officers, jointly and severally, are hereby authorized and directed to execute the Refunding Bonds by placing his or her facsimile signature thereon, and to deliver the Refunding Bonds to the Underwriter in exchange for the purchase price thereof.

11. Official Statement. The Authorized Officers, jointly and severally, are hereby authorized, if required by the Underwriter, to cause preparation of a preliminary and a final disclosure document (the "Official Statement") with respect to the Refunding Bonds, which shall be in form acceptable to University General Counsel upon the advice of Bond Counsel, and to execute and deliver the final Official Statement. The Underwriter is authorized to circulate and use, in accordance with applicable law, the preliminary and final Official Statement in connection with the offering, marketing and sale of the Refunding Bonds.

12. Additional Acts Required. Each Authorized Officer and any other appropriate officer of the Board or the University are hereby severally authorized to perform all acts and deeds and to execute and deliver all instruments and documents, for and on behalf of the Board and the University required by this resolution or the Refunding Bonds and other documents related thereto, are necessary, expedient and proper in connection with the issuance, sale and delivery, and ongoing administration, of the Refunding Bonds and such other related documents. Such documents shall all be in form acceptable to University General Counsel upon the advice of Bond Counsel.

13. Continuing Disclosure Agreement. The Authorized Officers, jointly and severally, are hereby authorized and directed to execute and deliver a continuing disclosure undertaking with respect to the Refunding Bonds, if required, in form acceptable to University General Counsel upon the advice of Bond Counsel.

14. Approval By University General Counsel. The Board authorizes and directs that, prior to the execution by either Authorized Officer or other officer of the Board or the University of instruments and documents authorized to be executed hereunder, University General Counsel shall have reviewed and approved any and all such instruments and documents.

15. Savings Account. The Board hereby approves the establishment by an Authorized Officer of a "savings account" which shall be funded with the moneys received by the Board from the counterparty to the 2007 Swap upon termination of the 2007 Swap and moneys that otherwise would constitute unrestricted funds representing anticipated debt service savings achieved through the issuance of the Refunding Bonds. Such savings initially shall be applied to reduce the amount payable for early termination of the 2001 Swap and thereafter for such purposes as the Board may determine to be necessary and appropriate and in the best interests of the University, including for the purpose of addressing bond market issues that could arise in the future with respect to the Refunding Bonds.

16. Conflicting Resolutions. All resolutions or parts of resolutions or other proceedings of the Board in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

Trustee Reddy, seconded by Trustee Nicholson, moved approval of the recommendation, and the motion was unanimously approved by those present.

**F. Other Items for Consideration/Action**

**Use of State Delayed Payment from August, 2007**

Robert Meyer, Student Congress President, made a presentation requesting that the State delayed payment from August, 2007 be refunded to students.

**G. Other Items**

There were no other items presented to the Board.

**H. Adjournment**

Chair Pawley adjourned the meeting at 3.25 p.m.

Submitted,

Approved,

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Victor A. Zambardi  
Secretary to the Board of Trustees

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Dennis K. Pawley  
Chair, Board of Trustees