

**Minutes of the Formal Session
of the
Oakland University Board of Trustees
June 10, 2019**

Present: Chair W. David Tull; Vice Chair Tonya Allen (via Teleconference); and Trustees Brian N. Calley, Richard L. DeVore, Dennis Muchmore, Robert Schostak, and Melissa Stolicker

Absent: Trustee Marianne Fey

Also Present: President Ora Hirsch Pescovitz; Chief Operating Officer Scott G. Kunselman; Senior Vice President James P. Lentini; Vice Presidents John W. Beaghan, Rochelle A. Black, Glenn McIntosh, Michael J. Westfall, John O. Young; Athletics Director Steven C. Waterfield; and Vice President and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaison Chris Russell

A. Call to Order

Chair W. David Tull called the meeting to order at 1:59 p.m. in Banquet Room A of the Oakland Center.

B. Roll Call

Mr. Victor A. Zambardi, Vice President for Legal Affairs, General Counsel and Secretary to the Board of Trustees, conducted a roll call and all of the Board members were present, except Trustee Robert Schostak who joined the meeting in person at 2:03 p.m.

C. President's Report

President Pescovitz began her report updating the Board on recent events at Oakland University, noting that 2,200 students recently graduated in series of commencement ceremonies along with honorary degrees being awarded to Beth Gotthelf, Lori Blaker. David McMillan with Nicholas Kristock and Trina Scott served as commencement speakers and President Pescovitz spoke at the OUWB ceremony. The Nightingale Awards for Nursing Excellence event was held May and was attended by 690 people and raised \$187,000 for the School of Nursing to support scholarships, research and technology. She complimented the School of Nursing and University Advancement team for a remarkable example of convening, collaborating and competing as this unique event engages institutions that are thought of as competitors to Oakland yet they come together under the convening powers of our School of Nursing at Oakland University for an event where awards to the best nurses in southeast Michigan are awarded.

The OU-Pontiac Initiative town hall was held on June 1, celebrating the fifth year of this partnership which benefits both Pontiac residents and the Oakland University community furthering Oakland's strategic goal of engagement. Oakland has made connections with over 400 people and 75 community organizations in Pontiac. Oakland's Trustees, and in particular Trustees DeVore and Allen played a very large role at the 2019 Mackinac Policy Conference which included a Detroit

Drives Degrees session of which she is a co-chair of the Leadership Council with Rick Rassel. President Pescovitz represents the academic institutions and Mr. Rassel represents the business institutions and the goals of the program include increasing postsecondary degrees and certifications to 60 percent by 2030, decreasing the underrepresented minority gap and decreasing the amount of debt that students have. The goal involving increasing postsecondary degrees has been adopted by Governor Whitmer and OU is a leading contributor in this initiative. She also prefaced the Golden Grizzlies Graduate program, part of a collaborative compact along with several other institutions including Wayne State and Henry Ford Community College. President Pescovitz noted the participation in the ACE Women's Network conference of Oakland University employees and concluded with an overview of the presidential strategic retreat that will be held July and will focus on Oakland's second strategic initiative, research. Chief Research Officer David Stone will spearhead and champion that strategic goal and with the Cabinet, Deans on other University leadership, will brainstorm on how to enhance and expand Oakland's research and scholarly activity now that Oakland is designated as a Research 2 university by the Carnegie Foundation.

Provost Lentini presented an update of the Strategic Enrollment Management plan. Closely connected to student success is enrollment which is one of the main issues facing higher education. Although OU is doing well in the enrollment arena comparatively with other institutions in Michigan, Oakland is taking nothing for granted and is working to ensure that enrollment activities and strategies will be successful in the years ahead. The number of high school graduates in Michigan peaked around 2006 and the projection out to 2030 and beyond is downward. Oakland had an increase in applicants last year, in part due to Enrollment Management strategies and initiatives as more admits last fall resulting in the largest class in history of 2,700 students. Yield between applicants and admits is becoming a bigger challenge nationwide because students are applying to more and more universities before they make their determination. As a result financial aid packages and other issues become key in the decision making process when a student decides to come to school. Very early numbers look like Oakland is outpacing last fall as of this time which is encouraging in the face of highly declining numbers. Community college enrollments have been down precipitously which is also challenging Oakland in terms of the available number of students who will transfer in. Oakland has been fighting the downward trend in transfer applications and admits but are tracking better this year. There has been intense work with Oakland's schools and the college on new, more seamless articulation agreements for easier transfer opportunities for students when they leave community colleges to come to OU. As for graduate students, the number of enrollments has been stable but they would like the number to go up and are looking at strategies to accomplish this.

A consultant from AACRAO, an organization of admissions directors and registrars, was engaged during last year's presidential retreat. The consultant walked them through what a Strategic Enrollment Management plan might look like including establishing clear goals based on real data and information. Fostering student success is paramount as the largest part of Oakland's enrollment are the students who come back in year 2, year 3, and year 4 and beyond. Oakland has opportunities to improve its retention rates and that tops the list in terms of the initiatives being undertaken. Promoting institutional success with strategic and financial planning and they will be looking at transfer processes, admissions processes, financial aid processes as part of the SEM plan as will be strengthening communication and marketing to be more effective with marketing as it relates to recruiting students and increasing collaboration among departments across

campus. There needs to be representation across the institution working together to make enrollment work. Key enrollment indicators are in development and data collection has occurred with strategic enrollment goals currently being set.

Associate Vice President for Enrollment Management, Dawn Aubry, continued the presentation on the SEM planning process noting that it will cover the years 2020 through 2025 and they are currently working on step 4, creating enrollment goals which will be followed by strategies and tactics to implement the plan. The plan's five high-level goals include: strengthening the entering freshmen and transfer undergraduate class; improving student success as measured by retention and completion; expanding credit generation, which includes online learning and educational innovations; increasing graduate enrollment and improving graduate student retention; and finally, increasing the diversity of all student populations, including international students. The work is being carried out by faculty and staff from across the campus through a variety of councils and committees and a steering committee, which is led by her and Provost Lentini.

Ms. Aubry shared the first projection based on trends to address the following areas of focus: to increase the undergraduate retention; maintain freshmen headcount; maintain the transfer headcount; increase graduate headcount; and to increase international headcount and as they are finalizing the goals, the SEM team has modeled an enrollment projection which includes a specific freshmen goal – to maintain the new freshmen headcount of 2,673 through fall 2025. It also includes a first-year retention goal of increasing retention rate 8% and that is a 1% increase each year. The new transfer goal would be to maintain transfer headcount of 1,195 through fall 2025 and for new graduate students, it would be to increase 8.77% by fall 2025 and finally, new international increase of 10% by fall 2025 and that would include undergraduate and graduate students. Although the headcount estimate for 2025 is only slightly higher than for fall 2018, the forecast still requires planning, strategy development and the appropriate level of resources in order to carry out the sufficient tactical work to overcome the unprecedented demographic challenges. To date, Oakland has completed the environment scan, the draft goals, campus presentations and the SEM open house. They will continue to gain feedback from the community this summer and then also report to the community once again in the fall once the tactics and strategies have developed with phase one of the plan completed by December of this year.

Ms. Aubry continued noting that OU is a major partner in the Detroit Drives Degrees Initiative, part of a consortium that is first in the nation to provide debt forgiveness to students who “stopped out” of their institutions without earning their degree. Oakland has joined with Wayne State and Henry Ford College to assist the 693,000 metro-Detroit students with some college and to return to a college, earn a degree and improve their earning potential and quality of life. “Golden Grizzlies Graduate”, is a micro grant initiative to answer the charge to provide the support necessary to allow students to return to their studies and make progress toward graduation. Between winter 2013 and fall 2017, there were 40,000 unique students enrolled at Oakland. 8,000 students “stop out” or stopped attending Oakland without re-enrolling or graduating. Among those 8,000, 5,000 students have earned credits from Oakland University, but they have not attended or graduated from another institution. There are a variety of reasons why students stop out, ranging from a lack of funds to focusing on their family responsibilities or due to a job change. Many offices across campus are working together with the Enrollment Management team to develop the “Golden Grizzlies Graduate” program. It includes the introduction of three new micro grants to help students return or stay at Oakland, reducing one of the barriers to their degree completion.

For all three micro grants, students will receive up to \$500 per semester up to a maximum of three semesters toward their previous balance, if applicable, or toward their current bill. OU's first micro grant, the OU Reconnector Grant, helps those who have stopped out with a minor balance of \$1,500 or less and are in good academic standing and have a gap in attendance of more than one year. In order to expand upon Oakland's support of Detroit Drives Degrees Initiative, student populations outside of the debt relief group will be targeted for the OU Comebacker Award which is for those students who've stopped out, have no prior balance, but have a gap in attendance of one year. Recognizing the need to prevent current Oakland University students who are at risk from stopping out, students with demonstrated financial need may qualify for the OU Completion Grant. Current OU students at the junior or senior level, in good academic standing, but also have demonstrated financial need, may qualify for this award. Through publicity of this program and Oakland's involvement in the Detroit Drives Degrees Compact, they hope to attract students who have stopped out at other institutions to join Oakland as incoming transfer students who would qualify for merit and need based aid opportunities for transfer students. They may highlight to this population some of our more flexible degree options, such as the RN to BSN program, the communication evening program, the evening options in business, the Bachelor of Integrated Studies program and the 8-week courses available at the Anton-Frankel Center.

There are currently 693,000 adult learners in the metro-Detroit area with some college and no degree. As part of the Detroit Drives Degrees Compact, Oakland has agreed to assist adult learners in returning to school to complete their degree, which includes instituting the debt forgiveness program. Through this program, an institutional commitment has been made to increase regional post-secondary access and strengthen Detroit's overall talent pipeline. Finally, Oakland has agreed with the Detroit Regional Compact requirements as it relates to the release of transcripts, and Oakland will continue to release transcripts to OU stop outs with financial holds who agree to enter a payment plan in order to help them obtain a copy of their official transcript so they can secure employment or pursue a certificate or an associate's degree at a community college.

D. Consent Agenda for Consideration/Action

Consent Agenda

Treasurer's Report

RESOLVED, that the Board of Trustees accepts the June 10, 2019 Treasurer's Report.

Minutes of the Board of Trustees Formal Session of April 8, 2019

University Personnel Actions

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

I. New Appointment

Effective May 6, 2019

Roy, Sujoy, Investigator/Research Assistant Professor of Foundational Medical Studies (non-tenure track) (\$85,000) (New appointment filling a new authorized position).

Acceptance of Gifts and Pledges to Oakland University for the Period of March 21, 2019 through May 17, 2019

RESOLVED, that the Board of Trustees accept the gifts and pledges to Oakland University identified in the Gifts and Pledges Report, Attachment A, for the period of March 21, 2019 through May 17, 2019.

(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 March 1 – April 30, 2019

RESOLVED, that the Board of Trustees accept the grants and contracts to Oakland University identified in the Grants and Contracts Report, Attachment A, for the period of March 1 – April 30, 2019.

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

Meadow Brook Estate Operating Budget for the Fiscal Year Ending June 30, 2020

RESOLVED, that the Board of Trustees approve the FY2020 Budget for Meadow Brook Estate, with expenditures and transfers not to exceed the total as reflected in the attached budget, except as set forth; and, be it further

RESOLVED, that any expenditure level in excess of the approved amount that is not funded by a direct revenue increase must have the prior approval of the President or his/her designee and those amounts shall be reported on a periodic basis to the Board of Trustees.

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

Intercollegiate Athletics Operating Budget for the Fiscal Year Ending June 30, 2020

RESOLVED, that the Board of Trustees approve the FY2020 budget for Intercollegiate Athletics, with expenditures and transfers not to exceed the expense total as reflected in the attached budget, except as set forth; and, be it further

RESOLVED, that any expenditure and transfers beyond the approved expenditure total must have prior approval of the President or his/her designee and these amounts will be reported on a periodic basis to the Board of Trustees.

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

Oakland Center Operating Budget for the Fiscal Year Ending June 30, 2020

RESOLVED, that the Board of Trustees approves the FY2020 budget for the Oakland Center, with expenditures and transfers not to exceed the expense total as reflected in the attached budget, except as set forth; and, be it further

RESOLVED, that any expenditure and transfers beyond the approved expense total must have the prior approval of the President or his/her designee and these amounts will be reported on a periodic basis to the Board of Trustees.

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

Resolution – Celebrating the 100th Anniversary of the Ratification of the 19th Amendment of the US Constitution, Giving Women the Right to Vote

RESOLVED, that Oakland University remembers and celebrates the historic women who fought for their right to vote and recognizes the courage and inspiration of these bold women to change the course of history.

Trustee Schostak, seconded by Trustee Calley, moved approval of the Consent Agenda and the motion was unanimously approved by those present.

E. New Items for Consideration/Action

Bachelor of Science in Nutrition

Dr. James P. Lentini, Senior Vice President for Academic Affairs and Provost, presented the Bachelor of Science in Nutrition recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees authorizes the School of Health Sciences to offer a Bachelor of Science in Nutrition degree program; and, be it further

RESOLVED, that the Senior Vice President for Academic Affairs and Provost will complete annual reviews of the Bachelor of Science in Nutrition degree program to evaluate academic quality and fiscal viability to determine whether the program should continue.

Provost Lentini introduced the Nutrition Bachelor of Science program with a historical overview of the School of Health Sciences offerings relating to nutrition. The proposed BS in Nutrition degree program is designed to build upon the strengths of the existing faculty, by expanding academic course offerings to include the breadth of nutritional sciences needed by both entry-level practitioners and those pursuing continuing education for advanced nutrition careers. The proposed Nutrition curriculum builds upon Oakland's strong foundation in the natural and behavioral sciences, includes new hands-on lab experiences in culinary science, nutrition assessment, and clinical nutrition, and provides experiential learning practices in individual counseling and community education. Several

courses will involve deep community engagement and/or service learning projects contributing to OU's commitment to be recognized as a community-engaged campus. Students who will graduate with this degree will pursue careers as dietetic technicians and/or continue in their studies to obtain a Master in Nutrition degree or become registered dietitians. Dietetic technicians and registered dietitians work in a variety of health and community settings, including clinics and hospitals, community education, school food service, and within the food and pharmaceutical industries.

Dean Ball continued noting that as the School increased coursework in nutrition, interest from students increased to the point that they are now ready launch the Nutrition major. He introduced Professor Amanda Lynch to further describe the program specific, noting that the major sets students up for careers in a field that is growing as nutrition dietetics is expected to grow about 15%, which is higher than the national average. About 278 prospective students said they are interested in nutrition as an area of interest and about a third of Oakland's students taking general health sciences classes responded that they would interested in a standalone major. Oakland currently has a nutrition concentration, but the concentration doesn't have the breadth of information that students need to know to practice competently in this field. They are also responding to the demand to shift educational requirements for nutrition professionals. Historically, to be a dietitian, you had to have a bachelor's degree and an internship and to be a diet technician you had to have an associates. The requirements are shifting to where the dietetic technicians needs a bachelor's degree and a dietitian needs a master's degree.

The major will build upon Oakland's strengths in nutrition and expand expertise in clinical nutrition, community and food service management by attracting new faculty. The program fits within the University and the School's mission as they are focusing on community nutrition and building more community partnerships, with a focus on community experiential learning in the new courses that they have developed which directly impacts goal number three of the University's strategic plan, to be involved in community service. The will train nutrition professionals to work with individuals and the community, which fits in with the School of Health Science's mission and the interdisciplinary health sciences mission. The curriculum takes an interdisciplinary approach and will build foundational knowledge in physical and social sciences. 10 new courses have been created including food science and food service management, community and public health nutrition, education communication and clinical nutrition. They are integrating supervised experiential learning into most of the courses to meet accreditation standards. The budget is based on getting 10 new students in the first year, 15 in year 2 and about 20 new students every year and they anticipate about 20 students who already wanted to come to Oakland would enroll in this major which would have positive revenue with these assumptions. She concluded with an overview of career options for students who obtain the degree.

In response to a question from Trustee Devore, Dr. Lynch indicated that competitors would be Eastern, Wayne State, Central and Michigan State.

After discussion, Trustee Stolicker, seconded by Trustee Schostak, moved approval of the recommendation, and the motion was unanimously approved by those present.

General Fund Budget and Tuition Rates for FY2020

Mr. John W. Beaghan, Vice President for Finance and Administration, presented the General Fund Budget and Tuition Rates for FY2020 recommendation as set forth in the agenda item.

RESOLVED, that the Board of Trustees approves the FY2020 General Fund Budget at an expenditure level of \$342,734,379 and approved encumbrances and carry-forwards from the June 30, 2019 fund balance; and, be it further

RESOLVED, that the Board of Trustees approves the Schedule of Tuition Rates Effective Fall Semester 2019 (see Attachment C for detail); and, be it further

RESOLVED, that if the final State of Michigan undergraduate resident tuition restraint is lower than proposed herein, the FY2020 Proposed General Fund Budget will be reduced and balanced at the direction of the President, and the Schedule of Tuition Rates Effective Fall Semester 2019 will be modified accordingly; and, be it further

RESOLVED, that the Board of Trustees approves the spending of revenues generated in excess of budget to adequately cover the instructional, programmatic, and operating expenditures necessary to support the strategic plan.

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

Mr. Beaghan began indicating that the guiding principles that they take into consideration in building the budget every year are commitment to the University's mission, protecting and strengthening academics, providing excellent student services, and trying to minimize net student cost (net being tuition less financial aid).

On the expenditure side of the budget, he noted that 65% of the budget is compensation with the rest being facilities, maintenance, student activities and employment, and supplies and equipment. He then provided an overview of HEIDI data and the position of Oakland University compared to its peers in expenditure per student, number of faculty and staff per student, utility cost per square feet, and square feet of building space per student. Also on the expense side he noted that budget reductions or cost containment measures that have been implemented total \$60 million since 2003.

As for revenue, the general fund revenues include state appropriation and tuition, the ratios of which have flipped in the last 50 years. In 1972, Oakland was primarily a state funded institution and in 2019, Oakland is primarily a tuition-funded institution. As further demonstration, in 2009, Oakland's state appropriation was \$52.4 million but in 2019, it is slightly larger at \$52.8 million while at the same time the student body on a fiscal year equated basis has grown by 2,400 students. On a per student basis Oakland is the lowest funded of the 15 publics at \$2,957 per student. If Oakland was funded at the state average of \$5,381 per student, Oakland would receive \$43 million in additional state appropriation.

For the state's 2020 budget, the Governor has proposed a 3% across the board increase for all 15 public universities which would result in a \$1.5 million increase for Oakland and she recommended the tuition restraint be set at 3.2%. The Senate has proposed a 1.9% (about \$1M) increase for Oakland using the existing performance funding formula with a tuition restraint at 4.4%. The House proposal is a 1.4% (or \$758,000) increase for Oakland and a 3.2% tuition restraint with a change to the performance funding model. To complete OU's proposed budget, they are projecting no change in budgeted enrollment from FY19 to FY20. For budget development purposes, they have adopted the Senate's proposed budget with a 4.4% undergraduate tuition increase, an appropriation increase of 1.9%, a minimal expenditure increase, while still meeting all of Oakland's contractual commitments. The 4.4% increase equates to a \$20 per credit hour increase for undergraduates. To get to a balanced budget, the Cabinet went through a budget reduction/budget avoidance process which identified about \$2.4 million in areas where they could cut budget or not increase budget. With those assumptions, the net tuition increase would be about \$2.8 million which is gross tuition increase less a significant further investment in financial aid, the Senate's state appropriation increase of \$1,008,800 along with a few miscellaneous income items results in \$4.1 million of incremental revenue to offset incremental expenses which largely consists of compensation, all contractual or non-bargained for increases and benefits as well as utilities increases, new program initiatives and a few miscellaneous items.

In response to a question from Trustee Schostak regarding the data used during the presentation, Mr. Beaghan noted that HEIDI is the source for the data and that Oakland reports its data based on the exact requirements of the state, but he cannot speak to the integrity of the data of the 14 other public universities.

In response to a question from Chair Tull, Mr. Beaghan agreed that for the first time in FY 2020, Oakland will spend more on grants and scholarships than it will receive in state appropriation, literally subsidizing students over and above the total amount of the state appropriation.

In response to Trustee Allen, Mr. Beaghan noted that his team spoke with three of our student leaders, the President and Vice President of Student Congress and one of the Board Liaisons about the budget. Mr. Russel added that that the tuition increase being presented, not as a 4.4% increase, but as only a sub \$20 per credit hour increase seems a lot more palatable.

After discussion, Trustee Schostak, seconded by Trustee Calley, moved approval of the recommendation, and the motion was unanimously approved by those present.

Authorizing Resolution – General Revenue Bonds, Series 2019

Mr. Thomas P. LeMarbe, Associate Vice President for Finance and Administration, presented the Authorizing Resolution – General Revenue Bonds, Series 2019 recommendation as set forth in the agenda item.

**RESOLUTION OF THE BOARD OF TRUSTEES
OF OAKLAND UNIVERSITY
AUTHORIZING THE ISSUANCE AND DELIVERY OF
GENERAL REVENUE BONDS AND PROVIDING
FOR OTHER MATTERS RELATING THERETO**

WHEREAS, the Board of Trustees of Oakland 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 Oakland 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 proposes to undertake the acquisition, construction, installation and equipping of the capital improvements described in Exhibit A hereto (collectively, the "Projects"); and

WHEREAS, the Board has previously issued and has outstanding certain series of General Revenue Bonds (the "Outstanding Bonds"), and has incurred certain other debt obligations payable from and secured by a lien on General Revenues (as hereinafter defined), including certain interest rate swap agreements relating to debt service on portions of the Outstanding Bonds (such other debt obligations, together with the Outstanding Bonds, are collectively referred to herein as the "Outstanding Obligations"); and

WHEREAS, the financing of all or a portion of the Projects through the issuance of General Revenue Bonds will serve proper and appropriate public purposes; 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 that it is necessary and desirable to authorize the issuance of one or more series of General Revenue Bonds (collectively, the "Bonds") in order to provide funds which, together with other available funds, will be used to pay all or part of the costs of the Projects and to pay costs incidental to the issuance of the Bonds; and

WHEREAS, it may be desirable and in the best interests of the University to secure all or part of the principal and interest on the Bonds by bond insurance, a letter of credit or other form of credit enhancement from an insurance company, bank or other credit enhancement provider; and

WHEREAS, a trust indenture (the "Trust Indenture") must be entered into by and between the Board and a trustee (the "Trustee") to be designated by the President or the Vice President for Finance and Administration of the University (each an "Authorized Officer"), pursuant to which the Bonds will be issued and secured; and

WHEREAS, the trust indentures or agreements authorizing the Outstanding Bonds create certain conditions for the issuance of General Revenue Bonds secured by a pledge of General Revenues on a parity basis with the Outstanding Obligations; and

WHEREAS, an Authorized Officer shall, on or prior to the delivery of the Bonds, certify that the conditions for issuing the Bonds, secured on a parity basis by General Revenues with the Outstanding Obligations, have been satisfied; and

WHEREAS, it is necessary to authorize each of the Authorized Officers, 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") and to enter into one or more bond purchase agreements with the Underwriter (collectively, the "Bond Purchase Agreement") setting forth the terms and conditions upon which the Underwriter will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor; 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 Authorized Officers, or either of them individually, to negotiate, execute and deliver on behalf of the Board, the Trust Indenture, the Bond Purchase Agreement, one or more remarketing agreements with the Underwriter or other parties (collectively, the "Remarketing Agreement"), and other related documents, to establish the specific terms of the Bonds and to accept the offer of the Underwriter, all within the limitations set forth herein; 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 funds, to acquire, construct, furnish and equip the Projects and to pay all or a portion of the costs of the Projects by issuance of the Bonds, and to pledge General Revenues for payment of the Bonds.

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

1. Approval of the Projects. The Board hereby approves each of the "Projects" as set forth on Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them, to select the portions of the Projects 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 Projects from available funds of the University or from other available funds, and to proceed with the acquisition, construction, furnishing, and equipping of the Projects.

2. Authorization of the Bonds and Related Agreements; Terms of the Bonds; Related Matters. The Board hereby authorizes the issuance, execution and delivery of the Bonds in one or more series, to be designated GENERAL REVENUE BONDS, SERIES 2019 (with appropriate alternative or additional series designations) in the aggregate principal amount to be established by an Authorized Officer, but not to exceed the amount necessary to produce proceeds of \$78,000,000.00 (exclusive of net original issue discount, if any), plus an amount necessary to fund capitalized interest and issuance costs on the Bonds as an Authorized Officer deems appropriate. The Bonds shall be dated as of the date or dates determined by an Authorized Officer. The proceeds of the

Bonds shall be used to pay all or a portion of the costs of the Projects, as shall be determined by an Authorized Officer, and costs incidental to the issuance of the Bonds, including the cost of bond insurance if an Authorized Officer determines such insurance to be appropriate, and funding capitalized interest on the Bonds, if any, in each instance as an Authorized Officer deems 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 not earlier than March 1, 2022, and the final maturity shall be not later than March 1, 2050. The Bonds may bear no interest or 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 (computed using the stated coupon and the stated original offering price) for the Bonds shall not exceed 5.5% per annum for tax-exempt Bonds and not in excess of 7.5% per annum for taxable Bonds. The Bonds may be issued in whole or in part as capital appreciation bonds, which for their term or any part thereof bear no interest but appreciate in principal amount over time at compounded rates (not in excess of 6.0% per annum for tax-exempt Bonds or 8.0% per annum for taxable Bonds) to be determined by an Authorized Officer. Alternatively, all or part of the Bonds may bear interest at a variable rate of interest for all or a portion of their term, and the variable rate of interest shall not exceed the lesser of the maximum rate permitted by law or the maximum rate, if any, to be specified in the Trust Indenture. 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, provided that the redemption premium shall not exceed 3.0% 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. The Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement for a price or prices to be established by an Authorized Officer (but the Underwriter's discount, exclusive of net original issue discount, shall not exceed 1.5% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof.

In relation to the debt service on the Bonds, or in relation to all or any portion of the debt service on the Outstanding Bonds, either of the Authorized Officers may, at any time, on behalf of the Board, enter into an interest rate swap, cap, forward starting swap, rate lock, option, swaption or similar agreement or agreements (collectively, the "Swap Agreement") with a counter-party or counter-parties to be selected by the Authorized Officer. Such Swap Agreement shall provide for payments between the Board and the counter-party related to interest on all or a portion of the Bonds or the Outstanding Bonds, or to indexed or market established rates. If the Swap Agreement is entered into in connection with the issuance of the Bonds, the expected effective interest rates on the Bonds, taking into account the effect of the Swap Agreement, shall be within the limitations set forth herein. Any Swap Agreement in the form of an option, rate lock, swaption or forward starting swap, may, if the Bonds to which such agreement relates are not ultimately issued, be required to be terminated, with a possibility of a resulting termination payment due by the University. In addition, either Authorized Officer is authorized to modify or terminate any Swap Agreement entered into in connection with the Bonds or any of the

Outstanding Bonds, if the Authorized Officer determines such action is economic and in the best interests of the Board, based on the advice of the University's financial advisor.

Any or all of the Bonds may be made subject to tender for purchase at the option of the holder thereof. The obligation of the Board to purchase any Bonds subject to tender options may be made payable from General Revenues, from available cash reserves of the University, subject to such limitations as may be specified in the Trust Indenture, or from a letter of credit, line of credit or other liquidity device (the "Liquidity Device"), or any combination thereof, all as shall be determined by an Authorized Officer and provided for in the Trust Indenture. Any reimbursement obligation for draws under the Liquidity Device shall be a limited and not a general obligation of the Board, payable from and secured by a pledge of General Revenues. Either Authorized Officer is authorized to execute and deliver at any time, for and on behalf of the Board, any agreements or instruments necessary to obtain, maintain, modify, renew or replace, and provide for repayments under, any Liquidity Device deemed by such Authorized Officer to be required for the purposes of this Resolution. Purchase obligations shall not be considered principal of or interest on the Bonds.

3. Limited Obligation of the Board; Security. The Bonds, and the obligations of the Board under the Swap Agreement or Liquidity Device, if any, shall be limited and not general obligations of the Board payable from and secured by a lien on the General Revenues and moneys, securities or other investments from time to time on deposit in certain funds created pursuant to the Trust Indenture or Bond Purchase Agreement, or agreements entered into in connection with the Swap Agreement or Liquidity Device. Except as otherwise determined by an Authorized Officer, as provided below, the lien on General Revenues shall be on a parity basis with the liens on General Revenues securing the Outstanding Obligations.

As used herein and in the Trust Indenture or Bond Purchase Agreement and related documents, "General Revenues" shall be defined generally to include 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 Board's housing, dining and auxiliary facilities; all unrestricted receipts from departmental or educational activities; all unrestricted grants, gifts, donations and pledges and receipts therefrom; all unrestricted recoveries of indirect costs; and all 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 the Bonds and any obligations secured on a parity with the Bonds; (d) appropriations to the University from the State Legislature; (e) any income, revenues or receipts of whatever kind or nature attributed by the University to the University's constituent school of medicine; and (f) up to an amount equal to an aggregate of 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.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, or for the payment of any amounts owing under the Swap Agreement or the Liquidity Device, if any; or any claim based thereon, against the State of Michigan, the Board (except as provided herein) or the University, or any member, officer or agent thereof, as individuals, either directly or indirectly, nor shall the Bonds and interest with respect thereto, or any obligations of the Board in connection with the Swap Agreement or Liquidity Device, if any, 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 and pledged pursuant to the Trust Indenture or Bond Purchase Agreement, or agreements entered into in connection with the Swap Agreement or Liquidity Device, if any.

Any pledge of General Revenues, and funds specified in the Trust Indenture or Bond Purchase Agreement, or agreements entered into in connection with the Swap Agreement or Liquidity Device, if any, shall be valid and binding from the date of issuance and delivery of the Bonds or such agreements, 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 debt 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.

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

4. Additional Bonds. The right is reserved to issue additional bonds, notes or other obligations payable from and secured on a parity basis with the Bonds and the Outstanding Obligations from the General Revenues, upon compliance with the terms and conditions as shall be set forth in the Trust Indenture or Bond Purchase Agreement.

5. Selection of Trustee; Terms of Documents; Bond Insurance. Either Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, to select the Trustee and to negotiate the terms of and execute and deliver the Trust Indenture and Bond Purchase Agreement. The Trust Indenture and Bond Purchase Agreement may contain such covenants of the Board and terms as the Authorized Officer may deem 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 Bonds, and with respect to the issuance of additional bonds, notes or other obligations payable from and secured by General Revenues. In addition, either Authorized Officer is hereby authorized, empowered and directed to negotiate, if necessary and expedient for 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. Sale of the Bonds; Selection of Underwriter; Terms of Purchase. Either Authorized Officer is hereby authorized and directed, in the name of and on behalf of the Board, to select the Underwriter and to negotiate, execute and deliver the Bond Purchase Agreement with the Underwriter setting forth the terms of the Bonds and the sale thereof, in such form as an Authorized Officer may approve, all within the limitations set forth herein.

7. Execution and Delivery of Bonds. Either Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the Board, to execute the Bonds by placing his or her facsimile or manual signature thereon, and to deliver the Bonds to the Underwriter in exchange for the purchase price therefor, as provided in the Bond Purchase Agreement.

8. Ratings; Official Statement. Either Authorized Officer is hereby authorized to solicit ratings on the Bonds from any national rating services that the Authorized Officer deems appropriate and to cause the preparation of a Preliminary Official Statement and an Official Statement with respect to the Bonds, and to execute and deliver the Official Statement. The Underwriter is authorized to circulate and use in accordance with applicable law, the Preliminary Official Statement, if any, and the Official Statement in connection with the offering, marketing and sale of the Bonds.

9. Additional Acts Required. The Authorized Officers, and any other officers or personnel of the Board or the University authorized by the Board to act on its behalf as certified by the Vice President for Legal Affairs and General Counsel, are, and each of them individually is, 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 the Bond Purchase Agreement, or necessary, expedient and proper in connection with the issuance, sale and delivery of the Bonds, as contemplated hereby. Any reference to an officer of the Board or the University herein shall include any interim or acting officer appointed by the Board. Any action, required under the Trust Indenture, the Bond Purchase Agreement, any Swap Agreement, any Remarketing Agreement, any agreement or instrument entered into in connection with the Liquidity Device or any other agreement or instrument related to the Bonds, either in connection with the issuance of the Bonds or in connection with the ongoing administration of the financing program related to the Bonds, may be taken by and on behalf of the Board by an Authorized Officer.

In the event that future legislation allows the economic and efficient use of financing structures for the Bonds authorized hereby which are different from or alternative to traditional tax-exempt bond structures, through tax credits or subsidies available to the Board or the holders of such Bonds, or assignees thereof, all or any portion of the Bonds may, subject to the applicable parameters set forth herein, be issued as Bonds for which federal tax credits or subsidies are payable to the Board or Bonds for which the federal income tax credits or subsidies are allowed to the holder of the Bonds, if an Authorized Officer determines that such issuance is economic and in the best interests of the Board, and in connection therewith, either of the Authorized Officers is authorized to make, for and on behalf of the Board, any and all designations or elections (revocable or irrevocable), to make any tax covenants in connection with the issuance of such Bonds, to execute and

deliver any agreements, certificates or other instruments to or with the federal government or any agency thereof, and to take any other actions necessary for such Bonds and the Board to receive any available benefits, funds or federal tax credits or subsidies.

10. Continuing Disclosure Undertaking. In accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, the Board is required in connection with the issuance of the Bonds to enter into a Disclosure Undertaking 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, a Disclosure Undertaking.

11. Approval by Vice President for Legal Affairs and General Counsel. The Board authorizes and directs that, prior to the execution by either Authorized Officer or other officer or representative of the Board or the University, of documents, certificates or instruments authorized by this Resolution, the Vice President for Legal Affairs and General Counsel of the University shall have reviewed and approved any and all such documents, certificates and instruments, upon, as appropriate, the advice of or consultation with the University's bond counsel.

12. Conflicting Resolutions. All resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed to the extent of such conflict.

Mr. LeMarbe began the presentation by noting that over the last 25 years, the Oakland Board has authorized seven bond issues that provided financing that has improved the campus and created a more enriching experience for Oakland students and the University community. He is presenting the eighth such request to issue general obligation bonds to fund projects that continue to improve University facilities and the overall appeal of the campus. In December 2018, then Governor Snyder approved a state capital outlay bill awarding Oakland University with a \$30 million appropriation for the South Foundation Hall classroom expansion. The total cost for that project is estimated at \$40 million, leaving OU's obligation at \$10 million. Over the last few months, a bond funding project task force has been working on identifying other central campus renovations and projects that will improve or enhance academic and research space, student service space and campus infrastructure systems. In the proposed Resolution, the total bond authorization request for the projects inclusive of the \$10 million for South Foundation Hall total \$78 million. That figure excludes bond issuance costs estimates and capitalized interest.

In response to Trustee Tull, Mr. LeMarbe indicated that he hoped the bonds would price at the mid to upper threes at the maximum and in response to Trustee Schostak he indicated that Oakland's current rating is A1 but that Moody's will re-evaluate as part of this bond offering.

In response to a question from Trustee Allen, Mr. Beaghan indicated that Oakland should be able to handle the debt service even given a significant drop in students as 40% of the incremental debt service has been budgeted and the additional 60% needed equates to about a half of percent of enrollment or tuition per year for three years. Also, in response to

Trustee Allen, he stated that Oakland's bidding process is opened broadly and for underwriting this bond offering Oakland's debt advisor wrote the RFP and considered all potential underwriters in the higher education market and excluded no one.

Trustee Allen asked if there is a clear policy to have diverse vendors apply, look at the best qualified candidates including minority vendors, without an affirmative action policy, that are given fair consideration to which Trustee Tull asked Mr. McIntosh to possibly meet with Trustee Allen, walk through the diversity policy as it relates to vendors and make a determination if there should be recommendations made to enhance or revise the policy and report back to the Board. Mr. McIntosh indicated that he and Mr. Kunselman had met this week to explore ways to enhance the number of minority vendors used by Oakland.

After discussion, Trustee Muchmore, seconded by Trustee Allen, moved approval of the recommendation, and the motion was approved with six positive votes and one abstention by Trustee DeVore.

F. Other Items for Consideration/Action that May Come Before the Board

There were no other items for consideration/action presented to the Board.

G. Adjournment

Chair Tull adjourned the meeting at 4:01 p.m.

Submitted,



Victor A. Zambardi
Secretary to the Board of Trustees

Approved,

W. David Tull
Chair, Board of Trustees