

**MINUTES**  
**of the**  
**Board of Control**  
**Michigan Technological University**  
**Houghton, Michigan**

**Meeting of**  
**March 5, 2009**

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MINUTES OF THE FORMAL SESSION OF THE BOARD OF CONTROL OF MICHIGAN TECHNOLOGICAL UNIVERSITY held pursuant to due call in Ballroom B of the Memorial Union Building on the campus of Michigan Technological University in the City of Houghton, Michigan at eight thirty o'clock on the morning of March 5, 2009.

The Board of Control of Michigan Technological University met in formal session at the University's campus at Michigan Technological University in the City of Houghton, State of Michigan, at 8:30 a.m., on the 5<sup>th</sup> day of March, 2009, in Ballroom B of the Memorial Union Building. The place, hour, and date duly established and duly published for the holding of such a meeting.

The meeting was called to order by K. Clark, and a quorum was declared present.

The following members of the Board of Control were present:

- R. A. Gronevelt, Chair (via telephone)
- L. D. Ashford
- K. I. Clark
- S. J. Hicks (via telephone)
- P. G. Ollila
- R. A. Reck (via telephone)
- M. K. Richardson (via telephone)
- G. D. Mroz, ex officio

The following members were absent:

None

Also present during part or all of the session were: Dale R. Tahtinen, Secretary of the Board and Vice President for Governmental Relations; Daniel D. Greenlee, Treasurer and Chief Financial Officer; George Butvilas, Chair of the Michigan Tech Fund Board of Directors; Max Seel, interim Provost and Vice President for Academic Affairs; David D. Reed, Vice President for Research; Shea McGrew, Vice President of Advancement and Marketing; Les Cook, Vice President for Student Affairs; Ellen Horsch, Vice President for Administration; Paul Tomasi, University Counsel; and various members of the faculty, administrative staff, student body, press and public.

Where item numbers are used, they refer to corresponding item numbers in the agenda, in the hands of the Board members.

## **I. APPROVAL OF AGENDA**

Board Secretary, D. Tahtinen, recommended that the agenda be amended to revise item IV-C-6. 9.21. Student Development Complex Support Fee to also include policy 9.22. Memorial Union Building Support Fee; add items IV-C-7. 3.23. Sex Discrimination/Sexual Harassment, and IV-C-8. Exclusion Resolution for the Department of Defense.

It was moved by R. Reck, supported by M. Richardson, and passed by voice vote without dissent, that the agenda of the formal session of March 5, 2009, as distributed to the Board, be approved as amended.

## **II. APPROVAL OF MINUTES**

It was moved by L. Ashford, supported by R. Gronevelt, and passed by voice vote without dissent, that the minutes of the formal session of December 12, 2008 be approved.

## **III. OPENING REMARKS**

### **Chair's Comments**

Good morning, and welcome to our first meeting in 2009. I am happily sitting in for both the Chair and Vice Chair as they were not able to come to Houghton, but they are participating by phone, along with Dr. Reck.

It gives me great pleasure to welcome our newest Board member, Paul Ollila. Paul is a resident of Painesdale and former Superintendent of the Copper Country Intermediate School District. Paul has spent his career in education. He started a special education senior high program at Jeffers High School, which was the first of its kind in the Copper Country, and then moved to the Copper Country Intermediate School District. Paul has held various posts at the CCISD including Director of Special Education, Assistant Superintendent and then Superintendent. Paul's experience in education and being a member of the local community will be a great asset to Michigan Tech. We are very pleased to have Paul as a member of the Board.

I would also like to welcome George Butvilas, Chair of the Michigan Tech Fund, and thank him for taking the time to be with us today.

The New Year has started off with great happenings including another very successful Winter Carnival. Blue Key and all the students involved with the various activities and statute building did a fantastic job.

We were also fortunate to have Senator Mike Prusi and Representative Mike Lahti on campus for Winter Carnival, and I have been assured that they were very impressed by the great things that are going on at Michigan Tech.

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Here are a few highlights of the great things that have been happening since our last Board meeting.

Michigan Tech's Keweenaw Research Center was awarded a 10 million dollar, five year, contract by the U.S. Army's Tank Automotive and Armaments Command. KRC will be providing engineering research, design and prototype development support related to combat vehicle threat neutralization and detection, route clearance, and crew survivability as they relate to assured mobility and maneuver support.

The National Science Foundation has named Roshan D'Souza the recipient of a five-year NSF CAREER Award. Dr. D'Souza, an assistant professor of mechanical engineering-engineering mechanics, heads a team of Michigan Tech researchers who are harnessing the power of graphics processing units, the computing engine behind some of the most popular video games, to understand complex biological systems.

NSF CAREER Awards are designed to promote early career development in junior faculty who exemplify the integration of research and teaching and who are likely to become the academic leaders of the future. Our congratulations to Dr. D'Souza for this outstanding achievement.

Terry McNinch, Director of the Local Technical Assistance Program, received a Michigan Department of Transportation award of \$699,714 for *RoadSoft Maintenance & Development 2009*.

The RoadSoft GIS Integrated Road Management System is part of an effort by Michigan's local agencies, the technology Development Group in the Michigan Tech transportation Institute and MDOT to apply scientific methodology in managing local agency road systems. Currently over 280 counties and cities in Michigan use RoadSoft, far more than any other road management system.

Mark Osborne Senior Research Engineer/Scientist at the Keweenaw Research Center received a \$422,200 award from the Bendix Corporation for the *Bendix TCL for Winter Test program 2009*

The project supports Bendix's development of Anti-lock brake systems, stability control systems and other active systems for air brake systems on heavy trucks (semi tractors and trailer, cement trucks, buses, etc.) on surfaces normally encountered during the winter which include snow and ice covered roads.

I would like to remind my colleagues that President Mroz will be testifying before the House Appropriations Subcommittee on Higher Education this coming Monday in Grand Rapids. Russ and I are planning on attending, and we know that it will be another excellent presentation by President Mroz.

On a personal note, I would like to mention that for the first time in all my years of being here I got to spend some time on the Tech Trails. What an outstanding facility, which is also beautifully maintained. I wanted to commend the people that are responsible for the Trails for their dedication and hard work. It was also a great pleasure to watch the Women's

Basketball Team defeat Northern the other night. To see the students knowing that they are these brilliant people who are also aggressive participants in sports is inspiring. It is a nice round student body that we have, and I'm very impressed, and continue to be impressed, with the students at Michigan Tech.

### **President's Comments**

I would like to add that the ski trails have been a great training ground as well. We are sending six skiers to Nationals this year, which is the most skiers that we can possibly send.

I also want to welcome to Paul Ollila to the Michigan Tech Board of Control. Paul has been a mainstay of the community serving in many ways, and we look forward for the next eight years with Paul.

As this new calendar year unfolds it is an understatement to say that there is a great deal of uncertainty in the world financial markets. Yet, it is times like these that hold great promise for those who are prepared.

A few weeks ago, Michigan Tech held its spring career fair and 126 employers and thousands of students attended. In the fall, a record 298 exhibitors attended. While there have been reports of layoffs and rescinded offers, the facts show that organizations are still looking for talented and educated people.

Consider the unemployment numbers for January in the US:

- Overall, unemployment was 7.6%;
- With a Bachelors or higher degree it is 3.8%,
- Some college is at 6.2%,
- High School education is 8%,
- And 12% for those without a high school education.

Clearly, you don't have to have a degree in higher mathematics to draw a line through those data points to show that education really does pay off.

The stimulus package includes an emphasis on education as well. After all the talk of "shovel ready projects" a Georgetown University study estimates that 37% of the 3.7 million jobs to be created or saved will be for those with an associate's degree or higher.

For individuals who are prepared there is great opportunity ahead.

There is also opportunity for organizations that are prepared. As you all know, we have a very simple plan that emphasizes people, distinctive programs, and research and creativity.

Our research awards for this year are up 36% for federal, and 31% in total. That does not include anything that Dr. Clark has just announced, and it does not include any anticipated benefit from the stimulus plan. The stimulus package will add 21 billion dollars to key agencies funding research, including 3 billion dollars to NSF, one of our largest sponsors.

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In fact and in practice, opportunity is not so much found and taken, but it is carefully constructed. At Michigan Tech we have been positioning the university for success in research by building our tenured and tenure track faculty with 86 new hires over the past 3 years.

We are continuing to work to attract new faculty this year to fill existing as well as new strategic hires approved by the Board of Control in computational discovery and innovation.

Next Monday, I will be testifying to the House Higher Education Committee about Michigan Tech. I will tell them what we are and what we are not, what we do, and what we choose not to do. I will also stress to them that Michigan Tech offers the opportunity for the State to be prepared.

In a country that has chronically under-produced scientists and engineers even since Sputnik which signaled a threat to America's scientific position of strength, 83% of our graduates, the highest in the state, are considered high tech science and engineering graduates, and that employers are still coming to Michigan Tech in spite of the economy.

As the legislature considers their budgets for the coming year, the talk of budget cuts and what the State receives for their support of Michigan Tech, I will ask them to consider that Michigan Tech has 40% more students per dollar of state support than when Neil Armstrong took his first steps on the moon, 40 years ago.

#### **IV. ACTION/DISCUSSION ITEMS**

##### **IV-A-1. Academic Affairs Committee Report**

Dr. Clark provided the Board with the following report.

Yesterday morning the Academic Affairs Committee met, and in addition to Lenora and myself, Paul also attended the meeting. Paul was an active participant, had many good questions and we appreciated his being there.

Although we had a short agenda, we did fill the time with some great discussion and managed to give the Provost many ideas to pursue for future committee meetings.

The meeting began with Dr. Seel sharing with us his vision of the role of the Provost and discussed the intrinsic dynamics between the colleges and schools. I won't say anymore, except that we learned an awful lot from just a few slides, as Dr. Seel will be giving that presentation to the Board as the next agenda item.

The Committee reviewed the proposals for the Master and a Ph.D. program in Computer Engineering. A two page summary of the proposals was sent to all of the Board yesterday afternoon for review. This summary addresses the need for these degrees, how they fit into the strategic plan, the employment outlook, and several other key factors. The Committee is very supportive of these two proposals and is recommending that the Board approves the

submission of these proposals to the State Academic Affairs Officers. They will come back to the Board for final approval, probably/hopefully, at the May Board meeting.

The Provost also shared with us several graduate programs that are under development and, hopefully make it through the internal approval process to become agenda items at future Board meetings. These include:

A Ph.D. in Applied Cognitive Science & Human Factors, housed in the Department of Cognitive and Learning Sciences, but with great opportunities for interdisciplinary research funding that brings together faculty from many departments (computer science, computer engineering, exercise science, etc, like a recent Air Force grant to study the robot-human interface).

Human Factors is a multi-disciplinary science that focuses on the needs of the human in the design of products, work processes, and technology systems in an effort to optimize human well-being and overall system performance. It is concerned with the design and evaluation of technological systems from the perspectives of human needs, abilities, and limitations. Graduates may examine human-machine interactions from cognitive, social, biological, physical, or other perspectives. The proposed program will help meet strong demand for Human Factors professionals, will build on Michigan Tech's existing strengths in science and technology, and will enable MTU to develop a nationally recognized program in an emerging discipline critical to technology.

A STEM Education Ph.D. program is under development, hopefully with NSF funding. It will house students in content-area departments rather than in a department of education. This structure builds upon Michigan Tech's practice of housing undergraduate pre-service teachers in content-area departments—a strategy used to ensure that students have the disciplinary knowledge, skills, and habits of mind to enter either the teacher or professional workforce. This structure will establish a foothold for robust educational research in all STEM content departments/units.

An excellent discussion ensued about integrating in such a degree a strong component that takes into account online learning, design of web courses, and digital representation of educational content and materials.

An on-line MBA program is also being discussed. Many alumni have stated that they would be interested in this type of degree and that they believe it would be in demand among many of our alumni, as well as others.

We talked a little bit further about on-line education, not only in terms of the having an on-line program, but how the courses are taught, designed and delivered. We plan to continue this discussion at future meetings.

#### **IV-A-2. Provost's Report**

Dr. Seel provided the Board with the following report.

Provost & VP for Academic Affairs =  
Chief Academic Officer of University

University: Unity of *Teaching* and *Research*

Reputation of University: *Faculty + Students*

\$\$\$: *Teaching* (Tuition&Fees) and  
*Research* (Grants&Contracts) =

1<sup>st</sup> (\$67million) and 3<sup>rd</sup> (\$42 million) largest  
core revenue of university (current fund) budget (FY07)

largest (\$60 million) general fund expenditure  
(through budgets of schools and colleges)

Top Priorities/Responsibilities

Top Faculty (teaching&research!)  
*hiring (regular&SFH), promotion&tenure*

Innovative Academic Programs  
*degree programs, certificates, minors etc.*

<-> Deans, Senate, Library, C. for Teaching Excellence

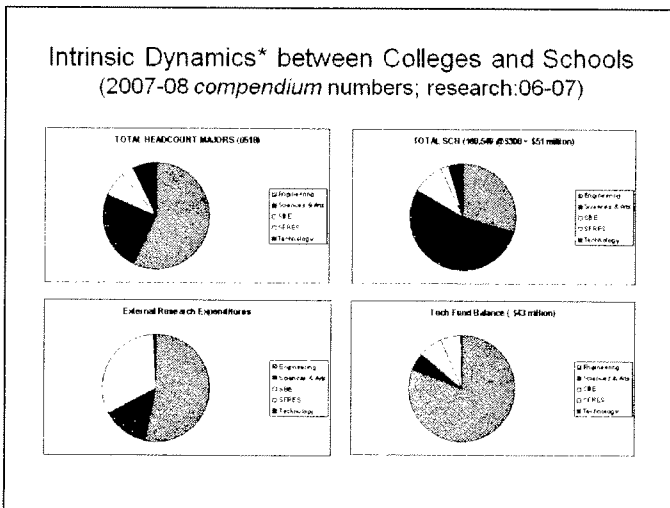
<-> VP Student Services (student numbers!)

Cutting Edge Research <-> VP Research

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Sound Budget (\$60 million) **2009-10 budget**

<-> Member of Executive & Budget Team



**\* dy-nam-ics:**

**1:** a branch of physics that deals with forces and their relation primarily to the motion but sometimes also to the equilibrium of bodies

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Sometimes we don't see the forest (f)or the trees:

**TEACHING and RESEARCH**

**IV-A-3. Approval for a Master of Science in Computer Engineering**

It was moved by P. Ollila, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control approves the advancement of the proposal of the Master of Science Degree Program in Computer Engineering to the State Academic Affairs Officers.

**IV-A-4. Approval for a Ph.D. in Computer Engineering**

It was moved by L. Ashford, supported by S. Hicks, and passed by voice vote without dissent, that the Board of Control approves the advancement of the proposal of the Doctor of Philosophy Degree Program in Computer Engineering to the State Academic Affairs Officers.

**IV-A-5. Emeritus Rank**

It was moved by R. Reck, supported by S. Hicks, and passed by voice vote without dissent, that the Board of Control approves the following emeritus appointment:

- 1.) Dr. John Beckwith, Professor Emeritus, Department of Mathematical Sciences
- 2.) Dr. James Gale, Professor Emeritus, School of Business and Economics
- 3.) Dr. Willie Melton, Professor Emeritus, Department of Social Sciences

**IV-B-1. Finance and Audit Committee Report**

Mr. Hicks provided the Board with the following report.

The Finance and Audit Committee met yesterday along with meeting via telephone over the last several months. We talked about the fiscal 2009 outlook, the fiscal year 2010 budget

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period, the five year outlook over various scenarios, the capital projects and bond resolution, and the Experience Tech Fee.

All in all, it is as President Mroz said a very challenging time, but we are on very sound financial stability along with continuing to meet the goals of our strategic plan.

The current fund is comprised of five funds of the university and totals about \$230,000,000. For 2009, the current fund projections are about breakeven, which is exceptional. Our revenue lines are a little lower from state appropriations than originally projected and expenses are lower also. This projection of breakeven includes about \$1.8 to \$2 million of unrealized losses, that is losses that are incurred on some of the investments in the Retirement and Insurance (R&I) fund, given the market dynamics. When you take that out of perspective, the revenues are higher than the expenses and the management team of the university is doing an exceptional job, and they should be applauded for weathering the challenges and still have financial strength to meet the goals of the strategic plan.

In addition, we looked at the fiscal 2010 budget and have set out base lines and are taking a look at the budget over various scenarios. We are looking not only at fiscal 2009, but over a five year period with base assumptions including inflation, state appropriations, student headcount, faculty growth, operating revenue and operating expense scenarios. We are working through those and in all cases are continuing to meet the goals of the strategic plan and still be in very good shape.

We talked about the capital projects, and the projects that we have on the slate for discussion which are the student apartment building, the Great Lakes Research Center, the Keweenaw Research Center and the Student Development Ice Arena. These projects total about \$46 million, of which about \$25 million is being received from outside sources including about \$20 million from the State. The Committee is going to recommend moving these projects forward to the engineering and architectural process and then there will be another review of these projects before we proceed with construction. So we are proceeding cautiously optimistic on this process.

The proposal for bond resolution which the Board will vote on later in the session was discussed. The purpose behind this resolution is that the clock starts ticking when the bond resolution is passed as far as includable expenses, and we want to make sure that we include as many expenses as possible.

Discussion took place regarding the process for bonding and the need to approve the bond resolution at this time. By approving the bond resolution today, the university has the ability to reach back 60 days and capture costs that have been incurred during that time for these projects. Currently we have expended about \$320,000 in engineering and architecture services and these costs could be included in the bond if it were to be approved today. Mr. Greenlee stated that he does not plan on executing the bond until July or August.

Mr. Hicks noted that the Finance Committee looked out over a five year period at what this debt incurred would do to our debt ratio, credit rating, conveyance on any lines of credit, and debt cover ratios (the cash needed to pay the principal and interest) over various scenarios. Our credit rating still stays strong in the best and worst case for all scenarios. The

Committee spent a great deal of time looking at those key metrics to ensure that there is still financial stability of the university.

The use of Michigan firms for the capital projects was discussed, and there was strong support for using Michigan firms. Mr. Tomasi pointed out that the Board is not required to select the lowest bid. The Board's obligation is to do and accept what bid is best for the university. Ms. Horsch noted that all of the architectural and engineering professional services for these projects are with Michigan firms.

Dr. Reck thanked Dr. Sloan for her memo that she sent to the Board. Dr. Sloan expressed concern about proceeding with the student apartment project in light of the current economic situation along with key metrics at the university which have declined such as enrollment deposits, cash gifts, research expenditures, uncertain state support, and the re-negotiation of the indirect cost rate. Dr. Reck suggested that rather than proceed at this time, would it not be prudent to look at the strategic plan in light of the current economic situation, to make certain that we are following a proper strategic plan that reflect the current situation. Mr. Gronevelt stated that Dr. Sloan's memo was discussed at the Finance Committee meeting and her concerns were addressed in length.

Dr. Reck again expressed her strong desire to have the strategic plan reviewed before proceeding with some or all of these projects. President Mroz pointed out that the strategic plan is currently under review, however he does not believe that the direction and the goals of the university will change dramatically based on the current economic situation.

There was some discussion regarding the various numbers that have been provided to the Board with respect to undergraduate and graduate enrollment. Dr. Cook provided the Board with a comprehensive report that included both undergraduate and graduate numbers, while Dr. Sloan stressed undergraduate numbers in her memo. Dr. Sloan felt that since graduate students are tracked by applications and undergraduates are tracked by enrollment deposits that in combining these two statistics you are not comparing apples to apples. A conference call will be scheduled for Dr. Cook, Dr. Sloan, and Dr. Reck to further discuss the enrollment statistics.

Mr. Hicks reported that the Finance and Audit Committee had a request from the Graduate Student Council last October to exclude them from the Experience Tech Fee. We discussed this request at several meetings and we feel that the program should stay on track as originally proposed and become a pilot project for 2-3 years, after which time we will evaluate it and consider the graduate students request for exclusion. We also discussed the proposed fee reduction for the summer semester and the Committee endorses that proposal.

#### **IV-B-2. Approval of the Revised Keweenaw Research Center Project**

At the February 2008 Board of Control meeting a loan of \$1,000,000 was approved for the construction of a new Design Center at the Keweenaw Research Center (KRC). The estimate was based on a 10,000 square foot building. The estimate has proved be low and the scope has increased bringing the total cost to \$2,000,000.

The increase in scope includes the following items:

- The cost per square foot estimate used was low, and offices from Phase 2 were moved to Phase 1 for improved operational efficiency.
- A Heat Pump system was chosen for the HVAC system taking advantage of an on-property mine shaft with a large supply of cool water. The investment payoff is 3 to 5 years with ongoing reduced operating costs of 20% annually compared to a gas-fired boiler.
- Architectural costs and other professional fees were not in the original estimate.

The February increase in business forecast for KRC has been realized. Winter test course use is as expected and military business has continued to increase. KRC is expecting to receive additional work for approximately \$5,000,000 and is already experiencing a high amount of backlog. KRC will pay back the loan using the overhead return from the increased business.

Discussion took place regarding the increase in costs. Dr. Reed explained that the project was proposed as a two phase project, however when the design process was underway the decision was made to do some energy efficient work in regard to using heat pumps and some water that is available on the site and also to change the content of the building to be more efficient in the long run. Instead of doing the two phases as we originally thought, it actually became more efficient and cost effective in total to put more in the first phase and do less in the second phase. He also noted that the cost per square foot that was used in the original project estimation was about 15% lower than actual.

It was moved by R. Gronevelt, supported by S. Hicks, and passed by voice vote with dissent (R. Reck), that the Board of Control approves the increase in project scope and cost for the Design Center at the Keweenaw Research Center at a total project cost not to exceed \$2,000,000, and authorizes the Administration to execute the necessary documents for the project.

It was moved by R. Reck, supported by P. Ollila, and passed by voice vote without dissent, that the Board of Control rescind the motion approving the increase in project scope and cost for the Design Center at the Keweenaw Research Center at a total project cost not to exceed \$2,000,000, and authorizes the Administration to execute the necessary documents for the project.

It was moved by R. Gronevelt, supported by P. Ollila, and passed by voice vote without dissent, that the Board of Control approves the increase in project scope and design and for the Design Center at the Keweenaw Research Center at a total project cost not to exceed \$2,000,000, and authorizes the Administration to proceed with the project including the solicitation of bids and contract award.

### **IV-B-3. Approval of the Student Apartments Project**

At the August 7, 2008 meeting the Board of Control authorized the Administration to hire a professional services firm to proceed with program analysis, schematic design, and design development. The professional services team has been working with the University solidifying the design and forecasting the cost of constructing a new student apartment

building. The design development phase has been completed, and the total cost estimate of the project is \$16,500,000. The Administration is seeking approval to proceed with the final design and construction of the Student Apartment Building.

It was moved by M. Richardson, supported by L. Ashford, and passed by voice vote with dissent (R. Reck), that the Board of Control authorizes the Administration to proceed with the final design and construction of the Student Apartments project at a cost not to exceed \$16,500,000, and to execute the necessary documents for the project.

To clarify the Board's intent that this project be allowed to proceed to the final design phase but would come back to the Board for approval of the contract award(s) and to authorize construction to begin, the Board rescinded the above motion and approved a subsequent motion allowing the Administration to proceed with the final design and the soliciting of bids only.

It was moved by R. Gronevelt, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control rescind the motion authorizing the Administration to proceed with the final design and construction of the Student Apartments project at a cost not to exceed \$16,500,000, and to execute the necessary documents for the project.

It was moved by R. Gronevelt, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control authorizes the Administration to proceed with the final design and solicit bids for the Student Apartments project at a cost not to exceed \$16,500,000.

#### **IV-B-4. Approval of the Great Lakes Research Center**

The State of Michigan has approved \$25,000,000 for the Great Lakes Research Center at Michigan Tech, with the University's share of the project being \$6,250,000 or 25%. At the October 2 meeting, the Board authorized the Administration to hire a professional services firm to proceed with program analysis, schematic design, and design development. The professional services team has been working with the University solidifying the design and forecasting the cost of construction. The Administration is seeking approval to proceed with the final design phase and construction of the Great Lakes Research Center.

It was moved by R. Gronevelt, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control authorizes the Administration to proceed with the final design and construction of the Great Lakes Research Center project at a cost not to exceed \$25,000,000, and to execute the necessary documents for the project.

To clarify the Board's intent that this project be allowed to proceed to the final design phase but would come back to the Board for approval of the contract award(s) and to authorize construction to begin, the Board rescinded the above motion and approved a subsequent motion allowing the Administration to proceed with the final design and the soliciting of bids only.

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It was moved by R. Reck, supported by L. Ashford, and passed by voice vote without dissent, that the Board of Control rescinds the motion authorizing the Administration to proceed with the final design and construction of the Great Lakes Research Center project at a cost not to exceed \$25,000,000, and to execute the necessary documents for the project.

It was moved by L. Ashford, supported by P. Ollila, and passed by voice vote without dissent, that the Board of Control authorizes the Administration to proceed with the final design and solicit bids for the Great Lakes Research Center project at a cost not to exceed \$25,000,000.

#### **IV-B-5. Approval of Bond Resolution for Capital Projects**

It was moved by L. Ashford, supported by P. Ollila, and passed by voice vote with dissent (R. Reck), that the Board of Control approves the Resolution Authorizing the Issuance and Delivery of General Revenue Bonds as presented.

RESOLUTION OF THE BOARD OF CONTROL OF  
MICHIGAN TECHNOLOGICAL UNIVERSITY  
AUTHORIZING THE ISSUANCE AND DELIVERY OF  
GENERAL REVENUE BONDS AND PROVIDING FOR  
OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Control of Michigan Technological 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 Michigan Technological 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, installation and equipping of the capital improvements described in Exhibit A (the "Project"); and

WHEREAS, the financing of a portion of the Project through the issuance of General Revenue Bonds will serve proper and appropriate public purposes; and

WHEREAS, the Board has previously issued General Revenue Bonds in several series, and it may be appropriate and economic to refund all or any portion of the outstanding principal maturities of those General Revenue Bonds (the outstanding bonds, if any, to be refunded to be determined by an Authorized Officer (hereinafter defined) and to be herein called the "Bonds to be Refunded"); and

WHEREAS, in the exercise of its constitutional duties, and in order to control and direct prudently expenditures from the University's funds, the Board determines it is necessary and desirable to authorize the issuance of General Revenue Bonds (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 constructing, furnishing and equipping the Project and refunding the Bonds to be Refunded; 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 an Authorized Officer (hereinafter defined), pursuant to which the Bonds will be issued and secured; and

WHEREAS, the indentures authorizing certain outstanding General Revenue Bonds of the Board (the "Outstanding Bonds") create certain conditions for the issuance of General Revenue Bonds on a parity basis with the Outstanding Bonds; and

WHEREAS, the Chief Financial Officer and Treasurer 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 Bonds have been met; and

WHEREAS, it is necessary to authorize the Authorized Officers 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 a bond purchase agreement or agreements (collectively, the "Bond Purchase Agreement") with the Underwriter and, if deemed appropriate, a Remarketing Agreement (the "Remarketing Agreement") with the Underwriter, 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 therefore and matters related to the remarketing of variable rate bonds; 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 Chief Financial Officer and Treasurer and the Secretary/Vice President for Government Relations (each an "Authorized Officer") or either of them individually, to negotiate, execute and deliver on behalf of the Board, the Trust Indenture, the Bond Purchase Agreement, and other related documents, to establish the specific terms of the Bonds and to accept the offer of the Underwriter to purchase the Bonds, and to obtain a policy of bond insurance or a credit or liquidity facility for the Bonds, all may be deemed necessary and desirable by an Authorized Officer and 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 Project, to refund the Bonds to be Refunded, to finance all or a portion of the costs of the Project and of the refunding by issuance of the Bonds, and to pledge General Revenues (as hereinafter defined) for payment of the Bonds, the credit or liquidity facility, if any.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CONTROL OF MICHIGAN TECHNOLOGICAL UNIVERSITY, AS FOLLOWS:

1. The Board hereby approves the Project and the funding thereof as set forth in Exhibit A attached hereto, and authorizes the Authorized Officers, or either of them, to proceed with the Project and each component thereof. Either Authorized Officer is authorized to determine the specific amount of the cost of the Project to be financed from the

proceeds of the Bonds. In addition, the Board authorizes the Authorized Officers, or either of them, to determine which, if any of the outstanding General Revenue Bonds of the Board shall be refunded, based on whether such refunding would produce interest costs savings, more favorable debt service schedules, or more flexible documentation, and to cause to be called for redemption such of the those bonds as are appropriate and consistent with the foregoing objectives.

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, SERIES 2009 with appropriate additional or alternative series designations, if any, 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 Twenty Five Million Dollars (\$25,000,000), plus the amount necessary to accomplish the refunding of the Bonds to be Refunded, to be dated as of the date or dates established by an Authorized Officer, 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, the costs of refunding the Bonds to be Refunded, capitalized interest for such period, if any, as an Authorized Officer may deem appropriate, and costs incidental to the issuance of the Bonds and the refunding, including insurance premiums or fees and expenses associated with credit or liquidity facilities, if 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 shall be not earlier than July 1, 2009 and the last maturity shall be no later than December 31, 2040. 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 yield (computed using the stated coupon and the stated original offering price) on the Bonds as a whole shall not exceed 8.00% per annum for tax-exempt bonds or 10.00% per annum for taxable bonds, and 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 rate (not in excess of 8.00% per annum for tax-exempt bonds or 10.00% 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 18% per annum, the maximum rate permitted by law or the maximum rate to be specified in the Trust Indenture. If the Bonds are issued in whole or in part as variable rate Bonds, all or a portion of the variable rate Bonds may, at any time upon the direction of an Authorized Officer, be converted to variable rate Bonds of another interest rate mode, or to fixed rate Bonds, but the fixed rate thereon shall not exceed 8% for tax-exempt Bonds or 10% for taxable Bonds. 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 premium is established as a "make-whole" amount, in which case the premium may not exceed 12%. Interest on the Bonds shall be payable at the 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, all as shall be determined by an Authorized Officer and provided in the Trust Indenture. The Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement for a price to be established by an Authorized Officer (but the Underwriter's discount, exclusive of original issue discount, shall not exceed 1.0% 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 may be made subject to tender for purchase at the option of the holder thereof. The obligation of the Board to purchase any such Bonds made subject to tender options may be made payable from available cash reserves of the University, subject to such limitations as may be specified in the Trust Indenture, or may be made payable from a letter of credit, line of credit or other liquidity device ("the Liquidity Device"), 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 general obligation of the Board, payable from and secured by a pledge of General Revenues (hereinafter defined). Either Authorized Officer is authorized to execute and deliver, for and on behalf of the Board, any agreements or instruments necessary to obtain, and provide for repayments under, any Liquidity Device deemed by such officer to be required for the purposes of this Resolution.

3. The Bonds and the obligations of the Board under the Liquidity Device, if entered into, shall be limited and not general obligations of the Board payable from and secured by a first lien on the General Revenues (as shall be defined in the Trust Indenture to include generally student tuition and other fees, housing and auxiliary revenues, unrestricted gifts and grants, unrestricted investment income and other miscellaneous revenues, subject to certain reductions, limitations and exceptions), and funds from time to time on deposit in certain funds created pursuant to the Trust Indenture, or agreements entered into in connection with any Liquidity Device. The lien on General Revenues created pursuant to this paragraph shall be on a parity basis with the lien thereon securing any of the Outstanding bonds; provided, however, that if determined appropriate by an Authorized Officer, the lien securing the Board's obligations under a Liquidity Facility may be subordinated to the lien securing the Bonds and the Outstanding bonds, or such obligations may be unsecured.

No recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds, any Liquidity Device, or any claim based thereof against the State of Michigan, or any member, officer or agent of the Board or the State, as individuals, either directly or indirectly, nor, except as provided in the Trust Indenture, against the Board, nor shall the Bonds and interest with respect thereto or any Liquidity Device become a lien on or be secured by any property, real, personal or mixed of the State of Michigan or the Board, other than the General Revenues and the moneys from time to time on deposit in certain funds established by the Trust Indenture, agreements entered into in connection with any Liquidity Device.

Any pledge of General Revenues, and funds specified in the Trust Indenture or the Liquidity Device shall be valid and binding from the date of the issuance and delivery of the Bonds or execution and delivery of the Liquidity Device, 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 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 and secured on a parity basis with the Bonds and the Outstanding Bonds from the General Revenues, upon compliance with the terms and conditions as shall be set forth in the Trust Indenture.

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, and to negotiate, execute and deliver the Trust Indenture. The Trust Indenture may contain such covenants on behalf of the Board and terms as such officers 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, if the Underwriter determines that the present value of the interest cost savings to be produced by bond insurance will be in excess of the cost of bond insurance, either Authorized Officer is hereby authorized, empowered and directed to negotiate 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 and to negotiate, execute and deliver the Bond Purchase Agreement with the Underwriter setting forth the terms of the Bonds and the sale thereof, and Remarketing Agreement or Broker Dealer Agreement, if necessary, all subject to the limitations set forth herein.

7. The Authorized Officers, or either the President or the Chief Financial Officer and Treasurer of the University singly, are 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 placing his or her facsimile or manual signature thereon, and to deliver the Bonds to the Underwriter in exchange for the purchase price thereof, as provided in the Bond Purchase Agreement.

8. Either Authorized Officer is hereby authorized to cause the preparation of a Preliminary Official Statement, if necessary, 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. The President, the Chief Financial Officer and Treasurer, the Secretary and any other appropriate officer of the Board or the University are 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 including, if deemed appropriate, an escrow deposit agreement with an escrow agent to be designated by an Authorized Officer. Each Authorized Officer is hereby authorized to designate and empower the escrow agent or the

Underwriter to subscribe for United States Treasury Obligations, State and Local Government Series, on behalf of the Issuer, as may be necessary in connection with any refunding authorized 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, Bond Purchase Agreement, or other instrument related to the Bonds or the operation and administration of the financing program evidenced by the Bonds, may be taken by and on behalf of the Board by an Authorized Officer.

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 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, the Undertaking.

11. Either Authorized Officer, or the President of the University, is hereby authorized to designate all or any portion of the Bonds as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions to the extent that such designation is lawfully available pursuant to the Internal Revenue Code of 1986, as amended.

12. Either Authorized Officer, or the President of the University, is hereby authorized to issue declarations of intent to reimburse the University from the proceeds of the Bonds or future bond issues for any expenditures with respect to the Project or future projects incurred prior to the issuance of the Bonds or future bonds, all in accordance with I.R.S. Regulation 1.103-18.

13. 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.

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Control of Michigan Technological University at a regular meeting held on March 5, 2009, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with applicable law, and that the minutes of said meeting were kept and will be or have been made available as required by applicable law. I further certify as follows:

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

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Absent from the meeting were the following Board members:

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

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

RESOLUTION DECLARED ADOPTED.

Secretary to the Board of Control  
of Michigan Technological University

EXHIBIT A  
PROJECT

The Project consists of the following capital improvement items, at a currently estimated cost of \$24,275,000:\*

<u>Item</u>	<u>Currently Estimated Cost to be Funded from Bond Proceeds*</u>
Residential Apartment Complex	\$16,500,000
Great Lakes Research Center	6,775,000
Keweenaw Research Center	1,000,000

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\* Exclusive of capitalized interest, bond insurance premium and other bond issuance expenses.

**IV-B-6. Approval of the John MacInnes Student Ice Arena Renovation Project**

The John MacInnes Student Ice Arena renovation would consist of designing and developing the suite level at the west end of the building and the west end entrances to the arena. The Administration is proposing the expansion of the existing corner suites which currently hold 20 people and increasing that to 50. Currently, these suites are rented out on a game by game basis. In addition, the renovation would include 10-12 individual/private suites that will be rented out by the season. All of these suites would generate additional revenue from the rental fee, as well as catering services provided by the Memorial Union Catering Service. The entrances will also receive a face lift. The total project cost is not to exceed \$1,000,000. Ruanne and John Opie have committed \$1,000,000 to the project, and \$250,000 of that pledge has been received.

It was moved by S. Hicks, supported by R. Gronevelt, and passed by voice vote without dissent, that the Board of Control approves the John MacInnes Student Ice Arena Renovation project at a cost not to exceed \$1,000,000, and authorizes the Administration to execute the documents necessary for the project.

#### **IV-B-7. 9.24. Experience Tech Fee**

The Experience Tech Fee was approved by the Board of Control in June 2008 to improve student access to facilities and events to include, but is not limited to, Mont Ripley Ski Hill, Intramural Sports, Portage Lake Golf Course, Gates Tennis Center, Visual and Performing Arts Department events and Hockey Games. Students have access to nearly all of these facilities/venues during the fall and spring semesters.

During the summer semester Portage Lake Golf Course and Gates Tennis Center are the only two venues with full access. The availability of Intramural Sports and Visual and Performing Arts Department events is limited. Mont Ripley Ski Hill is closed for the season and the Hockey season is over. Also, most students that enroll during the summer semester take classes during Track A or Track B, but seldom both.

It is being recommended that the Board of Control approve a reduced fee of \$32 for the summer semester.

It was moved by S. Hicks, supported by P. Ollila, and passed by voice vote without dissent, that the Board of Control amends policy 9.24. Experience Tech Fee as presented herein:

The amended policy shall read as follows:

#### **9.24. Experience Tech Fee**

The Administration is authorized to assess an Experience Tech Fee of \$64.00 in each of the fall and spring semesters and \$32.00 for the summer semester for each enrolled student. The fee is to improve student access to facilities and events to include, but is not limited to, Mont Ripley Ski Hill, Intramural Sports, Portage Lake Golf Course, Gates Tennis Center, Visual and Performing Arts Department events and Hockey Games.

The Fee is designed to replace revenue from individual student ticket sales and fees to support their operational costs. Procedures for the distribution of funds will be established by the Administration in consultation with Student Government.

This policy supersedes Board of Control policy 9.24. Experience Tech Fee dated June 19, 2008.

#### **IV-B-8. Approval of External Auditor**

The University's external auditors (certified public accountants) perform interim audit work prior to the close of our June 30 fiscal year, sometimes as early as May. Therefore, it is desirable that they be appointed prior to the June meeting of the Board of Control.

It was moved by S. Hicks, supported by L. Ashford, and passed by voice vote without dissent, that the Board of Control authorizes the Administration to engage the certified public

accounting firm Rehmann Robson to conduct the following audits for the fiscal year ending June 30, 2009:

1. The annual examination of the University's Financial Statements and Supplemental Information (all funds).
2. The annual examination of federal student financial assistance programs, including Pell Grants, Education Opportunity Grants, Perkins Loans, College Work Study Programs and Part B Loans.
3. The financial audit of the University's intercollegiate athletics programs, as mandated by the National Collegiate Athletic Association.
4. The subsequent event review procedure for the State of Michigan Comprehensive Annual Financial Report.

**IV-B-9. Gifts**

It was moved by R. Reck, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control acknowledges the gifts to Michigan Technological University.

**Michigan Technological University  
Michigan Tech Fund  
Fundraising Productivity Report  
July 1, 2008 through January 31, 2009  
Compared to Prior Year**

Source	Goal	FY09 YTD Total	% YTD	FY08 YTD Total	FY08 Total
Individuals - Major Gifts (25K and up)	27,000,000	10,683,705	40%	2,854,073	4,305,000
Realized Planned Gifts (Unanticipated - 25K and up)		454,888		58,991	780,482
Individuals - non-Major Gifts	1,000,000	987,099	97%	884,899	1,181,704
Full Value New Planned Gift Commitments	9,000,000	1,629,605	18%	6,462,399	14,309,185
Annual Fund	1,810,000	958,056	53%	982,183	1,548,383
Corporations	4,970,000	1,088,518	22%	1,448,049	2,276,401
Foundations & Other Organizations	800,000	102,215	13%	200,814	411,737
Gifts-in-Kind	820,000	752,752	92%	102,770	749,829
<b>Grand Total</b>	<b>45,000,000</b>	<b>16,634,940</b>	<b>37%</b>	<b>13,092,176</b>	<b>25,762,526</b>

-- Except for the Annual Fund, all totals include outright gifts and the full amount of new pledge commitments  
 -- Annual Fund includes cash from prior year pledges in addition to outright current year gifts and new pledge commitments due current year  
 -- An individual's gifts given through another source (i.e. family foundation or closely held business) are credited to the individual

**Michigan Technological University**  
**Michigan Tech Fund**  
**Gift Activity Cash Report**  
 July 1, 2008 through January 31, 2009  
 Compared to Prior Year

Gift Type	FY09 YTD Total	FY08 YTD Total	\$ Change from Previous Fiscal Year	% Change from Previous Fiscal Year
Cash (current year)	4,385,758	5,209,791	-824,033	-15.8%
Realized Planned Gifts (current year)	471,823	102,222	369,601	361.6%
<b>Current Year Subtotal</b>	<b>4,857,581</b>	<b>5,312,014</b>	<b>-454,432</b>	<b>-8.6%</b>
Cash (receipts from prior year pledges)	858,985	1,120,819	-261,754	-23.4%
Realized Planned Gifts (previously recorded)	18,667	270,840	-253,173	-93.8%
<b>Receipts from Previous Year Subtotal</b>	<b>875,532</b>	<b>1,391,259</b>	<b>-515,727</b>	<b>-37.1%</b>
<b>Total</b>	<b>5,733,113</b>	<b>6,703,273</b>	<b>-970,160</b>	<b>-14.5%</b>


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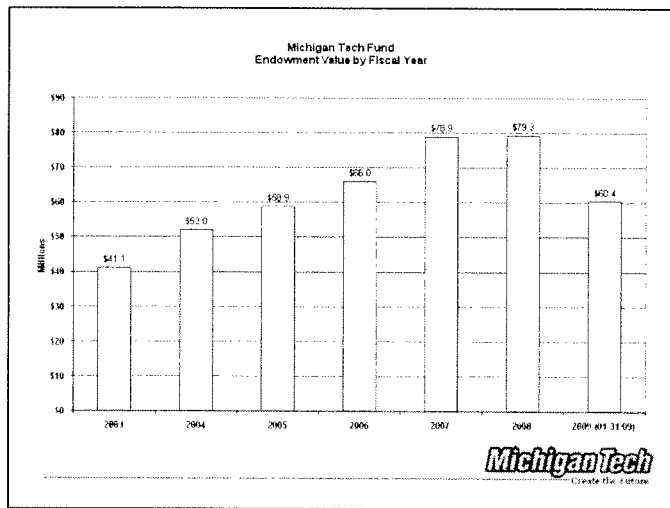
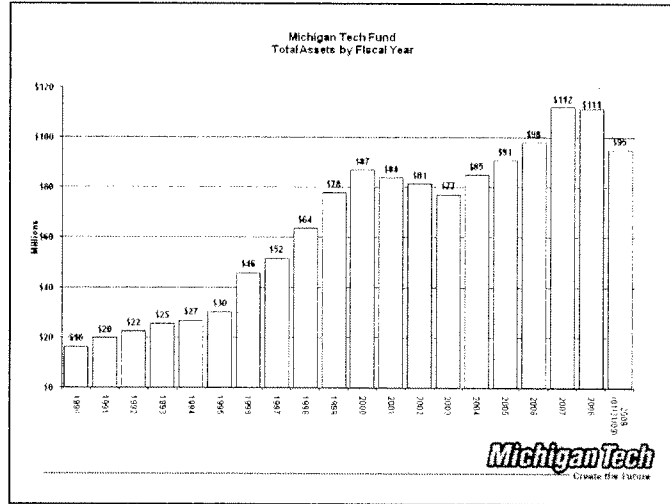
**IV-C-1. Michigan Tech Fund Report**

Mr. Butvilas provided the Board with the following report.

**Michigan Tech Fund Update  
to the Board of Control  
March 5, 2009**

George Butvilas





### Campaign Total to Date

FY09 gifts	\$16.60 million
FY08 gifts	25.61
FY07 gifts	29.58
FY09 corporate research	3.62
FY08 corporate research	6.53
FY07 corporate research	6.21
Selected FY06 gifts	<u>12.29</u>
	<b>\$100.44 million</b>
(discounts of Planned Gifts)	<u>-5.71</u>
	<b>\$ 94.73 million</b>

As of December 31, 2008

**MichiganTech**  
Create the Future

## **RATIONALE FOR EXTENDING QUIET PHASE**

### **Bottom-line realities....and optimism**

- Economic situation - individuals deferring decisions; corporations saving cash
- Typical university campaign now 7 years - plus  
(U of M, others)

**MichiganTech**  
CREATE THE FUTURE

- Good progress to date, even with only several very large gifts
- Prospect pool is deeper than previously thought - requires more time for exploration
- Could we have the potential for a \$300 million-*plus* campaign?

**MichiganTech**  
CREATE THE FUTURE

### **Focus of Additional Year (July 1, 2009 – June 30, 2010)**

- Seek closure on top outstanding asks (\$25 million potential)
- Continue solicitation of "Top 250" prospects (\$100,000+ asks)
- Maintain contact with prospects deferring giving decisions

**MichiganTech**  
CREATE THE FUTURE

- **Expand prospect lists: continue discovery/qualifying initiative**
- **Seek to expand partnerships with select corporations**
- **Submit proposals to 15-20 private foundations**

**MichiganTech**  
Create the Future

- **Campaign marketing and promotion:**
  1. **Use new vision piece, video, and customized proposals**
  2. **Continue Insider Letter**
  3. **Prepare for Public Phase kickoff**

**MichiganTech**  
Create the Future

#### **IV-C-2. Capital Campaign**

At its February 4, 2009 meeting, the Board of Directors of the Michigan Tech Fund voted unanimously in favor of a staff recommendation to extend the capital campaign quiet phase one year, to June 30, 2010, and to revisit the question of the quiet phase length at its earliest meeting in calendar year 2010. The National Campaign Committee also unanimously agreed with this course of action.

The basis of this recommendation is two-fold. First, current economic conditions have caused prospective donors (individuals and corporations) to defer their giving decisions pending a turnaround in the investment markets. Second, staff discovery visits have yielded many new major gift prospects. More time is needed to nurture those relationships prior to solicitation.

It was moved by M. Richardson, supported by S. Hicks, and passed by voice vote without dissent, that the Board of Control approves the recommendation to extend the capital campaign quiet phase one year to June 30, 2010.

### IV-C-3. Honorary Degree

It was moved by L. Ashford, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control approves the awarding of an Honorary Doctorate in Humane Letters to Lt. Colonel Otha E. Thornton, Jr.

### IV-C-4. Appointment of Nominating Committee

It was moved by P. Ollila, supported by S. Hicks, and passed by voice vote without dissent, that the Board of Control appoints a nominating committee consisting of L. Ashford, K. Clark, and R. Reck to begin the process to elect officers for the 2009-2010 fiscal year.

### IV-C-5. Resignations, Retirements, and Off-Payroll

It was moved by R. Gronevelt, supported by S. Hicks, and passed by voice vote without dissent, that the Board of control accepts the resignations and confirms the off payroll determinations.

#### BOARD OF CONTROL OFF-PAYROLL REPORT (November 15, 2008 – January 24, 2009)

<b>Faculty</b>				
<b><u>DECEASED</u></b>	<b><u>Department</u></b>	<b><u>Title</u></b>	<b><u>Hire Date</u></b>	<b><u>Term Date</u></b>
Gregg, William	Geo & Mining Eng & Sci	Associate Professor	08/28/79	12/06/08
<b><u>RETIREMENT</u></b>	<b><u>Department</u></b>	<b><u>Title</u></b>	<b><u>Hire Date</u></b>	<b><u>Term Date</u></b>
Gale, James	Business & Economics	Professor	09/16/71	12/28/08
Melton, Willie	Social Sciences	Associate Professor	08/31/76	01/01/09
Nadgorny, Edward	Physics	Presidential Professor	08/27/90	01/10/09
<b><u>RESIGNATION</u></b>	<b><u>Department</u></b>	<b><u>Title</u></b>	<b><u>Hire Date</u></b>	<b><u>Term Date</u></b>
Aluko, Olanrewaju	ME-EM	Senior Lecturer	08/12/07	12/27/08
Mishra, Piyush	Electrical & Comp Eng	Assistant Professor	08/15/04	12/26/08
Nesbitt, Carl	Chemical Engineering	Associate Professor	08/13/90	01/12/09
Taylor, Caroline	Chemistry	Assistant Professor	06/27/05	12/19/08
<b>Staff</b>				
<b><u>NON-EXEMPT</u></b>	<b><u>Department</u></b>	<b><u>Title</u></b>	<b><u>Hire Date</u></b>	<b><u>Term Date</u></b>
Hendrickson, Elaine	Aerospace Studies	Secretary 3	08/24/98	01/02/09
Henning, Thomas	Student Rec & Reg	Office Assistant 5	10/22/06	11/21/08
Sliger, Sharlene	Accounting Services	Office & Account Assistant	08/28/78	11/29/08
Walstrom, Donna	Campus Store	Office Assistant 3	04/06/88	12/31/08
<b><u>EXEMPT</u></b>	<b><u>Department</u></b>	<b><u>Title</u></b>	<b><u>Hire Date</u></b>	<b><u>Term Date</u></b>
Cheney, Ingrid	Human Resources	Director of Benefits	11/13/89	12/26/08
Jalali Roudsar, Amir	Physics	Research Scientist I	12/01/05	01/15/09
LaMuth, Stanley	Telecommunications	Sr Telecom Engr I	11/20/72	01/09/09
Smyth, Laura	Univ Communications	Asst Dir Univ Mktg & Comm	09/17/07	11/07/08

9018  
03/05/09

<u>NON-EXEMPT- PT</u>	<u>Department</u>	<u>Title</u>	<u>Hire Date</u>	<u>Term Date</u>
Cavis, Mark	Public Safety	Operator Dispatcher	06/24/01	12/29/08

#### **IV-C-6. 9.21. Student Development Complex Support Fee and 9.22. Memorial Union Building Support Fee**

It was moved by P. Ollila, supported by S. Hicks, and passed by voice vote without dissent, that the Board of Control amends policy 9.21. Student Development Complex Support Fee and policy 9.22. Memorial Union Building Support fee as presented.

The amended policy shall read as follows:

##### **9.21. STUDENT DEVELOPMENT COMPLEX SUPPORT FEE**

The Administration is authorized to assess a Student Development Complex Building Support fee of \$31.00 per semester for each enrolled student. This fee is earmarked for support of the operational cost of the Student Development Complex (SDC) and is intended to guarantee students priority service in that facility to include, but not limited to:

- The reworking of the space reservation policy for the SDC to establish an open reservation period beginning the 13th week of the spring semester. During this period, all groups (registered student groups, campus groups and community programs and groups) would be able to reserve space in the SDC for the upcoming May 1st through May 31st of the following year. These reservations would be processed on a first come first served basis and would be binding; thus leveling the reservation playing field.
- Registered student groups will be allowed to use the facility up to two hours after the closing time without incurring any charges.
- Registered student groups will not be charged for fund raising events that occur in the SDC.
- Registered student groups will not be charged any fees for use of the facility if the event falls within the normal hours of operation (including the aforementioned two hours after closing) with the exception of possible charges for lifeguards for private, non-regular pool use, or other non-regular facility use.
- The SDC in conjunction with their advisory board and Auxiliary Services will coordinate additional services.

This fee is intended to substantively improve the Student Development Complex and the services provided to students. It is not intended to replace or subsidize current General Fund support. Excess revenue generated by this fee will be committed to improvements in this building and the services offered.

A limited number of exceptions in assessing the fee may be made for university employees and/or students not on the main campus.

The policy supersedes Board of Control policy 9.21. Student Development Complex Support Fee dated May 10, 2002.

The amended policy shall read as follows:

#### 9.22. MEMORIAL UNION BUILDING SUPPORT FEE

The Administration is authorized to assess a Memorial Union Building Support fee of \$37.10 per semester for each enrolled student. This fee is earmarked for support of the operational cost of the Memorial Union Building and is intended to guarantee students priority service in that facility to include, but not limited to:

- The reworking of the space reservation policy for the MUB to establish an open reservation period beginning the 13th week of the spring semester. During this period, all groups (registered student groups, campus groups and community programs and groups) would be able to reserve space in the MUB for the upcoming May 1st through May 31st of the following year. These reservations would be processed on a first come first served basis and would be binding; thus leveling the reservation playing field.
- Registered student groups will not be charged for fund raising events that occur in the MUB.
- Assumption of the costs associated with the basic IT costs-phone and network connections-for the student organization offices.
- The MUB in conjunction with the Memorial Union Board and Auxiliary Services will coordinate additional services.

This fee is intended to substantively improve the Memorial Union Building and the services provided to students. Excess revenue generated by this fee will be committed to improvements in this building and the services offered.

A limited number of exceptions in assessing the fee may be made for university employees and/or students not on the main campus.

The policy supersedes Board of Control policy 9.22. Memorial Union Building Support Fee dated May 10, 2002.

#### **IV-C-7. 3.23. Sex Discrimination /Sexual Harassment**

It was moved by L. Ashford, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control amends policy 3.23. Sex Discrimination/Sexual Harassment as presented.

The amended policy shall read as follows:

#### 3.23. SEX DISCRIMINATION/SEXUAL HARASSMENT

Federal and State law prohibits discrimination in employment and in the utilization of educational facilities because of sex. Such discrimination includes sexual harassment. The policy of Michigan Technological University is that sex discrimination/sexual harassment is prohibited.

Sexual harassment is defined as unwelcomed sexual advances, requests for sexual favors, or other verbal or physical conduct or communication of a sexual or gender-related nature that is sufficiently severe, pervasive or objectively offensive as to substantially disrupt or undermine a person's ability to participate in or to receive the benefits, services or opportunities of the University when:

1. Submission to such conduct or communication is made a term or condition, either explicitly or implicitly, to obtain or retain employment, services, or access to educational facilities or services.
2. Submission to or rejection of such conduct or communication by an individual is used as a factor in decisions affecting the individual's employment, or receipt of services or education.
3. Such conduct substantially interferes with an individual's employment, educational performance or receipt of services or education, or creates an intimidating, hostile, or abusive employment, service, or educational environment.

The mission of Michigan Technological University is to provide a quality education for its students and a fair and responsible work environment for its employees. Sexual discrimination/sexual harassment of employees by supervisors, students, or other employees, or of students by faculty, employees, or other students, is absolutely prohibited. Upon receipt of information that sexual discrimination/sexual harassment has occurred and after verification of such information, the University shall take prompt corrective action, up to and including dismissal from the University or discharge from University employment.

Students, faculty members, or employees who feel that they have been subjected to discrimination based on sex or sexual harassment, suspect that an unfounded discrimination complaint may be filed against them, or have been threatened with the filing of such a complaint should notify the Affirmative Action Officer as soon as possible.

Nothing in this policy will prevent persons involved in pursuing any legal remedy which might be available to them.

This policy shall be administered in accordance with procedures established by the Vice President for Administration.

The policy supersedes Board of Control policy 3.23. Sex Discrimination/Sexual Harassment dated March 17, 1995.

### IV-C-8. Exclusion Resolution for the Department of Defense

At the August 7, 2008 meeting, the Board of Control amended policy 14.5. Security Clearance – Department of Defense by establishing an Executive Committee. The Department of Defense is requesting that the Board approve an Exclusion Resolution that excludes Board of Control member's access to classified information unless they are a member of the Executive Committee.

It was moved by L. Ashford, supported by P. Ollila, and passed by voice vote without dissent, that the Board of Control adopts the Exclusion Resolution as presented.

#### EXCLUSION RESOLUTION

I, *Glenn David Mroz*, do hereby certify that I am President of Michigan Technological University, a Michigan educational institution organized and existing under the laws of the State of Michigan, and that the following is a true and correct copy of a resolution adopted by the Board of Control of Michigan Technological University at a meeting held at Michigan Technological University on Thursday, March 5, 2009 at which time a quorum was present.

WHEREAS, current Department of Defense Regulations contain a provision making it mandatory that the Chairman of the Board, Senior Management Official and Facility Security Officer meet the personnel clearance requirements established for a contractor facility security clearance; and

WHEREAS, said Department of Defense Regulations permit the exclusion from the personnel clearance requirements of certain members of the Board of Control and other officers, provided that this action is recorded in the corporate minutes.

NOW THEREFORE BE IT DECLARED that the Chairman of the Board of Control, President of the University, and Facility Security Officer at the present time do possess, or will be processed for, the required security clearance; and

BE IT RESOLVED that in the future, when any individual enters upon any duties as Chairman of the Board of Control, President of the University and Facility Security Officer, such individual shall immediately make application for the required security clearance; and

BE IT RESOLVED AND DIRECTED that the following members of the Board of Control and other officers shall not require, shall not have, and can be effectively excluded from access to all *CLASSIFIED* information in the possession of the corporation and shall not affect adversely corporate policies or practices in the performance of classified contracts for the Department of Defense or the government contracting activities (User Agencies) of the National Industrial Security Program.

NAME	TITLE
Paul G. Ollila	Board of Control Member
Stephen J. Hicks	Board of Control Member
Lenora D. Ashford	Board of Control Member
Ruth A. Reck	Board of Control Member
Martha K. Richardson	Board of Control Member

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of Michigan Technological University on this Date: \_\_\_\_\_

\_\_\_\_\_  
Glenn David Mroz  
President, Michigan Technological University

## **V. REPORTS**

- A. University Senate Report – Dr. Martha Sloan, President  
(A copy of Dr. Sloan’s report was included in the agenda book.)

Dr. Sloan clarified her role in the memo that she sent to the Board. She stated that she wrote the memo as an individual faculty member not as the President of the University Senate, and that it has no official standing.

Dr. Sloan also pointed out that the financial situation of the university has been discussed at several of the Senate Executive Committee meetings, and at the Senate meetings. However, the Senate was not able to hear a report from John Lehman on enrollment as yet, but look forward to hearing from John in the near future.

She appreciates the Board’s delaying the final decision on some of the projects until the May meeting. However, the timing of the May meeting is such that some of the enrollment information may not be available as the critical date for enrollment reports is May 1. She was also pleased to hear that budgets are being forecasted out for five years under different scenarios, and feels that too often the Senate gets reports on the current year and possibly the next year, but doesn’t hear anything about the subsequent years.

Dr. Sloan is looking forward to talking with Dr. Cook and Dr. Reck about the enrollment reports and projections for the coming year.

- B. Undergraduate Student Government Report –Ms. Amanda Van Slooten, President  
(A copy of Ms. Van Slooten’s report was included in the agenda book.)
- C. Graduate Student Council Report – Ms. Jill Witt, President  
(A copy of Ms. Witt’s report was included in the agenda book.)
- D. University Marketing and Communications – Mr. Shea McGrew  
(A copy of Mr. McGrew’s report is on file in the Board Office.)

## **VI. INFORMATIONAL ITEMS**

- A. Analysis of Investments
- B. Auxiliary Enterprises Operations
- C. Contracts and Grants
- D. Disposal of Surplus Property
- E. Advancement Report
- F. “In the News”

## **VII. OTHER BUSINESS**

There was no other business at this time.

## VIII. PUBLIC COMMENTS

Betty Chavis, Advisor for the African Student Organization, presented plaques of appreciation to Ellen Horsch, Bill Predebon and Shea McGrew for their support of African Night 2009.

Greg Starks, a student at Michigan Tech (a non-traditional, under-represented minority), expressed his concerns about the use of e-voting, e-elections, e-surveys or any other electronic data collection process on campus. He even questions the validity of the Experience Tech numbers indicating how popular the program is with the students, as the students that he has talked to about the Experience Tech fee are not happy with the program. Mr. Starks doesn't understand why we are supplementing golf when you can't golf in October, November, December, January, February, March or April, which is the whole school year basically. He also expressed his concern over the fact that since he is a disabled student that the people putting together the program didn't think about disabled persons in the process and that they were an afterthought. The Experience Tech program has since bought equipment and made some allocations. Mr. Starks ended his comments by again stating that he is against the Experience Tech Fee and e-voting or e-anything that is being done on campus.

## IX. CLOSED SESSION

It was moved by R. Reck, supported by L. Ashford, and passed by voice vote without dissent, that the Board of Control proceed into closed for a periodic performance review of the president. (A closed session for a such purpose is provided for in Section 8 (a) of P.A. 267 of 1976). (A roll call vote is required).

Roll Call Vote:

Richardson – Yes	Clark - Yes
Gronevelt - Yes	Ashford - Yes
Reck, Yes	Ollila - Yes

The motion passed.

The Board of Control reconvened in open session with a quorum present.

## X. ADJOURNMENT

It was moved by R. Reck, supported by L. Ashford, and passed by voice vote without dissent, that the meeting be adjourned.

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Secretary of the Board of Control

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Chair, Board of Control