

1968

Board of Regents Meeting Materials, May 15, 1968

Eastern Michigan University

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BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting May 15, 1968
Regents' Room, McKenny Hall

Members present:

Virginia Allan, Charles Anspach, Lawrence Husse, Edward J. McCormick,
Richard Robb, George Stripp

Members absent:

Veda Anderson, Mildred Beatty Smith (both excused)

Administration present:

Carl R. Anderson, Bonita Gehring, Ray Loeschner, Lewis Profit,
Harold Spönberg, Curt Stadtfeld

The meeting was called to order at 11:15 a. m.

The minutes of the April 24, 1968, meeting of the Regents were approved with one correction.

The Treasurer's Report was read. Dr. Anspach moved and Mr. Stripp seconded that the report be accepted as read. Carried.

.661 M - HEALTH, EDUCATION, WELFARE GRANT

Mr. Husse moved and Dr. Robb seconded that the Department of Health, Education and Welfare grant in the amount of \$42,094 be accepted for support of programs preparing students for medical technologists and occupational therapists and that Dr. Charles T. Anderson be continued as the Program Director. Carried.

.662 M - TRAVEL AND SUBSISTENCE ALLOWANCES

Mr. Husse moved and Dr. Robb seconded that the travel and subsistence allowances for Eastern Michigan University, effective July 1, 1968, be approved as presented. Carried.

.663 M - GIFTS AND GRANTS

Mr. Husse moved and Dr. Anspach seconded that the gifts and grants be accepted as presented. Carried.

Mr. Husse moved and Dr. Robb seconded that the Summary Audit Report for the month of April, 1968, be accepted and filed. Carried.

.664 M - APARTMENT REVENUE BOND RESOLUTION

Mr. Husse moved and Mr. Stripp seconded that the following resolution authorizing issuance of Eastern Michigan University Housing Revenue Bonds in the amount of

\$1,800,000 be approved:

WHEREAS, the Board of Control of Eastern Michigan University (also known as the Board of Regents, Eastern Michigan University), a body corporate, created by and existing under the Constitution and laws of the State of Michigan (hereinafter referred to as the "Board"), in the exercise of its constitutional duties relative to the supervision and control of the University, has determined and does now determine that it is necessary because of the rapid and continuing increase in enrollment of married students at the University to construct, furnish and equip 100 apartment units for use by married students attending Eastern Michigan University at Ypsilanti, Michigan, 50 of which apartments will contain two bedrooms and the balance one bedroom, all in accordance with plans prepared by Eberle M. Smith Associates, Inc., architects of Detroit, Michigan. Said apartments are designated as "Westview Apartments, Phase II"; and

WHEREAS, the above new apartments are presently planned to be completed and ready for occupancy in the fall of 1969, and construction bids have been taken thereon; and

WHEREAS, the estimated cost of constructing, furnishing and equipping said new apartments, including contingencies, architect and engineering fees, interest during construction, legal and financing costs, and including a debt service reserve of One Hundred Thousand (\$100,000.00) Dollars for revenue bonds to be issued, is One Million Nine Hundred Thousand (\$1,900,000.00) Dollars; and

WHEREAS, to finance part of said cost the Board proposes to issue revenue bonds secured by the net revenues of said new apartments and certain existing married student apartments designated as "Pinegrove Apartments, Units D and F," all in accordance with the terms and provisions set forth and outline in an official statement prepared and submitted to this Board, a copy of which is attached to this resolution and included herein by reference; and

WHEREAS, a Trust Agreement between the Board, as Obligor, and Ann Arbor Trust Company, of Ann Arbor, Michigan, as Trustee, has been prepared and filed with the Board, which Trust Agreement contains the necessary covenants, agreements and security provisions to provide the maximum security for said revenue bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF CONTROL OF EASTERN MICHIGAN UNIVERSITY:

1. That in the exercise of its constitutional duties, it is hereby determined to be immediately necessary to provide additional and adequate housing for married students designated as Westview Apartments, Phase II, specified in the preamble hereof, in accordance with plans and specifications therefor developed by Eberle M. Smith Associates, Inc., of Detroit, Michigan.
2. That to pay part of the costs of constructing, furnishing and equipping said new married student apartments, including a debt service reserve of \$100,000.00 for the revenue bonds to be issued, and contingencies, architect's and engineering fees, interest during construction, and legal and financing costs, the Board

shall borrow the sum of \$1, 800, 000. 00 and in evidence thereof issue and sell Eastern Michigan University Housing Revenue Bonds of 1968, Series I, which said bonds to be issued shall be equally and ratably secured as provided in the Official Statement and Trust Agreement hereinafter approved. The balance of the cost of the said new married student apartments shall be provided by other funds of the Board available and set aside for such purpose.

3. The bonds herein authorized shall be dated as of May 1, 1968, shall be coupon bonds payable to bearer of the denomination of \$5, 000. 00 each, registrable as to principal only, numbered 1 to 360, inclusive, and shall mature serially on May 1st of each year as follows:

<u>Due Date</u>	<u>Principal Amount</u>	<u>Due Date</u>	<u>Principal Amount</u>	<u>Due Date</u>	<u>Principal Amount</u>
1970	\$10, 000	1983	\$25, 000	1996	\$55, 000
1971	15, 000	1984	30, 000	1997	60, 000
1972	15, 000	1985	30, 000	1998	60, 000
1973	15, 000	1986	30, 000	1999	65, 000
1974	15, 000	1987	35, 000	2000	70, 000
1975	20, 000	1988	35, 000	2001	75, 000
1976	20, 000	1989	40, 000	2002	75, 000
1977	20, 000	1990	40, 000	2003	80, 000
1978	20, 000	1991	40, 000	2004	90, 000
1979	20, 000	1992	45, 000	2005	90, 000
1980	25, 000	1993	50, 000	2006	95, 000
1981	25, 000	1994	50, 000	2007	100, 000
1982	25, 000	1995	50, 000	2008	140, 000

Said bonds shall bear interest at a rate or rates to be determined at public sale, but in any event not to exceed six per cent (6%) per annum, payable on November 1, 1968, and semi-annually thereafter on May 1st and November 1st of each year, both principal and interest to be payable in lawful money of the United States of America at Ann Arbor Trust Company, Ann Arbor, Michigan.

Certain of said bonds shall be subject to redemption prior to their stated maturities at the times, upon notice, and under the conditions as specified in the Official Statement and Trust Agreement hereinafter approved.

4. That said bonds shall be secured and payable, and have a first lien on the Net Income of the new apartments known as Westview Apartments, Phase II, and the existing apartments known as Pinegrove Apartments, Units D and F, all in accordance with the agreements, covenants and provisions set forth in the Trust Agreement hereinafter referred to and approved.
5. That the Official Statement duly filed with this Board setting forth complete information relating to this issue, the purpose thereof, financial information and data, and other details relating to the bond issue, is hereby approved and adopted, a copy of which is attached to this resolution and made a part thereof by reference.

6. That the Trust Agreement between the Board and Ann Arbor Trust Company of Ann Arbor, Michigan, as Trustee, governing the terms, conditions, covenants, agreements and provisions relative to the issuance and security of said bonds, and the expenditure of the proceeds of sale thereof, duly filed with this Board, a copy of which is attached to this resolution and made a part hereof by reference, is hereby approved, and the President of Eastern Michigan University, or Vice-President for Business and Finance of Eastern Michigan University and the Secretary of the Board of Control of Eastern Michigan University be, and they are hereby, authorized, empowered and directed, in the name of and under the seal of this Board, to execute said Trust Agreement for and in its behalf.
7. That the Board shall, as long as any of the bonds authorized and issued pursuant to the provisions of this resolution and the Trust Agreement remain outstanding and unpaid, as to either principal or interest, keep the new apartments known as Westview Apartments, Phase II, after their completion, and the existing apartments known as Pinegrove Apartments, Units D and F, in continuous operation on an annual basis, and shall adopt such reasonable rules, regulations and requirements relative to the residence of students attending Eastern Michigan University as shall be necessary to assure maximum occupancy of said apartments. The Board shall charge and collect from the students residing in said apartments sufficient rental charges, and other service charges, to meet the obligations of the Board as set forth in the Trust Agreement and in the bonds issued thereunder.
8. That the President of Eastern Michigan University, or Vice-President for Business and Finance of Eastern Michigan University, and the Secretary of the Board of Control of Eastern Michigan University be, and they are hereby, authorized, empowered and directed, in the name of and under the seal of this Board, and as its corporate act and deed, to execute, sign and countersign the bonds herein authorized, in the manner prescribed in the aforementioned Trust Agreement, and to facilitate the same are authorized to use their initials in lieu of their first names; and the coupons appertaining to said coupon bonds shall be executed by the facsimile signature of the Vice-President for Business and Finance of Eastern Michigan University; and said officers are hereby authorized to pledge and assign the net income to be derived from the operation of the new apartments known as Westview Apartments, Phase II, and the existing apartments known as Pinegrove Apartments, Units D and F, for the purpose of securing and making all payments of principal, interest and reserves and other payments and expenditures provided for in said Trust Agreement, and to perform all acts and deeds and execute all instruments and documents necessary, expedient and proper in connection with the borrowing of One Million Eight Hundred Thousand (\$1,800,000.00) Dollars, the issuance and sale of Eastern Michigan University Housing Revenue Bonds of 1968, Series I, and the pledging and assigning of the income and revenues, as defined in the Trust Agreement.
9. That said officers be, and they are hereby, authorized, empowered and directed, for and in the name of this Board and as its corporate act and deed, to make, consent to and agree to any changes in the terms and conditions of said Trust

Agreement which they may deem necessary, expedient and proper, prior to or at the time of the execution of said Trust Agreement, but no such amendments shall change the provisions therein for the amount to be borrowed, the rate of interest to be paid thereon, the payments to be made to the Trustee, or the security pledged.

10. That said officers, either in said Trust Agreement or by the issuance of said Eastern Michigan University Housing Revenue Bonds of 1968, Series I, shall not pledge the credit of or create any liability on the part of the State of Michigan, the Board of Control of Eastern Michigan University, or any member or officer of this Board or any of their successors, other than to pledge the net income and to comply with the requirements therefor as specified in this resolution and in the Trust Agreement.
11. That all officers, agents, administrative personnel, and employees of the Board and the University are hereby authorized and directed to do all acts and things required of them by the provisions of the bonds and of the Trust Agreement, for the full, punctual and complete performance of all the terms, covenants and provisions and agreements of the bonds and the Trust Agreement.
12. That the bonds herein authorized shall be executed in the form and manner hereinbefore provided and shall be deposited with the Trustee for authentication and delivery in accordance with the requirements of the Trust Agreement.
13. That the bonds herein authorized shall be delivered to the purchaser or purchasers thereof whose bid at the public sale thereof has been duly approved and accepted by resolution of the Board.
14. That Ann Arbor Trust Company, of Ann Arbor, Michigan, be and hereby is appointed to act as Trustee under the Trust Agreement, and said Trustee shall be entitled to such estates, powers, rights, authorities, benefits, privileges, immunities and exemptions as are set forth in the Trust Agreement.

---Carried.

.665 M - CONTRACT AWARDED FOR WESTVIEW APARTMENTS

Mr. Husse moved and Dr. Robb seconded that the contract be awarded to the low bidder, E. E. Kurtz Company in the amount of \$1,454,465.00 for the construction of Westview Apartments, Group 2, and that the President and Treasurer be authorized to sign the contract documents. Carried.

.666 M - DETROIT EDISON COMPANY EASEMENT

Mr. Husse moved and Mr. Stripp seconded that the administration be authorized to approve a change from the present north-south easement to Detroit Edison for providing overhead electricity on the North Campus to an easement to approximately the same location for underground service, including restoration of land conditions. Carried.

The meeting was recessed for lunch at 12:35 p. m.

The meeting was reconvened at 2:45 p. m.

.667 M - PARKING STRUCTURE FINANCING

Mr. Husse moved and Dr. Robb seconded that the Board of Regents give general approval to the plan of financing of the Parking Structure; that the Finance Committee be authorized to review the detailed plan of financing and pending a satisfactory plan, the Treasurer be authorized to give a letter of intent to the low bidder; and that official award of contract and approval of the necessary resolutions be made at the June meeting of the Board of Regents. Carried.

.668 M - CONTRACT FOR STEAM LINES FOR DORMITORY COMPLEX #2

Mr. Husse moved and Dr. Robb seconded that an award of contract to the Perry Construction Company of Ann Arbor, Michigan, in the amount of \$269,665.00 representing the low bid for the extension of steam lines from Dormitory Complex #2 to Dormitory Complex #3 and that the President and Treasurer be authorized to sign the contract documents. It is further recommended that since the extension is to serve both Dormitory Complex #3 and Dormitory Complex #4, now in planning, that each construction project be assigned a proportionate share of its cost; and that should this project advance to its completion prior to the funding for Dormitory Complex #4, the Treasurer be authorized to advance funds for its completion to be repaid from Dormitory #4 construction budget. Carried.

.669 M - PROJECT BUDGET FOR DORMITORY COMPLEX #3

Mr. Husse moved and Mr. Stripp seconded that the Project Budget for Dormitory Complex #3, as listed in the minutes, be corrected by adding \$77,082 to the contingency making the total Project Budget \$7,964,082.00. Carried.

.670 M - SABBATICAL LEAVES

Miss Allan moved and Dr. Anspach seconded that the following people be granted sabbatical leaves during the 1968-69 academic year:

Associate Professor Karl Parsons, Physics Department, fall semester 1968
 Professor Paul Buckholtz, Geography Department, fall semester 1968
 Professor Eugene Gibson, Foreign Language Department, spring semester 1969
 Professor Joseph Motto, Special Education Department, fall semester 1968
 Professor Donald Disbrow, History Department, fall semester 1968
 Professor John VanHaren, Art Department, spring semester 1969
 Professor William Fitch, Music Department, fall semester 1968
 Associate Professor James Green, History Department, academic year 1968-69
 Associate Professor Marjorie Miller, English Department, fall semester 1968
 Associate Professor Robert Willoughby, Physical Education Department, spring semester 1969
 Assistant Professor LaVerne Weber, University Broadcasting, spring semester 1969
 ---Carried.

.671 M - RIVERVIEW PARK APARTMENT PROJECT

Mr. Husse moved and Mr. Stripp seconded that the Riverview Park Apartment Project developers be notified that Eastern Michigan University decline participation in the project at this time. It was also decided that should the developers want to meet with Eastern's legal counsel to answer many questions, the Regents would be happy to visit with them at a later date. Carried.

Dr. Sponberg read a letter from the president of Student Senate requesting that a student be appointed to a seat on the Board of Regents. It was decided that the Regents would discuss this matter at the next meeting of the Board.

There was a discussion regarding the matter of apartment rental rates. Mr. Profit gave a report on variable rental rates in University apartments.

. 672 M - APARTMENT RENTAL RATES

Dr. Anspach moved and Miss Allan seconded that the matter of apartment rental rates be referred to the Finance Committee for evaluation with authority to act. Carried.

. 673 M - APPOINTMENTS, RESIGNATIONS, CHANGES OF STATUS AND LEAVES OF ABSENCE

Miss Allan moved and Dr. Anspach seconded that the appointments, resignations, changes of status and leaves of absence be approved as presented. Carried.

The next meeting of the Board of Regents will be on June 19.

The meeting was adjourned at 5:25 p. m.

Respectfully submitted,



Carl W. Anderson, Secretary