

1968

Board of Regents Meeting Materials, March 20, 1968

Eastern Michigan University

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BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting March 20, 1968
Regents' Room, McKenny Hall

Members present:

Virginia Allan, Veda Anderson, Lawrence Husse, Edward J. McCormick,
Richard Robb, George Stripp

Members absent:

Charles Anspach, Mildred Beatty Smith (both excused)

Administration present:

Carl Anderson, Bonita Gehring, Ray Loeschner, Lewis Profit,
Harold Sponberg

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

The minutes of February 21, 1968, meeting were approved as presented.

The Treasurer's Report was read. Mr. Stripp moved and Mr. Husse seconded that the report be accepted as read, and that the Regents adopt the budget revisions as presented. Carried.

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

.629 M - WEST CAMPUS DEVELOPMENT

Mr. Husse moved and Dr. Robb seconded that there be no action taken on the bids for the West Campus Athletic Development; that the Chairman of the Board of Regents and the Finance Committee be authorized to approve the award of contracts; and that the project budget be approved as presented, pending approval by the legislature for the increased project scope. Carried.

.630 M - FISCAL AGENT NAMED FOR WEST CAMPUS DEVELOPMENT

Mr. Husse moved and Mr. Stripp seconded that the Ann Arbor Trust Company be named Fiscal Agent for the West Campus Athletic Development. Carried.

.631 M - FINANCE PLAN FOR WEST CAMPUS DEVELOPMENT

Mr. Husse moved and Mr. Stripp seconded that subject to the award of contracts and legislative authorization, the financing plan and resolutions be approved as follows:

Resolution of the Eastern Michigan University Board of Regents providing for the constructing and equipping of a stadium; authorizing the issuance of Bonds to pay the

cost thereof secured by student fees; and providing for other matters relating to said bonds and the security therefor.

WHEREAS, in order to properly serve the needs of students attending Eastern Michigan University it is necessary and advisable that a stadium be constructed and equipped on the campus of the University at Ypsilanti, Michigan; said stadium to have a seating capacity of twelve thousand five hundred (12,500) persons, together with press box facilities and locker room facilities (all hereinafter referred to in this resolution as the "Project"); and

WHEREAS, the said Project will be for the benefit and use of all students attending Eastern Michigan University; and

WHEREAS, the estimated cost of said Project has been determined to be One Million Four Hundred Fifty Thousand (\$1,450,000.00) Dollars; which estimate is based upon construction bids received, and

WHEREAS, to provide the funds necessary to pay costs of constructing, furnishing and equipping the Project, including funds for a debt service reserve, Eastern Michigan University Board of Regents deems it necessary and advisable to borrow the sum of One Million Five Hundred Fifty Thousand (\$1,550,000.00) Dollars, and in evidence thereof issue its negotiable bonds secured by and payable out of fees collected each term from students attending the University; and

WHEREAS, the Eastern Michigan University Board of Regents desires that the holders of said bonds proposed to be issued should have the maximum reasonable security for the payment of said bonds, and to that end the financial officers of the University and the fiscal agent have prepared and submitted to this Board a complete and detailed Official Statement outlining the terms, conditions and security of said bonds and further outlines the covenants, agreements and provisions necessary to provide adequate and proper security for said bonds and to provide for prompt payment of principal of and interest thereon when due; and

WHEREAS, the Eastern Michigan University Board of Regents (being the constitutionally created Board of Control of Eastern Michigan University), under the provisions of Section 6, Article VIII, of the Michigan Constitution of 1963 has full power under its constitutional authority and supervision of the University and control and direction of expenditures from the University funds to acquire and construct the Project, to issue and sell said bonds, and pledge student fees for their payment; .

NOW, THEREFORE, BE IT RESOLVED BY THE EASTERN MICHIGAN UNIVERSITY BOARD OF REGENTS, as follows:

1. That Eastern Michigan University Board of Regents (hereinafter referred to in this resolution as the "Obligor"), does hereby determine it to be necessary and for the best interests of Eastern Michigan University, its students and personnel to construct and equip the Project in accordance with the plans and specifications therefore prepared by Eberle M. Smith Associates, Inc., architects of Detroit, Michigan.

2. That the total estimated cost of constructing and equipping the Project, including payment of incidental expenses and financing costs as specified in paragraph 4 of this resolution, but not including the establishment of the debt service reserve, which total estimated cost is One Million Four Hundred Fifty Thousand (\$1,450,000.00) Dollars, is hereby approved and confirmed.
3. That the estimated period of usefulness of the Project is determined to be not less than twenty (20) years.
4. That for the purpose of paying the cost of constructing and equipping the Project, including payment of architectural, legal and financing expenses, contingencies and establishing a debt service reserve for the bonds, there be borrowed the sum of One Million Five Hundred Fifty Thousand (\$1,550,000.00) Dollars, and that in evidence thereof there be issued the bonds of the Obligor in the aggregate principal sum of One Million Five Hundred Fifty Thousand (\$1,550,000.00) Dollars, which bonds are sometimes hereinafter referred to in this resolution as the "bonds."
5. That said bonds shall be designated Eastern Michigan University Stadium Revenue Bonds, the principal of and interest thereon to be payable solely out of the proceeds of the collection of fees charged each term to students attending Eastern Michigan University and allocated and pledged to the payment thereof in accordance with the requirements, terms, conditions and covenants outlined in the Official Statement filed with the Obligor and approved by this resolution and to be further specified in a trust agreement to be executed by and between the Obligor and Trustee, shall be dated as of April 1, 1968, and shall be issued in one series, as follows:

SERIAL BONDS

SERIAL BONDS shall be in the principal amount of \$1,550,000.00, and shall consist of 310 coupon bonds of the denomination of \$5,000.00 each, numbered in direct order of maturity from 1 to 310, inclusive, bearing interest at the rate of five and one-quarter per cent (5-1/4%) per annum, payable as hereinafter provided, and maturing serially as follows:

\$20,000.00 April 1st of each of the years 1970 and 1971;
 \$25,000.00 April 1st of each of the years 1972 and 1973;
 \$30,000.00 April 1st of each year from 1974 to 1977, inclusive;
 \$35,000.00 April 1st of each year from 1978 to 1980, inclusive;
 \$40,000.00 April 1, 1981;
 \$140,000.00 April 1, 1982;
 \$145,000.00 April 1, 1983;
 \$155,000.00 April 1, 1984;
 \$160,000.00 April 1, 1985;
 \$165,000.00 April 1, 1986;
 \$180,000.00 April 1, 1987;
 \$250,000.00 April 1, 1988.

Interest on all of said bonds shall be payable on October 1, 1968, and semi-annually thereafter on April 1st and October 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, Trustee under the Trust Agreement hereinafter referred to.

Outstanding bonds of this issue shall be subject to redemption prior to maturity as a whole or in part, at the option of the Board, on any interest payment date on or after April 1, 1980.

Bonds redeemed prior to maturity, either as a whole or in part, shall be redeemed in inverse numerical order, at par and accrued interest to the date fixed for redemption, plus premiums (expressed in a percentage of par) in accordance with the following schedule:

3% of the par value of each bond redeemed on or after April 1, 1980, but on or prior to October 1, 1981;

2% of the par value of each bond redeemed on or after April 1, 1982, but on or prior to October 1, 1983;

1% of the par value of each bond redeemed on or after April 1, 1984, but on or prior to October 1, 1985.

No premium shall be paid on bonds redeemed on or after April 1, 1986.

Twenty days notice of the call of any bonds for redemption shall be given by the Trustee under the Trust Agreement, herein referred to, by publication in a newspaper of general circulation in the City of Detroit, Michigan, and in case of registered bonds twenty days notice shall be given by mail to the registered owner at the registered address.

6. That the bonds shall be payable to bearer and transferable by delivery unless and until the same shall have been registered by the holder thereof, or his attorney thereunto duly authorized, in writing, on books to be kept for such purpose by the Trustee, which registration shall be endorsed by the Trustee on the bond so registered. The principal of any bond so registered shall thereafter be payable only to the registered owner thereof, and any payment so made shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid: Provided, however, that the registration of any bond shall not in any way affect payment of interest thereon or the negotiability of the interest coupons thereto attached, which shall be payable to bearer in accordance with the terms of and on presentation of said coupons. Any bond so registered may be transferred on the books of the Trustee by the registered owner thereof, or his attorney thereunto duly authorized, in writing, which transfer shall be endorsed thereon by the Trustee, and any bond registered to bearer shall thereupon again become payable to bearer and transferable by delivery in the same manner as before the registration thereof.
7. That said bonds shall be secured and payable out of fixed amounts of fees charged and collected each term from students attending Eastern Michigan University as a part of the total student fees, and allocated and paid into the Debt Retirement

Fund, as outlined in the Official Statement, and to be established for the payment of said bonds under the provisions of the Trust Agreement herein referred to (defined in said Trust Agreement and hereinafter referred to in this resolution as "Allocated Special Fees"), in an amount fully sufficient to retire said bonds and the interest thereon at maturity, in accordance with the terms, covenants, conditions and provisions of the Official Statement filed with the Obligor and approved by this resolution. The amount of said allocated special fees necessary to be set aside to pay the principal of and interest on the bonds of this issue under the requirements therefor specified in the Official Statement and to be further specified in the Trust Agreement; the amount necessary to be set aside to meet the payments on certain other outstanding obligations of the University payable from University Fees, which obligations are of equal standing with the bonds authorized by this resolution; and the amounts necessary to be set aside to meet the payments on any additional obligations of equal standing, similarly secured by a pledge and allocation of student fees hereafter issued within the limitations expressed in this resolution and to be expressed in the Trust Agreement, shall be a first lien or charge on all of the University Fees now or hereafter collected, for the benefit of the holders of such bonds or obligations. The term "University Fees" as used herein shall mean and include the general tuition fees and any special fees to be collected as a part thereof established from time to time by the Board and collected from students attending Eastern Michigan University at the time of registration.

8. That the right is reserved to issue additional obligations for authorized purposes, secured by a pledge and allocation of University Fees, having equal standing and priority of lien or charge against all University Fees charged and collected: Provided, however, that such obligations shall not be issued unless the total amount of said University Fees actually collected for each of the two preceding complete fiscal years prior to the issuance of said additional obligations, as shown by audit reports of the University for said fiscal years, are equal to at least two hundred per cent (200%) of the maximum annual debt service requirements on all outstanding bonds or other obligations including the bonds then to be issued, secured by pledges and allocations of said University Fees, or special fees included and collected as a part thereof and allocated therefrom.
9. That the Obligor covenants and agrees that it will at all times, as long as the bonds of this issue and the interest thereon remain outstanding and unpaid, charge, establish, maintain and collect University Fees (as that term is to be defined in the Trust Agreement), in an amount sufficient to provide annually sums equal to at least two hundred per cent (200%) of the maximum future annual debt service requirements on all outstanding bonds or other obligations secured by pledges of said University Fees or special fees included and collected as a part thereof and allocated therefrom.
10. That the Official Statement submitted, and hereinbefore referred to, setting forth the details of this bond issue, including the security and covenants in relation thereto, application or proceeds, and other terms and conditions in relation to this authorized bond issue is hereby approved as to content and form, a conformed copy of which is attached to this resolution and made a part thereof, the same as though each of the provisions therein contained were herein repeated.

11. That legal counsel to the Board, with the cooperation and assistance of the Vice President for Business and Finance of Eastern Michigan University and Ann Arbor Trust Company are hereby directed to draft the necessary Trust Agreement securing said bonds between this Board, as Obligor, and the Ann Arbor Trust Company, as Trustee, which Trust Agreement shall embody, in appropriate language and terms, the covenants, obligations, terms and conditions, specifications, interest rates and other details and security provisions necessary in substantial compliance with the provisions of this resolution and the Official Statement approved and made a part of this resolution. Such Trust Agreement shall be executed for and on behalf of this Board by any two of the following designated officers of Eastern Michigan University, and this Board, to wit: Harold E. Sponberg, President of Eastern Michigan University, or Lewis E. Profit, Vice President for Business and Finance of Eastern Michigan University, and Carl R. Anderson, Secretary of Eastern Michigan University Board of Regents. Said Trust Agreement upon its execution, as herein authorized, by said officers and Ann Arbor Trust Company, of Ann Arbor, Michigan, as Trustee, shall be binding and effective in accordance with its terms and provisions.
12. That said President or Vice President of Eastern Michigan University and Secretary of Eastern Michigan University Board of Regents, are hereby authorized, empowered and directed, in the name of and under the seal of the Obligor, and as its corporate act and deed, to execute the bonds herein authorized in the manner to be prescribed in the aforementioned Trust Agreement, and to facilitate the same are authorized to use their initials in lieu of their christian names; and the coupons appertaining to said bonds shall be executed by the facsimile signature of said Vice President for Business and Finance of the Obligor. Said officers are authorized to perform all acts and deeds and execute all instruments and documents necessary, expedient and proper in connection with the borrowing of said One Million Five Hundred Fifty Thousand (\$1, 550, 000. 00) Dollars and the issuance and sale of the bonds.
13. That said officers, either in said Trust Agreement or by the issuance of the bonds, shall not pledge the credit of or create any liability on the part of the State of Michigan, the Obligor, or any member or officer of the Obligor, or any of their successors, other than to pledge and allocate University Fees in accordance with the conditions, covenants and requirements therefor as specified in this resolution, the Official Statement approved hereby and made a part of this resolution and the Trust Agreement.
14. The bonds herein authorized, after their due execution as hereinbefore provided, and after authentication by the Trustee in the manner provided in the Trust Agreement, shall be delivered to the purchaser thereof, The Detroit Bank and Trust Company, Detroit, Michigan, upon payment of the purchase price therefor, in accordance with their written commitment to the Ann Arbor Trust Company, which commitment is hereby accepted and approved.
15. 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.

.632 M - SUMMER THEATRE PROGRAM

Mr. Husse moved and Dr. Robb seconded that all deposits made with the University for the Summer Theatre Program, in accordance with the April 10, 1967, and the October 1, 1967, actions of the Board of Regents, be returned to the depositors and the accounts be closed. It was also recommended that the administration notify the Chamber of Commerce and the Greek Theatre group of the Board's action. Carried.

.633 M - AUDIT REPORT

Mr. Husse moved and Dr. Robb seconded that the earlier distributed audit recommendations by Ernst and Ernst for the year ending June 30, 1967, and the attached report by the Treasurer be officially received and filed. Carried.

.634 M - ERNST AND ERNST REAPPOINTED

Mr. Husse moved and Mrs. Anderson seconded that Ernst and Ernst be appointed auditors for the fiscal year ending June 30, 1968. Carried.

.635 M - OFFICE OF EDUCATION GRANT

Mr. Husse moved and Miss Allan seconded that the Regents authorize the University administration to accept an Institutional Assistance Grant in the amount of \$5315 from the U.S. Office of Education for 1968-69 Industrial Arts Education. Carried.

The meeting was recessed for lunch at 12:30 p. m.

The meeting was reconvened at 2:25 p. m.

.636 M - GIFTS AND GRANTS

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

.637 M - DEVELOPMENT FIRM PROPOSAL

Mr. Husse moved and Mr. Stripp seconded that a proposal from a development firm concerning uniting with Eastern Michigan University to form a non-profit corporation to furnish apartments for persons associated with the University be further studied by the Regents. Carried.

Dr. Sponberg announced that Dr. John Emens, President of Ball State University, will be giving the commencement address. He also announced that Attorney General Kelley will be giving the main address at the Alumni Day luncheon.

Mr. McCormick read a letter that was sent to each Regent by the Student Senate concerning the possibility of the Regents meeting directly with the students. It is the feeling of the Board that the policy of the Regents is to work with all facets of the University through the administration.

.638 M - HEAD OF ENGLISH DEPARTMENT APPOINTED

Miss Allan moved and Mrs. Anderson seconded that Dr. Milton Foster, Professor in the Department of English Language and Literature, be appointed head of the department, effective July 1, 1968. Carried.

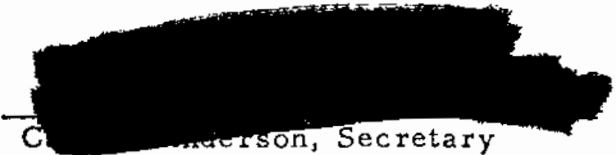
.639 M - APPOINTMENTS, RESIGNATIONS, CHANGES OF STATUS AND
LEAVES OF ABSENCE

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

The next meeting of the Board will be held on April 24, 1968.

The meeting was adjourned at 3:20 p. m.

Respectfully submitted,


C. Anderson, Secretary