

1967

## Board of Regents Meeting Materials, June 30, 1967

Eastern Michigan University

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BOARD OF REGENTS  
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting June 30, 1967  
Regents' Room, McKenny Hall

Members present:

Virginia Allan, O. William Habel, Lawrence Husse, J. Don Lawrence,  
Edward J. McCormick, M. P. O'Hara, Mildred Beatty Smith

Members absent:

Charles Anspach (excused)

Administration present:

Bonita Gehring, Lewis Profit, Harold E. Sponberg

The meeting was called to order at 4:25 p. m.

Mr. Profit was appointed Secretary of the Board of Regents in the absence of Carl Anderson.

. 557 M - TERM LOAN RESOLUTION FOR DORMITORY COMPLEX #3

Mr. Lawrence moved and Mr. Husse seconded that the Board of Regents approve the \$6,000,000 Term Loan Resolution for financing of Dormitory Complex #3 as follows. Roll call vote was taken by the acting Secretary -- Allan - yes, Husse - yes, Lawrence - yes, McCormick - yes, O'Hara - yes, Smith - yes, Habel - abstained giving the following statement for this action: "I would like to make the following full disclosure of my interest in the Ann Arbor Trust Company which is undertaking to act as Trustee under the proposed Housing Revenue Construction Financing and Refinancing and the Trust Agreement presently under consideration by this Board. I am presently a member of the Board of Directors of the Ann Arbor Trust Company. I have been a Director of the Trust Company since January 21, 1959, and for my services I receive \$50.00 for each of the monthly meetings of the Board of Directors which I attend. I also own in my own name 125 shares of the common stock of the Ann Arbor Trust Company, the average annual dividend on which has been approximately \$3.00 per year per share. I have not been directly involved in any of the negotiations connected with these transactions being considered by this Board today, nor will I receive any special reimbursement fee from the Ann Arbor Trust Company if this financing is approved."

Resolution

WHEREAS, Eastern Michigan University is an institution of higher education established by law having authority to grant baccalaureate degrees; and

WHEREAS, the board of control of Eastern Michigan University known as the Board of Regents, Eastern Michigan University, a body corporate created by and existing under the Constitution of the State of Michigan, and having full constitutional authority over and general supervision of said Eastern Michigan University and the control and direction of all expenditures from said Eastern Michigan University's funds, has determined that it is necessary and for the best interests of the University, its students and personnel that it: (a) construct, furnish and equip a new Residence Hall Complex in the North Area of the Main Campus of Eastern Michigan University, Ypsilanti, Michigan, which dormitories will provide housing, dining and appurtenant facilities for approximately 1407 students. The Complex, presently designated as Residence Hall Complex No. 3, will consist of three dormitory towers and a central food service facility. The total cost of this Complex will be \$7,887,000 of which \$5,080,000 will be paid for from the proceeds of the financing provided for hereinafter and the remainder of which will be available from the sale of Housing Revenue Bonds dated June 15, 1967. (This will be referred to hereinafter as "Project - Part I"); and (b) in order to provide for the terms and provisions it deems best to so finance Project - Part I, make available for use in assisting in the repayment of funds obtained the income and revenues of housing facilities whose incomes and revenues are currently pledged, by retiring State Board of Education of the State of Michigan, Michigan State Normal College, Ypsilanti, Michigan, Residence Hall and Apartment Revenue Bonds, dated as of February 1, 1956, and which was originally issued in the aggregate amount of \$4,500,000 (which hereafter will be referred to as the "Project - Part II"); and

WHEREAS, the land to be used for said Project - Part I was acquired at no cost to the state; and

WHEREAS, in the opinion of this board, it is necessary and expedient that the University obtain the sum of \$6,000,000 to pay the cost to construct, furnish and equip Project - Part I, and to complete said Project - Part II; and

WHEREAS, there has been submitted for the consideration of this Board a proposed Housing Revenue Construction Financing, Refinancing and Security Agreement whereby the sum of \$6,000,000 will be obtained from National Bank of Detroit for a term of approximately twenty-two (22) years, with full maturity on July 1, 1989; and

WHEREAS, prior to the time of the consideration of the within resolution an inquiry was made of all members of this Board and all officers and employees of Eastern Michigan University who are or will be engaged in or connected with the financing hereinafter approved or Project Part I or Part II, as a representative or agent of the Board or Eastern Michigan University, and the following members of this Board, such officers and such employees, fully disclosed to this Board that he or she was a director or employee (including president, general manager or other similar executive officer), or stockholder directly or indirectly of Ann Arbor Trust Company, Ann Arbor Bank, or National Bank of Detroit, or that he or she had a direct or indirect interest in said financing: O. William Habel, member of the Board of Directors of the Ann Arbor Trust Company, gave the following statement - "I would like to make the following full disclosure of

my interest in the Ann Arbor Trust Company which is undertaking to act as Trustee under the proposed Housing Revenue Construction Financing and Refinancing and the Trust Agreement presently under consideration by this Board. I am presently a member of the Board of Directors of the Ann Arbor Trust Company. I have been a Director of the Trust Company since January 21, 1959, and for my services I receive \$50.00 for each of the monthly meetings of the Board of Directors which I attend. I also own in my own name 125 shares of the common stock of the Ann Arbor Trust Company, the average annual dividend on which has been approximately \$3.00 per year per share. I have not been directly involved in any of the negotiations connected with these transactions being considered by this Board today, nor will I receive any special reimbursement fee from the Ann Arbor Trust Company if this financing is approved;" which disclosure is fully set forth above; and

WHEREAS, in the opinion of this board it is necessary and expedient that the University obtain the sum of \$6,000,000 to pay the costs to construct, furnish and equip Project - Part I and to refinance the construction, furnishing and equipping of Project - Part II; and

WHEREAS, an earlier version of said Housing Revenue Construction Financing, Refinancing and Security Agreement was approved by this board; and

WHEREAS, it has been determined that certain changes in the terms of said Agreement are desirable because of certain facts which have come to the attention of this board in the interim;

NOW, THEREFORE, BE IT RESOLVED that this board's resolution approving said Housing Revenue Construction Financing, Refinancing and Security Agreement is rescinded and shall have no further effect.

BE IT FURTHER RESOLVED, that Eastern Michigan University obtain for such purpose the sum of \$6,000,000 from National Bank of Detroit, a national banking association of Detroit, Michigan, upon the terms and conditions more fully set forth in said Housing Revenue Construction Financing, Refinancing and Security Agreement, (hereinafter referred to as the "Agreement"), and evidenced by a Note in the face amount of \$6,000,000 payable to said Bank, (hereinafter referred to as the "Note"), all of which is approved as to content and form substantially as set forth in the form hereto attached and made a part of this resolution; and

BE IT FURTHER RESOLVED, that said financing is to be for the term of approximately twenty-two (22) years at an interest rate of 3.25% per annum from date of the Note until July 1, 1969, and 6% per annum thereafter. The repayment thereof is to be made from and secured solely by a pledge of the revenues as defined and more fully described in said Agreement and which this board has estimated on the basis of past experience will provide annual sums to be paid on the principal of and interest on the Note equal to at least those set forth in Section 8 of said Agreement; and

BE IT FURTHER RESOLVED, that no obligation authorized hereunder shall ever be or become a charge against the State of Michigan, nor shall the same become a lien or secured by any property real, personal or mixed of the State of Michigan or this board, but all such obligations, including principal and interest, shall be payable solely from the sources described in said Agreement.

BE IT FURTHER RESOLVED, that the proposed Agreement and Note as presented to this board and heretofore approved as to form and substance be incorporated in the minutes of this meeting; and

BE IT FURTHER RESOLVED that this board will covenant that, should it be unable to comply with affirmative covenants contained in Section 4(c) of said Agreement on or before July 1, 1969, it will take all action necessary, including the adoption of the necessary approving resolutions and entering into the, necessary Trust Agreement, to issue and deliver to the Bank, as required in Section 4(d) of said Agreement, Bonds as defined in Section 2 thereof which shall be in a principal amount equal to all unpaid principal and interest on said Note on July 1, 1969; which shall bear interest at 6% per annum; which shall mature on July 1, 1989; which shall be secured by a first lien upon and payable solely from Housing Net Income as defined in Section 2 of said Agreement; which shall contain substantially the same provisions as are in the Sample Bond affixed to said Agreement as Exhibit B; which will be in denominations of \$5,000 or \$1,000 at the option of the Bank; which shall be delivered to the Bank in a fully marketable condition together with a legal approving opinion of Dickinson, Wright, McKean & Cudlip, Attorneys of Detroit, Michigan, and Miller, Canfield, Paddock & Stone, Attorneys of Detroit, Michigan, and which will be delivered to the Bank at the option of the Bank on or before July 15, 1969, if this Board fails for any reason to comply with Section 4(c) of said Agreement; and

BE IT FURTHER RESOLVED that this Board, shall in said Agreement further covenant and agree to maintain the facilities named in Section 9 of said Agreement in operation and to maintain charges for rent and for board and room all as specified in said Section 9; and

BE IT FURTHER RESOLVED that this Board may, subject to the requirements set forth in Section 6 of said Agreement use the following funds to retire said financing (and the board will covenant it will not use any of such funds for any other purpose until said financing is retired); .

Funds to be received from the issuance and sale of a note or notes or revenue bonds payable over a long term in a principal amount sufficient to repay any unpaid interest and principal hereunder on July 1, 1969, which this Board intends and will covenant to issue to defray the cost of acquiring, furnishing and equipping and maintaining the Project - Part I and refunding Project - Part II; and

BE IT FURTHER RESOLVED, that the Ann Arbor Trust Company, Ann Arbor, Michigan, be and hereby is appointed to act as Trustee under said Agreement hereinbefore referred to and approved and attached hereto, and said Trustee shall be entitled to such estates, powers, rights, authorities, benefits, privileges and immunities as are set forth in these Resolutions and said Agreement; and

BE IT FURTHER RESOLVED that if for any reason and at any time said Ann Arbor Trust Company declines to act or is unable to continue to act as Trustee, Ann Arbor Bank of Ann Arbor, Michigan, a Michigan banking corporation, having trust powers is designated as successor trustee and shall have all powers and duties said Ann Arbor Trust Company has under said Agreement; and

BE IT FURTHER RESOLVED that Harold E. Sponberg, President of Eastern Michigan University and Lewis E. Profit, Treasurer of the Board of Regents of Eastern Michigan University, be and they are hereby authorized, empowered and directed in the name of Eastern Michigan University Board of Trustees and as its corporate act and deed to respectively execute and attest the Agreement and Note approved by and made a part of these resolutions and to execute and deliver such other documents as may by them and each of them be deemed to be necessary or expedient under or in connection with said Agreement, said Note or these resolutions; and

BE IT FURTHER RESOLVED that the same officers be and they are hereby authorized and 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 the said Agreement and Note, but no such amendment shall change the principal provisions, or the amount to be obtained, the interest to be paid thereon, the payments required to be made or the security pledged; provided, however, that nothing contained herein shall be considered as limiting the right of said officers to alter or change the date of issue of said Note or of the dates and times for payment of interest or principal; and

BE IT FURTHER RESOLVED, that should it develop that said Harold E. Sponberg, through illness, absence or otherwise, be unable to perform the acts he is herein authorized, empowered and directed to perform, then in that case Carl R. Anderson, Secretary of the Board of Regents, Eastern Michigan University, is hereby authorized; empowered and directed to perform any and all acts and deeds herein authorized and directed to be performed by said Harold E. Sponberg and any actions so taken by said Carl R. Anderson shall be as binding on this Board as if performed by said Harold E. Sponberg; and

BE IT FURTHER RESOLVED, that should it develop that Lewis E. Profit, through illness, absence or otherwise, be unable to perform the acts he is herein authorized, empowered and directed to perform, then in that case Helen McCalla, Assistant Treasurer of Eastern Michigan University, is hereby authorized, empowered and directed to perform any and all acts and deeds herein authorized and directed to be performed by the said Lewis E. Profit, and any actions so taken by said Helen McCalla, shall be as binding on this board as if performed by the said Lewis E. Profit; and

BE IT FURTHER RESOLVED, that Ann Arbor Trust Company, or its successor trustee and National Bank of Detroit, be and they are hereby authorized to rely on the continuing effect of these resolutions until receipt by each of them of notice in writing from this board of any alterations or amendments thereto.  
---Carried.

. 558 M - BOND ISSUE RESOLUTION FOR DORMITORY COMPLEX #3  
 Mr. Lawrence moved and Dr. O'Hara seconded that the Board of Regents approve the following resolution for \$5,425,000 Bond Issue in accordance with the action of the June 5 meeting of the Regents. Roll call vote was taken by the acting Secretary--Allan - yes, Husse - yes, Lawrence - yes, McCormick - yes, O'Hara - yes, Smith - yes, Habel - abstained, giving the same statement as quoted above.

#### Resolution

WHEREAS, the Board of Control of Eastern Michigan University, known as the Board of Regents, Eastern Michigan University (hereinafter sometimes referred to as the "Board"), a body corporate, created by and existing under the Constitution of the State of Michigan and having full constitutional authority and supervision of said Eastern Michigan University, an institution having authority to grant baccalaureate degrees, and control of expenditures from the University funds, has determined that it is necessary and for the best interests of the University, its students and personnel to:

- (a) Construct, furnish and equip a new dormitory complex on the Main Campus of Eastern Michigan University, at Ypsilanti, Michigan, to provide housing, dining and appurtenant facilities for approximately 1407 students. Complex to consist of three dormitory towers and a central food service facility, referred to herein as the "central dining commons." Complex planned for operation at beginning of second term of 1968-69 school year and designated presently as Residence Hall Complex No. 3, sometimes hereinafter referred to as "Project - Part I."
- (b) To acquire additional land for the construction of future self-liquidating facilities for Eastern Michigan University, sometimes hereinafter referred to as "Project - Part II."
- (c) To pay in full and retire bonds outstanding of State Board of Education, Michigan State Normal College, Ypsilanti, Michigan, Residence Hall and Apartment Revenue Bonds, dated February 1, 1956, originally issued in the aggregate principal amount of \$4,500,000, sometimes hereinafter referred to as "Project - Part III."
- (d) To pay in full and retire outstanding construction loan in the amount of \$630,000 owing the Ann Arbor Bank dated February, 1967, which was used for the construction of 45 new apartments, and provides \$38,000 for furnishings for those apartments, sometimes hereinafter referred to as "Project - Part IV;" and

WHEREAS, to provide part of the funds necessary to pay the costs of said above listed projects and to provide funds for construction contingencies, financing costs, and a debt service reserve, the Board deems it necessary and expedient to borrow, through the issuance and sale of Housing Revenue Bond, 1967 Series, the sum of Five Million Four Hundred Twenty-five Thousand (\$5,425,000) Dollars, the sum so borrowed to be used and allocated as follows:



- (a) The sum of Two Million Eight Hundred Seven Thousand (\$2,807,000) Dollars, together with the additional sum of Five Million Eighty Thousand (\$5,080,000) Dollars, paid to the Trustee as part of the proceeds of a Housing Revenue Construction Financing, Refinancing and Security Agreement, aggregating the principal amount of Six Million.

WHEREAS, there has been submitted for the consideration of this Board a proposed Housing Revenue Construction Financing, Refinancing and Security Agreement whereby the sum of \$6,000,000 will be obtained from National Bank of Detroit for a term of approximately twenty-two (22) years, with full maturity on July 1, 1989; and

WHEREAS, prior to the time of the consideration of the within resolution an inquiry was made of all members of this Board and all officers and employees of Eastern Michigan University who are or will be engaged in or connected with the financing hereinafter approved or Project Part I or Part II, as a representative or agent of the Board or Eastern Michigan University, and the following members of this Board, such officers and such employees, fully disclosed to this Board that he or she was a director or employee (including president, general manager or other similar executive officer), or stockholder directly or indirectly of Ann Arbor Trust Company, Ann Arbor Bank, or National Bank of Detroit, or that he or she had a direct or indirect interest in said financing: "I, O. William Habel, member of the Board of Regents, Eastern Michigan University, would like to make the following full disclosure of my interest in the Ann Arbor Trust Company, which is undertaking to act as Trustee under the proposed Housing Revenue Construction Financing and Refinancing and the Trust Agreement presently under consideration by this Board. I am presently a member of the Board of Directors of the Ann Arbor Trust Company. I have been a Director of the Trust Company since January 21, 1959, and for my services I receive \$50.00 for each of the monthly meetings of the Board of Directors which I attend. I also own in my own name 125 shares of the common stock of the Ann Arbor Trust Company, the average annual dividend on which has been approximately \$3.00 per year per share. I have not been directly involved in any of the negotiations connected with these transactions being considered by this Board today, nor will I receive any special reimbursement or fee from the Ann Arbor Trust Company if this financing is approved;" and

WHEREAS, said financial officers, Trustee, and bond counsel have also prepared and submitted to the Board a proposed Trust Agreement securing the proposed bonds between this Board as Obligor, and Ann Arbor Trust Company, as Trustee, which Trust Agreement embodies in appropriate language and terms, the covenants, obligations, terms and conditions, specifications, interest rates and other details and security provisions in substantial compliance with the provisions of this resolution and the Official Statement submitted; and

WHEREAS, the Board has full power under the law, and particularly under its constitutional authority and supervision of the University, and the control of expenditures from the University Funds, to issue said bonds for the purposes hereinbefore referred to, and to pledge for their payment the net income and revenues specified in said Official Statement and Trust Agreement;

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

1. That the Board of Control of Eastern Michigan University, known as the Board of Regents, Eastern Michigan University, hereinafter for brevity referred to as "Board," does hereby determine and reaffirm that it is necessary and for the best interests of Eastern Michigan University, its students and personnel, to construct, furnish and equip the new dormitory complex, designated as Residence Hall Complex No. 3, together with a central food service facility, acquire additional lands for self-liquidating facilities, refund certain outstanding bonds and retire a certain construction loan, all as specified in the preamble hereto, and being necessary for housing purposes of the University.
2. That the Board borrow the sum of Five Million Four Hundred twenty-five Thousand (\$5,425,000) Dollars and issue its revenue bonds therefor to provide the funds to be allocated and used in the manner and for the purposes specified in the preamble hereto.
3. That said bonds shall be designated EASTERN MICHIGAN UNIVERSITY HOUSING REVENUE BONDS, 1967 SERIES, the principal of and interest thereon to be payable solely out of net income as defined, and in accordance with the requirements, terms and conditions set forth in the Official Statement and Trust Agreement filed with this Board and made a part of this resolution, and shall be issued in three series, as follows:

Serial Bonds, Series I

Serial Bonds, Series I, shall be in the principal amount of \$1,260,000 dated as of June 15, 1967, and shall consist of 252 coupon bonds of the denomination of \$5,000 each, numbered 1 to 252, inclusive and maturing serially on June 15th of each year as follows:

<u>Principal Amount</u>	<u>Maturity</u>
\$ 70,000	1970
80,000	1971
80,000	1972
85,000	1973
85,000	1974
95,000	1975
95,000	1976
100,000	1977
105,000	1978
110,000	1979
110,000	1980
120,000	1981
125,000	1982

Said Serial Bonds, Series I, shall bear interest at the rate of 4.50% per annum, payable as hereinafter provided.

Serial Bonds, Series II

Serial Bonds, Series II, shall be in the principal amount of \$2,465,000, dated as of June 15, 1967, and shall consist of 493 coupon bonds of the denomination of \$5,000 each, numbered 253 to 745, inclusive, and maturing serially on June 15th of each year as follows:

<u>Principal Amount</u>	<u>Maturity</u>
\$130,000	1983
135,000	1984
140,000	1985
150,000	1986
155,000	1987
165,000	1988
170,000	1989
175,000	1990
190,000	1991
195,000	1992
205,000	1993
215,000	1994
225,000	1995
215,000	1996

Said Serial Bonds, Series II, shall bear interest at the rate of 4.80% per annum, payable as hereinafter provided.

Term Bonds

Term Bonds shall be in the principal amount of \$1,700,000, dated as of June 15, 1967, and shall consist of 340 coupon bonds of the denomination of \$5,000 each, numbered 746 to 1085, inclusive, all maturing on June 15, 1997, and bearing interest at the rate of 5% per annum, payable as hereinafter provided.

Interest on all of said bonds shall be payable on December 15, 1967, and semi-annually thereafter on June 15th and December 15th 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.

Redemption Provisions

- (a) Term Bonds of this issue may be redeemed by call by lot, in advance of maturity, out of Net Income and Investment Income from the fixed payments to the Trustee totalling \$334,000 per year, and out of Excess Net Income (all as defined in the Trust Agreement), at par and accrued interest, on any interest payment date during the life of the bonds.
- (b) Bonds of this issue may be called for redemption as a whole or in part, from funds other than Net Income, Investment Income or Excess Net Income, on any interest payment date on or after June 15, 1978. If less than the entire

issue is called for redemption, such call shall be in the following order of priority, to wit: First, Term Bonds, the order to be determined by lot; Second, Serial Bonds, Series II, in inverse numerical order; and Third, Serial Bonds, Series I, in inverse numerical order. Such redemption shall be at par and accrued interest, plus premiums expressed in a percentage of par as follows:

- 4% of the par value of each bond redeemed from June 15, 1978, through December 15, 1980;
- 3% of the par value of each bond redeemed from June 15, 1981, through December 15, 1983;
- 2% of the par value of each bond redeemed from June 15, 1984, through December 15, 1986;
- 1% of the par value of each bond redeemed from June 15, 1987, through December 15, 1989.

No premium shall be paid on bonds redeemed from June 15, 1990, to maturity. Twenty days notice of the call of any bonds for redemption shall be given by the Trustee 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. Bonds so called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the Trustee to redeem said bonds.

4. All coupon bonds issued hereunder 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 under the Trust Agreement herein referred to, which registration shall be endorsed by said 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 the reupon again become payable to bearer and transferable by delivery in the same manner as before the registration thereof.
5. That said bonds shall be secured and payable out of Net Income, which Net Income consists of all the Net Income received from:
  - (a) The existing residence halls known and designated as "King-Goodison Residence Halls" having a rated capacity of 416 students.
  - (b) The existing residence hall known and designated as "Downing Residence Hall" having a rated capacity of 312 students.

- (c) The apartments presently under construction known and designated as "West Campus Apartments" having 45 apartment units, to be completed and placed in operation in September of 1967.
- (d) Residence hall known and designated as "Tower No. 3 of Residence Complex No. 3," construction of which is to be immediately started with completion planned for the second term of the 1968-69 school year, said residence hall to have a rated capacity of 469 students.
- (e) King-Goodison Food Commons Net Income.
- (f) East Food Commons Allocated Net Income.
- (g) Complex No. 3 Food Commons Allocated Net Income, all as specified and defined in the Trust Agreement.

The Board does hereby agree to charge sufficient rates for the use of said specified facilities so as to produce sufficient Net Income which, together with Investment Income (as defined in the Official Statement and Trust Agreement), will meet all covenants and requirements specified in the Official Statement and Trust Agreement for the payment of said bonds authorized by the provisions of this resolution. The Board further covenants and agrees that it will adopt, if necessary, such reasonable rules, regulations and requirements relative to the residence of students attending Eastern Michigan University as shall be necessary to assure that Housing and Food Commons Facilities specified in this paragraph will be as fully occupied and used during each scholastic year as is reasonably possible.

- 6. 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 of 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.
- 7. That the Trust Agreement securing said bonds between this Board, as Obligor, and the Ann Arbor Trust Company as Trustee, which Trust Agreement submitted embodies, 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, is hereby approved. 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, Treasurer of the Board, or Carl R. Anderson, Secretary of the Board. 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.

8. That said officers be and they are hereby authorized and empowered and directed for and in the name of the Board, and as its corporate act and deed to make, consent to and agree to any changes in the terms and conditions of the Trust Agreement which they may deem necessary, expedient and proper, prior to or at the time of execution of said Trust Agreement, but no such change or amendment shall change the provisions therein for the amount to be borrowed, the interest to be paid thereon, the payments required to be made to the Trustee, or the security pledged.
  9. That either Harold E. Sponberg, President of Eastern Michigan University, or Lewis E. Profit, Treasurer of the Board, are hereby authorized, empowered and directed, in the name and under the seal of this Board, and as its corporate act and deed, to execute 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 bonds shall be executed by the facsimile signature of Lewis E. Profit, Treasurer of the Board. That said officers are further authorized and directed to execute such other necessary documents and proceedings necessary to effectuate the sale and delivery of said bonds to the purchaser thereof.
  10. That said officers, either in the Trust Agreement or by the issuance of the bonds authorized by the provisions of this resolution shall not pledge the credit of or create any liability on the part of the State of Michigan, this Board, or any member or officer of this Board or any of their successors, other than to pledge the Net Income and Investment Income in accordance with the provisions and requirements therefor as specified in this resolution, the Official Statement approved hereby and made a part of this resolution and the Trust Agreement.
  11. 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, upon payment of the purchase price therefor, by Ann Arbor Trust Company, Fiscal Agent of this Board.
  12. The Ann Arbor Trust Company, Ann Arbor, Michigan, be and hereby is appointed to act as Trustee under the Trust Agreement hereinbefore referred to, 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.

.559 M - RESOLUTION AUTHORIZING CONTINUED 1967-68 OPERATION  
Miss Allan moved and Mr. Habel seconded that the recommendations on pages 6, 7 and 8 of the Agenda for the June 26 meeting of the Regents be withdrawn, and that the following Resolution to Authorize Continued 1967-68 Operations be approved:

WHEREAS, the 1967-68 Legislative appropriations for Eastern Michigan

University have not yet been enacted into law; and

WHEREAS, it is neither feasible nor possible for Eastern Michigan University to adopt a general fund budget until the major source of income (state appropriation) for Eastern Michigan University is known; and

WHEREAS, it is necessary to have authority to continue university operations beginning July 1, 1967; and

WHEREAS, it is advisable for the University to establish budgets for the 1967-68 year at the earliest possible date;

BE IT RESOLVED, that the President of Eastern Michigan University be authorized to continue university operations for thirty (30) days, by payment of salaries and employment of staff based on the previously approved salary schedule with recommended adjustments as submitted and by the payment of other normal general operating costs; and

BE IT FURTHER RESOLVED, that the Treasurer be authorized to expend funds in accordance with this resolution; and

BE IT FURTHER RESOLVED, that the Board of Regents will hold its regular July meeting not later than July 21, 1967.

---Carried.

.560 M - SICK LEAVE, ANNUAL LEAVE AND LONGEVITY PAY POLICY  
Mr. Lawrence moved and Dr. O'Hara seconded that present policies regarding sick leave, annual leave, payment of unused sick leave and longevity pay be modified as follows:

I. Sick Leave - Faculty, Professional, Administrative and Service Staff

- A. It is recommended that the section of the Sick Leave Policy entitled "Sick Leave Credit" be amended by striking out "195 days" and inserting "200 days." (This allows accumulated unused sick leave to reach a maximum of 200 days.)
- B. Amend the definition of immediate family by adding the words "mother-in-law and father-in-law."
- C. Amend Section F regarding separation by striking out "25%" and inserting "50%." (This provides for payment of unused sick leave at retirement, frequently called terminal pay.)

II. Annual Leave (vacation) - Service Staff Only (clerical, maintenance and food service)

Provide for the addition of two additional days per year (20 days per year maximum) after 15 years (180 months) of continuous service.

III. Longevity Pay - Service Staff Only (clerical, maintenance and food service)