

1967

Board of Regents Meeting Materials, February 6, 1967

Eastern Michigan University

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BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting February 6, 1967
Regents Room, McKenny Hall

Members present:

O. William Habel, Lawrence Husse, J. Don Lawrence, Edward J. McCormick
M. P. O'Hara

Members absent:

Virginia Allan, Charles Anspach, Mildred Beatty Smith (all excused)

Administration present:

Carl R. Anderson, Lewis Profit, Harold Sponberg

The meeting was called to order at 11:10 a. m.

The minutes of the January 9, 1967, meeting were approved as submitted.

The Treasurer's Report and Audit Report were read. Mr. Habel moved and Dr. O'Hara seconded that the reports be accepted as presented. Carried.

Standing committees were reappointed by Chairman McCormick.

. 477 M - CONTRACT FOR WEST CAMPUS APARTMENTS

Mr. Lawrence moved and Dr. O'Hara seconded that the contract for the West Campus Apartments be awarded to the low bidder, C. D. Lewis Company of Lincoln Park, Michigan, in the amount of \$546,850, and that the President and/or Treasurer be authorized to sign the contract documents. Also that the Project Budget be approved in the amount of \$668,450. Carried.

. 478 M - LEGISLATIVE RESOLUTION

Mr. Lawrence moved and Mr. Husse seconded that the administration be authorized to request a legislative resolution to increase the total Project Budget for the West Campus Apartments from \$630,000 to \$668,450. Carried.

. 479 M - FISCAL AGENT NAMED

Mr. Lawrence moved and Dr. O'Hara seconded that the Ann Arbor Trust Company be named as fiscal agent for the West Campus Apartments, and that the financing plan, as presented by Mr. Earl Cress, be accepted. Carried. Mr. Habel abstained.

. 480 M - TERM LOAN RESOLUTION

Mr. Lawrence moved and Dr. O'Hara seconded that the following resolution authorizing term loan in the aggregate principal amount of \$630,000 be adopted:

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 (hereinafter sometimes

referred to as the "Board"), and having full constitutional authority and supervision of said Eastern Michigan University, and control of expenditures from the University funds, has determined that it is necessary and for the best interests of the University and its students, to construct 45 married student apartment units on the West Campus of the University in Ypsilanti, Michigan, to provide housing and appertinent facilities for married student families; and

WHEREAS, to provide the funds necessary for the above specified married student housing, the Board deems it necessary and expedient to, at this time, borrow and in evidence thereof to issue its promissory note, the principal sum of Six Hundred Thirty Thousand (\$630,000) Dollars, the sum so borrowed to be used solely and only for the constructing, furnishing and equipping of the 45 apartment units above described; and

WHEREAS, the financial officers of Eastern Michigan University, and Ann Arbor Trust Company of Ann Arbor, Michigan, Fiscal Agent of this Board have prepared and submitted to the Board a complete proposed Official Statement which sets forth, in detail, the terms, conditions, security and covenants in connection with said borrowing and the note to be issued as evidence thereof, which said proposed Official Statement has been carefully reviewed and considered by the Board; and

WHEREAS, the Ann Arbor Trust Company as Fiscal Agent, has made arrangements for obtaining of said loan from Ann Arbor Bank, of Ann Arbor, Michigan, upon the terms and conditions expressed in detail in said Official Statement and in this Resolution; and

WHEREAS, the Board has full power under the law and, particularly under its constitutional authority and supervision of Eastern Michigan University, and control of expenditures from the University funds, to borrow said money for the purposes hereinbefore referred to and in evidence thereof issue its promissory note under the terms and conditions specified in said Official Statement and payable from and secured by the revenues and funds as specified in said Official Statement;

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

1. That the Board of Regents, Eastern Michigan University, hereinafter for brevity referred to as the "Board," does hereby determine and re-affirm that it is necessary and for the best interests of Eastern Michigan University and its students to construct and acquire the married student housing (45 apartment units) specified in the preamble hereto.
2. That the Board borrow from Ann Arbor Bank of Ann Arbor, Michigan, the principal sum of \$530,000 and in evidence thereof issue its promissory note under the terms and conditions, and secured by and payable out of the revenues and funds, as specified, in the Official Statement made a part of this resolution. Said borrowed funds shall be allocated and used in the manner and for the purposes specified in the preamble hereto.

3. That said promissory note in evidence of said borrowing, in accordance with the terms of the Official Statement filed with this Board and made a part of this Resolution, shall be payable to Ann Arbor Bank, of Ann Arbor, Michigan, shall be in the principal amount of \$530,000, dated as of February 15, 1967, and due and payable on December 31, 1967, shall bear interest at the rate of four (4%) per cent per annum, payable on August 1, 1967, and December 31, 1967, and if, for any reason the entire principal balance due thereon is not paid on or before December 31, 1967, interest shall accrue after that date on the unpaid balance at the rate of six (6%) per cent per annum, payable semi-annually on July 1 and January 1 of each year. Said note may be prepaid by the Board in whole, or in part, upon fifteen (15) days notice in writing to the payee thereof.
4. That said promissory note shall, in accordance with the terms of the Official Statement filed with this Board and made a part of this Resolution, be payable solely out of and secured by a pledge and lien on revenues and funds identified as follows, to wit:
 - (a) Pledge of and first lien on the Net Income derived from the operation of the 45 apartment units specified in the preamble hereto; presently designated as West Campus Apartments, Group 1.
 - (b) Pledge of investment income earned on investment of the borrowed funds pending disbursement for the purposes specified in the preamble hereto;
 - (c) Pledge of and lien on the Net Income pledged presently to the payment of outstanding Eastern Michigan University Housing and Refunding Revenue Bonds, in the original principal amount of \$1,710,000, dated as of August 15, 1965; issued pursuant to a Trust Agreement between the Board of Regents, Eastern Michigan University and Ann Arbor Trust Company, as Trustee, said pledge and lien to become effective only after the full payment and retirement of all said bonds dated as of August 15, 1965; when this pledge shall become a first lien on said Net Income specified in said Trust Agreement, to which reference is made for greater particularity;
 - (d) Pledge of proceeds of self-liquidating revenue bonds or notes for housing purposes to be issued and sold by the Board, either for the purpose of, or including as one of the purposes thereof, long term financing of the married student housing facilities referred to in the preamble to this Resolution in accordance with the covenants and agreement set forth in paragraph 7 of this Resolution.
5. The Official Statement submitted and hereinbefore referred to; setting forth the details of this borrowing including the terms of the note, interest rates, application of proceeds, security and terms of payment and other terms and conditions in relation thereto is hereby approved as to content and form, a conformed copy of which is attached to this Resolution and made a part hereof the same as though each of the provisions therein contained were herein repeated.

6. The board does hereby covenant and agree to charge sufficient rates for the use of the 45 apartment units, designated as West Campus Apartments, Group 1, to produce annually Net Income from said facilities for the payment of the note authorized by the provisions of this Resolution in the minimum amounts specified in the Official Statement, to wit, \$29,400 for the first anticipated fiscal year of operation ending June 30, 1968, and \$39,800 for each year thereafter. The Board further covenants and agrees that it will adopt, if necessary, such reasonable rules, regulations and requirements relative to the residence of married students attending Eastern Michigan University as shall be necessary to assure that said married student housing facility will be as fully occupied or used during each year as is reasonably possible. The Board further covenants and agrees that it will operate said married student housing facility on a yearly basis.
7. The Board does hereby covenant and agree that it will provide long term financing for the project specified herein by the issuance of self-liquidating revenue bonds or notes for this purpose, or as one of the purposes included in a total financing, in an amount sufficient to provide for the payment of the unpaid balance on the note herein authorized and the interest thereon, and will use its best efforts to sell and deliver said bonds or notes on or prior to the maturity date of the note, to wit, December 31, 1967. The Board covenants and agrees that promptly on the sale and delivery of said bonds or notes it will apply and use the proceeds thereof, earmarked for such purpose, for the payment of the balance due on said note and the interest thereon.
8. That either Harold E. Sponberg, President of Eastern Michigan University, or Lewis E. Profit, Vice President for Business and Finance of Eastern Michigan University, be, and they are hereby authorized, empowered and directed, in the name of the Board and as its corporate act and deed, to execute the necessary term loan agreement between the Board, Ann Arbor Bank, of Ann Arbor, Michigan, and Ann Arbor Trust Company, of Ann Arbor, Michigan, as Trustee, embodying the terms and conditions of this authorized borrowing as specified in the Official Statement and this Resolution, after approval of the form and content thereof by legal counsel to the Board. Either of said designated officers is further authorized, empowered and directed to execute the promissory note evidencing said borrowing and to execute and deliver such other documents as may be deemed to be necessary in connection with the term loan agreement, the promissory note and this Resolution.
9. That neither the said term loan agreement, the promissory note, or this resolution shall in any way be construed to pledge the credit of or create any liability on the part of the State of Michigan, the Board, or any member of the Board, but the borrowing authorized by the provisions of this resolution shall be secured by and payable solely and only out of the revenues and funds specified in this resolution and the Official Statement approved and made a part thereof.
10. The promissory note herein authorized after its due execution as hereinbefore provided, together with a fully executed counterpart of the term loan agreement herein authorized, and certified copy of this Resolution with minutes of its

adoption, shall be delivered to Ann Arbor Bank, of Ann Arbor, Michigan, upon receipt of the funds borrowed.

11. The Ann Arbor Trust Company, Ann Arbor, Michigan, be and hereby is appointed to act as Trustee under the term loan Agreement hereinbefore referred to, and entitled to such estates, powers, rights, authorities, benefits, privileges, immunities and exemption as may be set forth in, and are usual and standard to, term loan agreements of the type herein authorized. Said Trustee, through its duly authorized officers, is authorized to deliver the executed promissory note and term loan agreement herein authorized, together with the certified copy of this Resolution and such other documents as may be deemed necessary in connection therewith, to Ann Arbor Bank, of Ann Arbor, Michigan; and receive the funds borrowed thereby, said funds to be disbursed and invested in manner specified in the Official Statement, this Resolution, and the term loan agreement herein authorized.

---Carried. Mr. Habel abstained.

.481 M - EXERCISE OPTION ON PROPERTY - 1065 Newton Street

Mr. Lawrence moved and Mr. Husse seconded that the Treasurer be authorized to exercise the option on Lot #5, Huron Home Sites, City of Ypsilanti, Washtenaw County, Michigan, commonly known as the Sudman property at 1065 Newton Street, at the option price of \$26,000. It is further recommended that presently unallocated funds be used and reimbursements be made from a future capital project. Carried.

.482 M - RESIDENCE HALLS NAMED

Mr. Lawrence moved and Dr. O'Hara seconded that names for buildings be approved as follows: Residence Hall-Unit D, Walton Residence Hall; Residence Hall-Unit E, Smith Residence Hall.

Motion and support withdrawn.

.483 M - RESIDENCE HALL-UNIT D NAMED

Mr. Lawrence moved and Mr. Habel seconded that Residence Hall - Unit D be named Walton Residence Hall. Carried.

Decision on naming Residence Hall - Unit E was deferred.

.484 M - HEALTH, EDUCATION AND WELFARE GRANT

Mr. Lawrence moved and Mr. Habel seconded that a grant in the amount of \$9043 from the Department of Health, Education and Welfare for a Predictive Accuracy in Selective Learning project under the direction of Marlan Willis of the Psychology Department be accepted. Carried.

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

The meeting was reconvened at 2:15 p. m.

The Educational Policies Committee was unable to meet as scheduled.

Dr. Bruce K. Nelson, Vice President for Instruction, presented proposed major and minor curricula changes.

.485 M - CURRICULA CHANGES

Mr. Lawrence moved and Dr. O'Hara seconded that the following major and minor curricula changes be approved subject to approval of the Educational Policies Committee:

- Major in Geology
- Minor in Dramatic Arts for Children
- Minor in Mathematics for Elementary Teachers
- Modification in the present major and minor in Mathematics

---Carried.

.486 M - HONORARY DEGREES - JUNE COMMENCEMENT

Mr. Lawrence moved and Mr. Habel seconded that the following honorary degrees be awarded at the June commencement subject to approval of the Educational Policies Committee: Joseph J. Bertotti, Doctor of Laws; George P. McCallum, Doctor of Letters; William J. Milliken, Doctor of Laws; Jay J. Seaver, Doctor of Engineering; Harland Hatcher (speaker), Doctor of Humane Letters. Carried.

.487 M - HONORARY DEGREES - LIBRARY DEDICATION

Mr. Lawrence moved and Mr. Husse seconded that the following degrees be awarded at the Library Dedication, May 12, 1967, subject to approval of the Educational Policies Committee: Preston James, Doctor of Science, Ben Wright, Doctor of Literature. Carried.

Mr. Profit reported on the progress of Classroom #1 Building.

.488 M - WITHDRAWAL FROM I. I. A. C.

Mr. Lawrence moved and Dr. O'Hara seconded that Eastern Michigan University withdraw its application for membership to the Interstate Intercollegiate Athletic Conference due to the increased athletic financial aid contemplated by several members of the Conference at this time. Carried.

.489 M - ACCOUNTING AND FINANCE DEPARTMENT HEAD

Dr. O'Hara moved and Mr. Habel seconded that Dr. Donald Pabst be offered the position of Department Head, Department of Accounting and Finance, subject to approval of the Educational Policies Committee. Carried.

.490 M - APPOINTMENTS, RESIGNATIONS, CHANGES OF STATUS

Mr. Lawrence moved and Dr. O'Hara seconded that the appointments, resignations and changes of status be approved as presented. Carried.

The meeting was adjourned at 3:25 p. m.

Respectfully submitted

~~Carl R. Anderson, Secretary~~