

1965

Board of Regents Meeting Materials, May 16, 1965

Eastern Michigan University

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BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting May 16, 1966
Regents Room, McKenny Hall

Members present:

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

Administration present:

C. R. Anderson, Bonita Farver, Lewis Profit, Harold E. Sponberg

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

The minutes of the April 11, 1966, meeting were approved as presented.

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

. 381 M - MASTERS PROGRAMS APPROVED

Dr. Smith moved and Miss Allan seconded that the following masters programs be approved: Master of Arts degree for Teachers of Mathematics, Master of Science degree in Chemistry Education, and Master of Arts degree in Speech and Dramatic Arts. Carried.

President Sponberg reported on the visit of the North Central Association team, and the Regents reported on their dinner meeting with the visiting team.

Student representatives of Con-Con and United Nations visited the meeting and participated in a question and answer period.

The meeting was recessed for lunch at 12:45 p. m.

The meeting was reconvened at 2 p. m.

Mr. McCormick was excused and Miss Allan acted as chairman.

Mr. Cress gave a report on the financing of Units D and E, Dorm Complex #2.

1. 08. 382 M - CONSTRUCTION FINANCING

Mr. Lawrence moved and Dr. O'Hara seconded that the following resolution authorizing a construction financing in the amount of \$2, 800, 000 be approved:

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 Eastern Michigan University, its students and personnel that it construct two new residence halls presently designated as the third and fourth residence units of Dormitory Complex No. 2 (and hereinafter referred to as "Unit D" and "Unit E") to provide housing and appurtenant facilities for approximately 616 students and to complete the construction, furnishing and equipping of the existing food service center in said Dormitory Complex No. 2 (hereinafter referred to as "Unit C") so that said food service center will be adequate to provide dining facilities for two residence halls now under construction formerly designated as first and second residence units of Dormitory Complex No. 2 and now known as Sellers Hall and Phelps Hall, (and hereinafter referred to as "Unit A" and "Unit B"), as well as the third and fourth residence units of Dormitory Complex No. 2 all located in the North Campus area of the campus of Eastern Michigan University in Ypsilanti, Michigan; and

WHEREAS, in the opinion of this Board it is necessary and expedient that the University obtain the sum of approximately \$2,691,000 to provide the funds necessary to construct, furnish and equip Units D and E and the sum of approximately \$109,000 to complete the construction, furnishing and equipping of Unit C (hereinafter sometimes referred to as the "Project"); and

WHEREAS, there has been submitted for the consideration of this Board a proposed Construction Financing and Security Agreement whereby the sum of \$2,800,000 will be obtained from National Bank of Detroit for a term of approximately 18 months, with final maturity on December 31, 1967.

NOW, THEREFORE, BE IT RESOLVED that this Board proceed to construct, furnish and equip said Project; and

BE IT FURTHER RESOLVED that Eastern Michigan University acting through this Board obtain for such purposes the sum of \$2,800,000 from the National Bank of Detroit, a national banking association of Detroit, Michigan, upon the terms and conditions more fully set forth in said Construction Financing and Security Agreement (hereinafter referred to as the "Note"), both of which are approved as to content and form substantially as set forth in the forms 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 18 months at an interest rate of 3-1/2% per annum from the date of the Note until maturity which shall be December 31, 1967, and 5-1/8% per annum thereafter. The repayment thereof shall be made from and secured solely by the following:

1. Funds to be received from the issuance and sale of Eastern Michigan University Dormitory Revenue Bonds, 1966 Series, dated July 1, 1966, and due July 1, 2006, in the principal amount of \$2,600,000 which are to be issued unless this

construction financing has already been paid in full including accrued interest on or before December 31, 1967, and which Dormitory Bonds are to be purchased by the Investment Department of National Bank of Detroit in accordance with a firm commitment dated April 26, 1966, and expiring on December 31, 1967, which has been accepted by this board, the proceeds of which are to be used solely to repay any and all amounts obtained under said construction financing approved herein; and

2. Funds to be received from the issuance and sale of Eastern Michigan University Housing and Refunding Revenue Bonds, Term Bonds Series A, dated October 1, 1966, and due October 1, 1986, in the principal amount of \$350,000 which are to be issued by this board and purchased by the Investment Department of National Bank of Detroit in accordance with a firm commitment dated April 26, 1966, and expiring on December 31, 1967, which has been accepted by this board. The proceeds from the sale of said Bonds are to be used solely to pay off said construction financing approved herein.
3. Funds to be received from the issuance and sale of Eastern Michigan University Housing Revenue Bonds, 1966 Series B dated October 1, 1966, in the principal amount of \$2,450,000 and consisting of two to forty year bonds bearing interest at the rate of 3% per annum when and if issued pursuant to the terms of a Loan Agreement between Eastern Michigan University and the United States of America, Department of Housing and Urban Development presently in the process of negotiation. Said bonds will be offered at public sale pursuant to the requirements of said Loan Agreement but in the event no better bid is received they will be sold to the United States of America, Department of Housing and Urban Development at the aforementioned interest rate. At such time as said Loan Agreement is duly executed and the bonds covered by it and described herein are issued and sold the commitment of the Investment Department of National Bank of Detroit to purchase Eastern Michigan University Dormitory Revenue Bonds 1966 Series in the face amount of \$2,600,000 may at the option of the Bank be released.
4. Net income from Units D and E all as defined and more fully set forth under Project Net Income as defined in Section 2 of said Agreement.
5. Proceeds to be obtained from a Government Advance as defined in Section 2 and provided for in Section 7 of said Agreement, approved herein.
6. Proceeds of insurance on the Project all as set forth in Sections 10 and 11 of said Agreement.

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

BE IT FURTHER RESOLVED that this Board shall hereby covenant and agree to maintain said Project when completed and placed in operation, in continuous operation while Eastern Michigan University is in regular session, and that said Board will at all times charge and collect room, board and other service charges from

the occupants of Units D and E so as to produce a net income of not less than \$163,240 per annum; 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 hereinafore 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 this Resolution and said Agreement; and

BE IT FURTHER RESOLVED that Harold E. Sponberg, President of Eastern Michigan University, and 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 of Regents, Eastern Michigan University, and as its corporate act and deed to respectively execute and attest the Agreement and Note approved by and made a part of this Resolution 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 this Resolution; 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 which they may deem necessary, expedient and proper at the time of execution of said Agreement and Note, but no such amendment shall change the 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 Harold E. Sponberg, President of Eastern Michigan University, 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 the Board of Regents, Eastern Michigan University, as if performed by said Harold E. Sponberg; and

BE IT FURTHER RESOLVED that should it develop that Lewis E. Profit, Vice President for Business and Finance of Eastern Michigan University, 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 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 the said Lewis E. Profit and any action so taken by said Helen McCalla shall be as binding on the Board of Regents, Eastern Michigan University, as if performed by the said Lewis E. Profit.

---Carried.

1. 08. 383 M - DORMITORY REVENUE BONDS

Mr. Lawrence moved and Mr. Husse seconded that the following resolution accepting commitments to purchase "Bonds - Series A" and "Dormitory Revenue Bonds" and approving official statements relating to each be approved as follows:

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 interest of Eastern Michigan University, its students and personnel that it construct two new residence halls presently designated as the third and fourth residence units of Dormitory Complex No. 2 to provide housing and appurtenant facilities for approximately 616 students and to complete the construction, furnishing and equipping of the existing food service center in said Dormitory Complex No. 2, (hereinafter referred to as the "Project") so that said food service center will be adequate to provide dining facilities for two residence halls now under construction formerly designated as first and second residence units of Dormitory Complex No. 2 and now known as Sellers Hall and Phelps Hall all located in the North Campus area of the campus of Eastern Michigan University in Ypsilanti, Michigan; and

WHEREAS, this board has arranged for interim construction financing whereby the sum of \$2,800,000 can be obtained from National Bank of Detroit, a national banking association of Detroit, Michigan, to enable construction and completion of the Project referred to above which must be repaid on or before December 31, 1967, on or before which date it will be necessary to borrow from the issuance and sale of revenue bonds \$2,800,000 to provide for the permanent financing of said Project; and

WHEREAS, financial officers of Eastern Michigan University and Ann Arbor Trust Company, fiscal agent of this board, have prepared and submitted to this board two proposed official statements which set forth the terms, conditions, security and other details relating to the issuance of the following revenue bonds (the proceeds from which may be used to repay the construction financing already referred to and which bonds will then serve as permanent financing for said Project):

- (a) Eastern Michigan University Dormitory Revenue Bonds, 1966 Series, to be dated July 1, 1966, and due July 1, 2006, and to be issued in the principal amount of \$2,600,000;
- (b) Eastern Michigan University Housing and Refunding Revenue Bonds, Term Bonds, Series A to be dated October 1, 1966, and due October 1, 1986, and to be in the principal amount of \$350,000;

which said proposed official statements have been carefully considered and reviewed by this board; and

WHEREAS, Ann Arbor Trust Company as fiscal agent has obtained from the Investment Department of National Bank of Detroit two written commitments each dated April 26, 1966, for the purchase of both said issues of revenue bonds referred to in the preceding paragraph hereof when issued, which commitments have been carefully reviewed by this Board; and

WHEREAS, to provide for a certain market for said revenue bonds this board deems it necessary and expedient to at this time approve both of said official statements and to accept both of said written commitments to purchase said revenue bonds.

NOW THEREFORE BE IT RESOLVED, that the official statements submitted to this board (and hereinbefore referred to) setting forth the details of two proposed revenue bond issues including the security and covenants in relation thereto, the application of proceeds and other terms and conditions are both 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; and

BE IT FURTHER RESOLVED that this board, having fully and carefully reviewed the binding commitments by the Investment Department of National Bank of Detroit (which commitments both expire December 31, 1967) to purchase said revenue bonds already referred to above does hereby accept both said commitments and does hereby covenant not to revoke this acceptance or do any act or take any action which might cause the same to be revoked until the said construction financing in the amount of \$2,800,000 together with accrued interest thereon is repaid in full.

---Carried.

1.08.384 M - EXERCISE OPTION ON PROPERTY

Dr. O'Hara moved and Mr. Husse seconded that the Treasurer be authorized to exercise the option on the property owned by Mrs. Edna Farquharson, 959 North Huron River Drive, described as Lots 2 and 3 Huron Home Sites, City of Ypsilanti, at the option price of \$12,600; and that the Treasurer be authorized to use presently uncommitted funds for this acquisition until it can be included in a capital development project. Carried.

.385 M - SALARY AND WAGE POLICIES

Mr. Lawrence moved and Dr. O'Hara seconded that the following salary and wage policies be approved:

1. That the salary schedule for service staff be adopted as presented, effective July 1, 1966; and providing funds are available, be implemented on the basis of granting at least one increment of the new salary schedule with no regular employee being paid less than the minimum of the new schedule.
2. That effective July 1, 1966, payment be made on the basis of 1 1/2 time the regular rate for approved time worked in excess of 8 hours in any given day or 40 hours in any given week, with the understanding that the salary schedule represents a 40 hour week which may cover a 6 day work week, but in all possible cases will cover a 5 day work week.
3. That employees employed on a regular position with more than 50% of the work

time between the hours of 5 p. m. and 8 a. m. , be paid \$4. 00 per week in addition to the scheduled rate.

4. That in accordance with the State Minimum Wage Law, the 3rd step will be implemented in September, 1966, as approved by the Board of Regents in 1964, making the student wage rates \$1.25 minimum to \$1.35 maximum.
 5. That for the employment of students on skilled trades such as computer programming, building trades, draftsmen, electronic specialists, etc., the director of personnel be authorized to approve a wage rate equal to the skilled wage rate for temporary employees.
- Carried.

.386 M - YPSILANTI GREEK THEATRE

Mr. Lawrence moved and Dr. O'Hara seconded that in accordance with the agreement to allow the Ypsilanti Greek Theatre, Inc., to use the University baseball stadium and related facilities for the summer, 1966, Greek Theatre Festival, it is recommended that the contract as presented be approved and that the President or Treasurer be authorized to sign. Carried.

.387 M - STATE AUDIT APPROVED

Mr. Lawrence moved and Mr. Habel seconded that the report on the State Audit from the Treasurer, incorporating the Auditor General's recommendations and the administration's responses, be received and approved; and that the report from the State Auditor be received and filed. Carried.

.388 M - HEAD START PROJECT

Mr. Lawrence moved and Dr. Anspach seconded that the Board of Regents accept a federal grant in the amount of \$14,750 to accomplish training of Project Head Start Child Development Center staff personnel, and that the President or Treasurer be authorized to sign necessary contract documents. Carried.

.389 M - NATIONAL SCIENCE FOUNDATION GRANT

Mr. Lawrence moved and Mr. Husse seconded that the Board of Regents accept a National Science Foundation grant in the amount of \$7,000 for the purchase of instructional scientific equipment subject to matching funds being provided in the 1966-67 and 1967-68 budget. Carried.

.390 M - IDC-EMU RECOGNITION DAYS RESOLUTIONS

Mr. Husse moved and Dr. O'Hara seconded that the Board of Regents approve the following resolutions:

1. The Board of Regents of Eastern Michigan University expresses its deep appreciation to Mr. James P. Brown, Jr., editor, and Mr. G. William Hein, manager, of the Ypsilanti Press for their efforts in producing the special edition of the Ypsilanti Press of April 19, 1966, which honored Eastern Michigan University.

The recognition that this newspaper has paid to the efforts of the faculty, students and staff of Eastern Michigan University is an inspiration to us all.

It represents the highest professional excellence in reporting to the community. Unprecedented in quality and in scope, this special edition was undertaken in the finest spirit of unselfish public service, pursued with energy and imagination, and produced with outstanding journalistic competence. It will be an historic document and a permanent reference point by which we can judge the quality of our continuing effort.

2. The Board of Regents of Eastern Michigan University expresses its profound appreciation for the unprecedented tribute paid to the University on April 21 and April 22, 1966, by the Ypsilanti Area Industrial Development Corporation, Thor F. Marsh, President; the Ypsilanti Area Chamber of Commerce, Dr. Bradley M. Harris, President, and Mr. Donald O. Ruffer, Manager; and the Ypsilanti Jaycees, Thomas Russell, President.

Under the capable leadership of Mr. DJ Mitchell, general chairman, IDC-EMU Recognition Days, this tribute strengthened the traditional bond between the University and the community. It will forever be proud part of our history, a high standard in the community-University relations, and a challenge to us to respond to the confidence expressed by the community.

---Carried.

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

Dr. Smith moved and Miss Allan 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 held on June 20, 1966.

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

Respectfully submitted,

~~U. K. Anderson~~, Secretary