

1965

Board of Regents Meeting Materials, May 3, 1965

Eastern Michigan University

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BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting May 3, 1965
Conference Room - Wise 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:

Eugene B. Elliott, Bonita Farver, Lewis Profit

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

Approval of the minutes of the April 5, 1965, meeting was adjourned until the June meeting.

The Treasurer's Report was read. Dr. O'Hara moved and Dr. Smith seconded that the report be accepted as read. Carried.

Mr. Lawrence gave a report on the legislative hearing for Eastern Michigan University held in Lansing on April 26.

Mr. Cress gave a report on the financing plan for Dormitory #2, Cornell Courts Apartments and Dormitory #4.

1.08.227 M - FINANCE PLAN FOR DORMITORY #2, CORNELL COURTS
APARTMENTS AND DORMITORY #4

Mr. Lawrence moved and Dr. O'Hara seconded that the resolution relative to the issuance and sale of Eastern Michigan University residence halls and apartments Revenue Bonds, Series of 1965, in the aggregate principal amount of \$3,550,000, be approved as follows:

WHEREAS, the Board of Regents of Eastern Michigan University, a body corporate, created by and existing under the Constitution of the State of Michigan (being the Constitutionally created Board of Control for Eastern Michigan University) 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, its students and personnel to:

- a. Construct, furnish and equip two new residence halls to provide housing, dining and appurtenant facilities for approximately 616 students attending

Eastern Michigan University to be known and designated as Sellers Residence Hall and Phelps Residence Hall, respectively, together with a Central Dining Commons to provide food service for the students residing in said Residence Halls, which facilities are estimated to cost \$3,109,410.

- b. Construct, furnish and equip three apartment buildings to provide housing and appurtenant facilities for approximately 45 student families members of which are attending Eastern Michigan University to be known and designated as Buildings G, H and K of Cornell Court Apartments, which facilities are estimated to cost \$570,000; and

WHEREAS, to provide funds to pay part of the cost of constructing, furnishing and equipping the two new residence halls designated as Sellers Residence Hall and Phelps Residence Hall, the Central Dining Commons serving same and the three new apartment buildings designated as Buildings G, H and K of Cornell Court Apartments, the Board deems it necessary and expedient to borrow, through the issuance and sale of Residence Halls and Apartments Revenue Bonds, Series of 1965, the sum of Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000.00), the sum so borrowed to be used and allocated as follows:

- a. The sum of Three Million Three Hundred Fifty Thousand Dollars (\$3,550,000.00) to be used to pay part of the costs of constructing, furnishing and equipping the two new residence halls, Central Dining Commons and three apartment buildings above referred to, the balance of the costs to be provided by funds raised by the Board through other borrowings; and
- b. The sum of Two Hundred Thousand Dollars (\$200,000.00) to be set aside and held as a Debt Service Reserve for the payment of principal of and interest on the bonds of this authorized issue in accordance with the requirements referred to in the Official Statement hereinafter referred to and included as a part of this resolution, and in the Trust Agreement securing said bonds; and

WHEREAS, the financial officers of Eastern Michigan University, and the Ann Arbor Trust Company of Ann Arbor, Michigan, Fiscal Agent of the Board, have prepared and submitted to the Board a complete and detailed proposed Official Statement which sets forth in detail the terms, conditions, security and covenants deemed necessary in connection with said loan, including the maturities, redemption provisions, security and other details relating to the issue of the Residence Halls and Apartments Revenue Bonds, Series of 1965, which said proposed Official Statement has been carefully considered and reviewed by the Board; and

WHEREAS, the Ann Arbor Trust Company, as Fiscal Agent, has obtained a written commitment for the purchase of said bonds, when issued, from First of Michigan Corporation, Detroit, Michigan, and associates; and

WHEREAS, the Board has full power under its constitutional authority and

supervision of the University, and the control of expenditures from the University funds and is further authorized under the provisions of Act No. 48 of the Public Acts of Michigan, Second Extra Session of 1963, as amended, to issue said bonds for the purposes hereinbefore referred to, and to pledge the Net Income and revenues specified in said Official Statement;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF REGENTS,
EASTERN MICHIGAN UNIVERSITY, AS FOLLOWS:

1. That this Board does hereby determine it to be necessary and for the best interests of Eastern Michigan University, its students and personnel, to construct, furnish and equip the two new residence halls, the central dining commons and the three new apartment buildings, all as referred to in the preamble to this resolution.
2. That the Board borrow the sum of Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000.00) and issue its Residence Halls and Apartments Revenue Bonds, Series of 1965, in evidence thereof, the proceeds of the sale of said bonds to be used and applied for the purposes specified in the preamble hereto, which purposes are described with more particularity and detail in the Official Statement approved by this Resolution and made a part hereof. Said bonds shall be issued, shall mature, shall be subject to redemption, shall bear interest, and shall be secured as provided in the Official Statement approved and made a part of this resolution.
3. That the Official Statement submitted, and hereinbefore referred to, setting forth in detail the purposes of the bond issue, the maturities, redemption provisions, interest rates, security and covenants in relation thereto, application of proceeds, and other terms and conditions in relation thereto is hereby adopted and 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.
4. That legal counsel for the Board is hereby authorized and directed to prepare the necessary Trust Agreement as soon as possible, together with all documents necessary for the issuance and delivery of the Residence Halls and Apartments Revenue Bonds, Series of 1965, in accordance with the terms and conditions specified with particularity in said Official Statement. Such documents shall be executed for and in behalf of this Board by any two of the following officers of Eastern Michigan University and this Board, to wit, Edward J. McCormick, Chairman of this Board, Eugene B. Elliott, President of Eastern Michigan University, or Lewis E. Profit, Vice President of Eastern Michigan University.
5. That Edward J. McCormick, Chairman of this Board, or Eugene B. Elliott, President of Eastern Michigan University, is hereby authorized and directed for and in the name of the Board to execute said Residence Halls and Apartments Revenue Bonds, Series of 1965, after approval thereof by legal counsel to the Board. The coupons appertaining to said bonds shall be authenticated by the facsimile signature of Lewis E. Profit, Vice President for Business and Finance of Eastern Michigan University.

6. That Edward J. McCormick, Chairman of this Board, Eugene B. Elliott, President of Eastern Michigan University, or Lewis E. Profit, Vice President of Eastern Michigan University, or any one of them, is hereby authorized, empowered and directed, for and in the name of this Board, to deliver said Revenue Bonds to the contracted purchasers therefor, to accept payment from said purchasers, and to turn over the proceeds therefrom to Ann Arbor Trust Company of Ann Arbor, Michigan, as Trustee under the Trust Agreement to be dated May 15, 1965, to be disbursed by said Trustee for the purposes authorized.
7. That said bonds shall in no way pledge the credit of or create any liability on the part of the State of Michigan, the Board of Regents or any member of the Board, but shall be payable out of and secured solely by the pledge of the Net Income as defined and specified in the Official Statement.
8. That the commitments for the purchase of said Residence Halls and Apartments Revenue Bonds, Series of 1965, as submitted to this Board by Ann Arbor Trust Company, as Fiscal Agent of the Board, are hereby accepted.
---Carried. Mr. Habel withheld vote because of interest in the Ann Arbor Trust Company.

1. 08. 228 M - REVENUE BONDS FOR RESIDENCE HALLS AND APARTMENTS
Mr. Lawrence moved and Mr. Husse seconded that the resolution relative to \$350,000 Revenue Bonds, Series F, be approved as follows:

WHEREAS, the Board of Regents, Eastern Michigan University (being the constitutional and statutory board of control of Eastern Michigan University, Ypsilanti, Michigan) in the exercise of its constitutional and statutory duties, has determined that it is necessary and expedient to construct, furnish and equip two new residence halls and a central dining commons on the campus of Eastern Michigan University at Ypsilanti, Michigan, which when completed will provide housing, dining appurtenant facilities for approximately 616 students attending Eastern Michigan University and three new apartment buildings to be known and designated as Buildings G, H and K, Cornell Court Apartments, which when completed will provide housing and appurtenant facilities for 45 student families attending Eastern Michigan University; and

WHEREAS, the estimated cost of development of said projects is \$3,679,410; and

WHEREAS, this Board has constitutional authority and is further authorized to borrow money for such purposes by Act No. 48 of the Public Acts of Michigan for the second extra session of 1963, as amended; and

WHEREAS, this Board deems it necessary and expedient to borrow the sum of \$350,000 to be used, together with funds from other sources, for the purposes of paying the cost of development of the above described projects; and

WHEREAS, National Bank of Detroit, a National Banking Association, has offered to purchase, when issued, Eastern Michigan University Revenue Bonds, Series F, due August 15, 1978, in the principal amount of \$350,000.

NOW THEREFORE BE IT RESOLVED that this Board accept the commitment of National Bank of Detroit to purchase Eastern Michigan University Revenue Bonds, Term Bonds, Series F, due August 15, 1978, in the principal amount of \$350,000, under the terms set forth below, and that this Board shall issue such Bonds in said principal amount of \$350,000 and sell the same to National Bank of Detroit at face value and accrued interest to date of delivery.

BE IT FURTHER RESOLVED that the proceeds from the sale of such Bonds shall be used together with other funds to be made available, to pay all costs of constructing, furnishing and equipping two new residence halls and a central dining commons, to be known as Sellers and Phelps Residence Halls and three new apartment buildings to be known as Buildings G, H and K, Cornell Court Apartments, all on the campus of Eastern Michigan University, including payment of the construction loan in the amount of \$350,000 borrowed for these purposes.

BE IT FURTHER RESOLVED that if and when said Term Bonds, Series F, in the principal amount of \$350,000 are issued and sold to National Bank of Detroit, the following conditions, among others, shall apply to said issuance and sale:

1. The Bonds shall be issued as Term Bonds, Series F, of State Board of Education, Eastern Michigan University Revenue Bonds, dated August 15, 1956, and shall be due August 15, 1978.
2. The Bonds shall be secured by a pledge of and first lien on the Net Income from the various facilities now pledged to said Bond Issue dated August 15, 1956.
3. The Bonds shall bear interest at an annual rate of 3.75%.
4. Purchase of the Bonds by National Bank of Detroit to be subject to approval of counsel of said Bank of the appropriate Amendatory indenture covering the Bond Issue dated August 15, 1956, and to the final approving opinion of Messrs. Miller, Canfield, Paddock and Stone, Attorneys of Detroit, Michigan.

BE IT FURTHER RESOLVED that in the event this Board shall refinance the outstanding bonds of the Eastern Michigan University Revenue Bonds dated August 15, 1956, above referred to in stead and in place of issuing the Term Bonds, Series F, provided for herein, the Investment Department of National Bank of Detroit shall be released from its obligation to buy and this Board shall be released from its obligation to sell Term Bonds, Series F, in the principal amount of \$350,000 as provided for herein, provided that in the above mentioned refinancing provision shall be made to provide the \$350,000 approved herein for the purposes of paying part of the costs of the above mentioned two new residence halls, central dining commons and three student apartment buildings.

---Carried. Mr. Habel withheld vote because of interest in the Ann Arbor Trust Company.

1. 08. 229 M - TERM BANK LOAN FOR RESIDENCE HALLS AND APARTMENTS
Mr. Lawrence moved and Miss Allan seconded that the Resolution relative to \$350,000 Term Bank Loan to be made by National Bank of Detroit be approved as follows:

WHEREAS, the Board of Regents, Eastern Michigan University (being the constitutional and statutory Board of Control of Eastern Michigan University, Ypsilanti, Michigan) in the course of its constitutional and statutory duties, has determined that it is necessary and expedient to construct, furnish and equip two new residence halls and a central dining commons to be known and designated as Sellers and Phelps Residence Halls which when completed will provide housing, dining and appurtenant facilities for approximately 616 students attending Eastern Michigan University, and to construct, furnish and equip three new apartment buildings to be known and designated as Buildings G, H and K, Cornell Court Apartments to provide housing and appurtenant facilities for 45 student families attending Eastern Michigan University; and

WHEREAS, the estimated cost of development of said projects is \$3,679,410; and

WHEREAS, the Board has full power under its constitutional authority and is further authorized under the provisions of Act No. 48 of the Public Acts of Michigan, Second Extra Session of 1963, as amended, to borrow funds for such purposes, and the Legislature of the State of Michigan has specifically approved letting of contracts for the above described projects in House Concurrent Resolution No. 58 (1964 Session) adopted by the House of Representatives and by the Senate May 1, 1964, and May 2, 1964, respectively; and

WHEREAS, this Board deems it necessary and expedient to borrow the sum of \$350,000 to be used together with funds from other sources for the purpose of paying the cost of development of the described projects; and

WHEREAS, National Bank of Detroit, a national banking association of Detroit, Michigan, has agreed to loan this Board the sum of \$350,000 which loan is to be evidenced by the Promissory Note of this Board; which principal indebtedness from time to time owing on said Note shall bear interest at the rate of three per cent (3%) per annum; which principal indebtedness and accrued interest shall be paid in full on or before December 31, 1965; and which loan shall be subject to certain other terms and conditions set forth in the proposed form of promissory note this day submitted to this Board and made a part of this resolution by reference; and

WHEREAS, the Investment Department of National Bank of Detroit has agreed to purchase \$350,000 Revenue Bonds, Series F, due August 15, 1978, to be issued in addition to Eastern Michigan University Revenue Bonds, dated August 15, 1956.

NOW THEREFORE BE IT RESOLVED that this Board borrow from National Bank of Detroit the sum of \$350,000 to provide funds to be used together with funds from other sources to pay costs of constructing, furnishing and equipping

two new residence halls and a central dining commons to be known as Sellers and Phelps Residence Halls, and three new apartment buildings to be known as Buildings G, H and K Cornell Court Apartments.

BE IT FURTHER RESOLVED that this Board shall issue its promissory note evidencing said borrowing and that the principal indebtedness owing under the terms of the note and the interest which shall accrue and become payable thereon shall be payable solely from the following sources, to wit:

- A. From funds to be received from issuance and sale of Eastern Michigan University Term Bonds, Series F, to be due August 15, 1978, as provided in a Resolution of this Board passed this same date, namely May 3, 1965.
- B. From funds to be received from the issuance and sale of other revenue bonds which this Board agrees to issue in the event that said Term Bonds, Series F, shall not be issued as presently contemplated.

BE IT FURTHER RESOLVED that the Chairman of this Board, or the Treasurer of this Board, or the President of Eastern Michigan University is hereby authorized and empowered to sign the note evidencing said loan from National Bank of Detroit, and to execute any and all instruments and perform all acts and deeds necessary and proper to secure said loan from National Bank of Detroit, to pledge the proceeds of the revenue bonds described above to secure the repayment of the loan, and to perform such other acts and deeds relating to the bank loan as they shall deem necessary and/or expedient.

BE IT FURTHER RESOLVED that the proceeds of this loan shall be paid over to Ann Arbor Trust Company as Trustee under a certain trust agreement dated as of May 15, 1965, between this Board and said Ann Arbor Trust Company providing for the issuance of Eastern Michigan University Residence Halls and Apartments Revenue Bonds, Series of 1965, and the constructing, furnishing and equipping of the projects herein approved. Said funds shall be used by said Trustee for the authorized purposes. Any balance of funds remaining after completion of the designated facilities shall be used to reduce the principal balance owing on this loan.

---Carried. Mr. Habel withheld vote because of interest in the Ann Arbor Trust Company.

Mr. Cress gave a report on legislation for construction of self-liquidating projects and the Attorney General's opinion.

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

The meeting was reconvened at 2:00 p. m.

Mr. Profit gave a report on payroll procedure.

. 230 M - PAYROLL PROCEDURE STUDY

Mr. Husse moved and Miss Allan seconded that the study on payroll procedure

be continued for another month in order to find exact costs of changes, and that the Michigan State Employees Union Local 1666 be notified as to the Board's action. Carried.

.231 M - BOARD AND ROOM RATES INCREASED

Dr. O'Hara moved and Mr. Lawrence seconded that effective with the fall semester 1965 the board and room rates be increased by \$20.00 per school year (\$10.00 per semester) with a pro-rata increase for summer sessions, and that the Residence Hall Social Fee be increased by \$1.00 per semester. Carried.

.232 M - CAPITAL EXPENDITURES

Mr. Husse moved and Mr. Lawrence seconded that the previous action of the Board that capital expenditures be handled by the Board of Regents should remain the same. Carried.

1.08.233 M - LIBRARY CONTRACT AWARDED

Mr. Lawrence moved and Mr. Habel seconded that a contract be awarded to the F. H. Martin Construction Company for the construction of the library building for the low bid of \$2,157,000.00, and that the President of Eastern Michigan University and the Treasurer of the Board of Regents be authorized to sign contract documents. Carried.

1.08.234 M - HOUSING OFFICE CONTRACT AWARDED

Mr. Lawrence moved and Mr. Habel seconded that a contract be awarded to Perry Construction Company for the construction of the new housing offices for the low bid of \$51,821.00, and that the President of Eastern Michigan University and the Treasurer of the Board of Regents be authorized to sign contract documents. Carried.

Miss Allan gave a report for the Educational Policies Committee.

Mr. Profit reported that the traffic ordinances had been referred to the University attorney, but that we had not received an answer at this time. The matter will be discussed at the next meeting.

.235 M - LOST TIME ON FEBRUARY 25 - 26

Mr. Habel moved and Dr. Smith seconded that the following report be accepted:

Facts Regarding Lost Time on February 25 and 26, 1965, Due to The "Big Snow"

1. There are approximately 512 non-student, non-teaching employees on the University payroll.
2. It is estimated that about one-half of the non-teaching personnel missed work.
3. Of those who missed work, 51 people either chose to use vacation days or were unable to use compensatory time to account for the lost time.
4. Of this group of 51, 7 were A classification employees and 44 service staff

employees (21 Food Service, 18 Clerical, 5 Maintenance).

5. No one was required to lose pay.

---Carried.

It was decided that Mr. McCormick and President Elliott should attend the Governor's Finance Meeting on May 13.

Mr. Jickling gave a report of the campus plan developments to date.

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

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

Carried.

The meeting was adjourned at 4:40 p. m.

Respectfully submitted,

Secretary, Board of Regents