

1964

# Board of Regents Meeting Materials, October 5, 1964

Eastern Michigan University

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BOARD OF REGENTS  
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting October 5, 1964  
Formal Lounge, McKenny Hall

Members present:

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

Members absent:

O. William Habel (excused)

Administration present:

Eugene B. Elliott, Bonita Farver, Lewis Profit

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

The minutes of the September 14, 1964, meeting were approved subject to two additions.

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

The Treasurer gave a report on auditing firms.

. 137 M - ERNST & ERNST APPOINTED AUDITORS

Mr. Lawrence moved and Mr. Husse seconded that the firm of Ernst & Ernst be appointed as auditors for Eastern Michigan University for the fiscal year of July 1, 1964, through June 30, 1965, and that the policy of the Board is to evaluate and reappoint the auditors on an annual basis. Carried.

Mr. Profit gave a report on the development of the University's Plant Department.

Mr. Profit gave a report on the problems encountered in the parking and traffic regulations. It was decided that the matter of parking be adjourned until the November meeting at which time Mr. Profit is to give a further report.

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

The meeting was reconvened at 2:35 p.m.

1. 08. 138 M - FINANCE PLAN FOR MCKENNY HALL PRESENTED (See 1. 08. 127M)

Mr. Lawrence moved and Dr. O'Hara seconded that the following resolution of the Board of Regents, Eastern Michigan University, authorizing a term bank loan in the principal amount of \$2,000,000.00 for remodeling and constructing an addition to McKenny Hall be accepted.

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 remodel McKenny Hall, on the campus of Eastern Michigan University, at Ypsilanti, Michigan, and to construct, furnish and equip an addition to said McKenny Hall; and

WHEREAS, it is anticipated that the costs of development of this project, including costs of construction, costs of necessary architectural and engineering services, costs of providing furnishings and equipment, legal, administrative and clerical costs and other necessary costs incidental thereto, will approximate Two Million Dollars (\$2,000,000.00); and

WHEREAS, House Concurrent Resolution No. 29 (1963 Session) adopted by the House of Representatives and by the Senate of the Michigan State Legislature on April 26, 1963, and April 27, 1963, respectively, approved, in accordance with Section 10 of Act No. 232 of the Public Acts of Michigan of 1962, the letting of the necessary contracts for this project; and

WHEREAS, this Board deems it necessary and expedient to borrow the sum of Two Million Dollars (\$2,000,000.00) for the purpose of paying the costs incidental to the development of the above described project; and

WHEREAS, National Bank of Detroit, a national banking association of Detroit, Michigan, has agreed to loan this Board the sum of Two Million Dollars (\$2,000,000.00) 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 Two and seven-eighths per cent (2-7/8%) 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 Promissory Note and in the Term Loan Agreement to be entered into by and between this Board, National Bank of Detroit and Ann Arbor Trust Company, as Trustee.

NOW THEREFORE, BE IT RESOLVED that this Board accept the offer of National Bank of Detroit to loan the Board the sum of Two Million Dollars (\$2,000,000.00) and borrow said sum of Two Million Dollars (\$2,000,000.00) from said National Bank of Detroit to provide funds to be used to pay costs of remodeling McKenny Hall and to pay costs of constructing, furnishing and equipping an addition to said McKenny Hall, on the campus of Eastern Michigan University at Ypsilanti, Michigan, said sum to be borrowed under the terms and conditions more specifically set forth in the Term Loan Agreement by and between this Board, National Bank of Detroit and Ann Arbor Trust Company, as Trustee, and in the Promissory Note of this Board evidencing said loan.

BE IT FURTHER RESOLVED that the Finance Committee of this Board is hereby authorized and empowered to approve the final form of the Term Loan Agreement and Promissory Note as approved by Ann Arbor Trust Company, Fiscal Agent of this Board.

BE IT FURTHER RESOLVED that after approval of the documents by the Finance Committee of this Board any two of the following persons, to-wit: the Chairman of this Board, the Treasurer of this Board and the President of Eastern Michigan University, be and they are hereby authorized, empowered and directed in the name of and under the seal of this Board, to execute and enter into the Term Loan Agreement between this Board, National Bank of Detroit and Ann Arbor Trust Company, as Trustee, governing the terms and conditions of this loan by National Bank of Detroit to this Board in the principal amount of \$2,000,000.00 and the expending of the funds received therefrom.

BE IT FURTHER RESOLVED that any two of the above named officers be and they are hereby authorized, empowered and directed, in the name of and under the seal of this Board and as its corporate act and deed, to execute, sign and counter-sign the Note herein authorized; and said officers are hereby authorized to pledge and assign the Bond Proceeds, the Pledged Fees and the proceeds from the sale of alternate bonds, all as defined in said Term Loan Agreement, for the purpose of securing and paying all payments of interest and principal provided for in said Term Loan Agreement, and to perform all acts and deeds and execute all instruments and documents necessary, expedient and proper in connection with the borrowing of \$2,000,000.00 from National Bank of Detroit and the pledging and assigning of the security described.

BE IT FURTHER RESOLVED that said officers, either in said Term Loan Agreement or by the issuance of said Promissory Note, shall not pledge the credit of or create any liability on the part of the State of Michigan, the Board of Regents, Eastern Michigan University, or any member or officer of this Board or any of their successors, other than to pledge the Bond Proceeds, the Pledged Fees or the proceeds from the sale of alternate bonds, as herein contemplated.

---Carried.

#### 1.08.139 M - SALE OF MCKENNY HALL REVENUE BONDS

Mr. Lawrence moved and Dr. O'Hara seconded that the following resolution of the Board of Regents, Eastern Michigan University, authorizing issuance and sale of \$2,100,000.00 McKenny Hall Revenue bond 1965 series be accepted.

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 remodel McKenny Hall on the campus of Eastern Michigan University at Ypsilanti, Michigan, and to construct, furnish and equip an addition to said McKenny Hall; and

WHEREAS, it is anticipated the costs of development of this project, including costs of construction, costs of necessary architectural and engineering services, costs of providing furnishings and equipment, legal, administrative and clerical costs and other necessary costs incidental thereto, will approximate Two Million Dollars (\$2,000,000.00); and

WHEREAS, House Concurrent Resolution No. 29 (1963 Session) adopted by the House of Representatives and by the Senate of the Michigan State Legislature on

April 26, 1963, and April 27, 1963, respectively, approved in accordance with Section 10 of Act No. 232 of the Public Acts of Michigan of 1962, the letting of the necessary contracts for this project; and

WHEREAS, this Board deems it necessary and expedient to borrow the sum of Two Million One Hundred Thousand Dollars (\$2,100,000.00) for the purpose of paying the costs incidental to the development of the above described project and to establish a Debt Service Reserve in the amount of One Hundred Thousand Dollars (\$100,000.00) through issuance and sale of Revenue Bonds in that principal amount; and

WHEREAS, the Investment Department of National Bank of Detroit, a national banking association, has offered to purchase when issued Eastern Michigan University McKenny Hall Revenue Bonds, 1965 Series in the principal amount of Two Million One Hundred Thousand Dollars (\$2,100,000.00) under terms more specifically described below.

NOW THEREFORE, BE IT RESOLVED that this Board accept the offer of the Investment Department of National Bank of Detroit to purchase \$2,100,000.00 Eastern Michigan University, McKenny Hall Revenue Bonds under terms set forth below and in the Official Statement of this Board and that this Board shall issue such Bonds in said principal amount and shall sell the same to the Investment Department of 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 to pay the costs incidental to remodeling McKenny Hall and constructing, furnishing and equipping an addition thereto, including payment of the outstanding principal balance and accrued interest on a Term Bank Loan from National Bank of Detroit provided for under a resolution of this Board adopted this same day, namely October 5, 1964, and arranged for the purpose of paying the costs mentioned above until such time as the Bonds shall be issued; said Term Bank Loan to be payable in full on or before December 31, 1965.

BE IT FURTHER RESOLVED that when said Eastern Michigan University McKenny Hall Revenue Bonds, 1963 Series 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 dated as of such date as shall be agreeable to the purchaser and this Board.
2. The Bonds shall be due and payable fifteen (15) years from the date of issue.
3. The Bonds shall bear interest at the rate of three and one-half per cent (3-1/2%) per annum.
4. The Bonds shall be secured solely by a pledge of and first lien on specific amounts of fees to be charged all students attending Eastern Michigan University, to be charged, collected, segregated and allocated for this purpose in accordance with the attached schedule which is hereby made a part hereof.

5. The purchase of said Bonds by National Bank of Detroit shall be subject to the approval of counsel of said Bank and to the final approving opinion of Messrs. Miller, Canfield, Paddock and Stone, Attorneys, of Detroit, Michigan.

---Carried.

#### 1.08.140 M - EXECUTION OF LOAN AGREEMENT

Mr. Lawrence moved and Mr. Husse seconded that the following resolution approving and providing for the execution of a loan agreement, and numbered Contract No. H(402)-2014, by and between the Board of Regents, Eastern Michigan University and the United States of America.

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

SECTION 1. The pending Loan Agreement and numbered Contract No. H(402)-2014, and relating to the erection on the campus of Eastern Michigan University, an educational institution of higher learning located in Ypsilanti, Michigan, of a new five-story dormitory to provide housing and appurtenant facilities for approximately 302 women students and a resident director, by and between the Board of Regents, Eastern Michigan University and the United States of America, is hereby in all respects approved.

SECTION 2. The President of Eastern Michigan University is hereby authorized and directed to execute the said Loan Agreement in two counterparts on behalf of the Board of Regents and the Treasurer of the Board of Regents is hereby authorized and directed to impress and attest the official seal of Eastern Michigan University on each such counterpart and to forward two such counterparts to the Housing and Home Finance Agency, together with such other documents relative to the approval and execution of such counterparts and to this Resolution as may be required by the Government.

---Carried.

Dr. Anspach reported for the Presidential Candidate Committee that eleven men had been invited to the campus as visitors, not candidates, to meet with the committees for the selection of a president.

Miss Allan reported for the Educational Policies Committee that the Aims and Objectives had been approved by the Faculty Council with minor changes, and that the committee would have the Aims and Objectives in final form and ready for the Presidential Candidate Committee to use.

President Elliott read a copy of a letter that will be sent to Dr. Norman Burns, Secretary, North Central Association, in response to Dr. Burns' letter of August 11.

Letters from the Michigan State Employees Union were read and discussed. The Board suggested that President Elliott meet with the officers of Local 1666 and discuss any problems they might have.

. 141 M - REFUND POLICY

Dr. O'Hara moved and Dr. Smith seconded that for other than deposits, refunds will be made only when the amount exceeds the charge by \$1.01 or more, unless a request for refund is received from the remitter, and that announcements be made in the Eastern Echo and the general catalogue. Carried.

A statement concerning a student faculty international exchange program in teacher education was given to the Educational Policies Committee for study. A report is to be given at the November meeting.

. 142 M - SUMMER SESSION 1965

Miss Allan moved and Mr. Husse seconded that the summer session for 1965 begin with registration on June 23, 1965, and that we conduct an eight-week session and a six-week session to begin on the same date and run concurrently. Short courses will be offered as need dictates. Carried.

It was decided that President Elliott should work with the Educational Policies Committee on selection of speaker for the mid-year commencement in January, and that the Educational Policies Committee work with the Faculty Council on selection of speaker for commencement in June.

. 143 M - APPOINTMENTS, RESIGNATIONS, AND CHANGES OF STATUS

Miss Allan moved and Dr. O'Hara seconded that the appointments, resignations and changes of status be accepted as presented. Carried.

Dr. O'Hara moved and Dr. Smith seconded that the meeting be adjourned at 4:45 p. m.

Respectfully submitted,

Eonita Farver, Secretary