

1971

Board of Regents Meeting Materials, April 21, 1971

Eastern Michigan University

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Index for the April 21, 1971, Meeting of the Board of Regents

	Page
. 984 M - Application Fee Amended	2
. 990 M - Appointments, Resignations, Changes of Status and Leaves of Absence	6
. 978 M - Charge-Offs and Recoveries	1
. 979 M - Ernst & Ernst Re-appointed	1
. 986 M - Gifts	6
. 980 M - Gifts and Grants	1
. 987 M - Health, Education and Welfare Grant	6
. 988 M - Honorary Degrees	6
. 983 M - Michigan Council for the Arts Contract	2
. 981 M - Property Acquisition - 425 Perrin Street	2
. 985 M - Resolution Amending Trust #5811	2-5
. 989 M - Sabbatical Leaves of Absence	6
. 991 M - Student Body Officers Thanked	7
. 982 M - Summer Orientation Fee	2

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

Official Minutes of the Meeting April 21, 1971
Regents' Room, McKenny Hall

Members present:

Veda S. Anderson, Charles L. Anspach, Lawrence R. Husse,
Edward J. McCormick, Richard N. Robb

Members absent:

Virginia R. Allan, Mildred Beatty Smith, George E. Stripp (all excused)

Administration present:

President Harold E. Sponberg, Lewis E. Profit, Gary D. Hawks,
James B. Campbell, Curtis K. Stadtfeld, Bruce K. Nelson

The meeting was called to order at 11:20 a.m.

The minutes of the March 17, 1971, meeting of the Board of Regents were approved as presented.

The Treasurer's Report was read. Mr. Husse moved and Dr. Robb seconded that the report be accepted and placed on file. Carried.

Mr. Husse moved and Dr. Robb seconded that the Internal Audit Report, dated April 1, 1971, be received and placed on file. Carried.

. 978 M - CHARGE-OFFS AND RECOVERIES

Mr. Husse moved and Dr. Robb seconded that the list of charge-offs and recoveries be approved as presented. Carried.

. 979 M - ERNST & ERNST REAPPOINTED

Mr. Husse moved and Dr. Robb seconded that the Board of Regents reappoint Ernst & Ernst as its auditors for the fiscal year ending June 30, 1971. Carried.

. 980 M - GIFTS AND GRANTS

Mr. Husse moved and Dr. Robb seconded that the list of gifts and grants be officially accepted as presented. Carried.

.981 M - PROPERTY ACQUISITION - 425 Perrin Street

Mr. Husse moved and Dr. Robb seconded that the Board of Regents acquire the David Tiedeman property at 425 Perrin Street, described as North $\frac{1}{2}$ of Lot #14 of Normal School addition, City of Ypsilanti, Washtenaw County, Michigan, for the amount of \$22,000, and that the Treasurer be authorized to act for the Board. Carried.

.982 M - SUMMER ORIENTATION FEE

Mr. Husse moved and Dr. Robb seconded that the summer orientation fee for new students be established at \$15.00 for the 1971 summer program. Carried.

.983 M - MICHIGAN COUNCIL FOR THE ARTS CONTRACT

Mr. Husse moved and Dr. Robb seconded that the Board approve the contract negotiated with the Michigan Council for the Arts in the amount of \$7,500, and that the Director of Field Services be authorized to sign the contract. Carried.

.984 M - APPLICATION FEE AMENDED

Mr. Husse moved and Dr. Robb seconded that the minutes of the Board of Regents meeting of April 24, 1968, regarding application fees be amended as follows:

Present: "... \$10.00 application fee be charged to the undergraduate program, excluding extension and off-campus programs, effective beginning with students applying with the fall semester 1969..."

Proposed change: Remove the words, "... excluding extension and off-campus programs."

Proposed revised wording: "... a \$10.00 application fee be charged applicants to the undergraduate program."

It is further recommended that the proposed amendment be effective immediately for applications received beginning May 1, 1971. Carried

.985 M - RESOLUTION AMENDING TRUST #5811

Mr. Husse moved and Dr. Robb seconded that the attached resolution amending Trust #5811, \$3,200,000 capital improvement bonds, Series I, dated August 15, 1965, providing for the remodeling of McKenny Hall and addition, the addition to Quirk Theater, and land acquisition be approved.

WHEREAS, The Board of Regents, Eastern Michigan University (being the constitutional and statutory Board of Control of Eastern Michigan University), and the Ann Arbor Trust Company of Ann Arbor, Michigan, (hereinafter referred to as the "Trustee"), made and entered into a certain Trust Indenture dated as of August 15, 1965, pursuant to which said Board of Regents (hereinafter sometimes referred to as the "Obligor") issued and sold Eastern Michigan

University Capital Improvement Bonds, Series I, of the face value of Three Million Two Hundred Thousand (\$3,200,000) Dollars, which bonds are more specifically described in said Trust Indenture, and the funds realized from the sale thereof have been used for the purposes specifically authorized in said Indenture; and

WHEREAS, Section 10.01 of Article X of said Indenture dated as of August 15, 1965, provides as follows:

"Section 10.01. TRUST AGREEMENT MAY BE AMENDED. Any provision of this instrument may be amended at any time by written agreement of the parties hereto, but no such amendment made after the issuance of bonds herein mentioned shall become effective until approved in writing by the holders of sixty-five per cent (65%) of the bonds issued hereunder then outstanding, other than those in the possession of the Obligor or under its control: Provided, However, that the provisions contained in this Trust Agreement or the bonds issued hereunder relative to the interest rates to be paid, maturity schedules or dates, security, provisions relative to the order of bond retirement or redemption premiums may be altered and amended only with the approval of the holders of all outstanding bonds issued hereunder."

WHEREAS, the Board deems it necessary and advisable to change, alter and amend the provisions of said Indenture in the manner set forth in Exhibit A attached hereto in order to enable the Obligor to allocate the University Fees pledged to the bonds issued hereunder more readily from the appropriate fiscal years of the University, which Exhibit A this Board has carefully examined; and

WHEREAS, the holder of all of the outstanding bonds issued hereunder, to-wit, National Bank of Detroit, has agreed to the making of the said amendments;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS, EASTERN MICHIGAN UNIVERSITY that the Supplement to Trust Indenture dated as of August 15, 1965, (hereinafter referred to as the "Supplement") as set forth in Exhibit A is hereby approved and ordered filed with the minutes of this meeting;

BE IT FURTHER RESOLVED, that any two of the following officers, namely, Harold E. Sponberg, President of Eastern Michigan University, Lewis E. Profit, Vice President for Business and Finance of Eastern Michigan University, and Gary Hawks, Secretary of this Board, 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 execute and attest the Supplement 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 therewith; and

BE IT FURTHER RESOLVED that said officers (or such person or persons as may by them be designated to do so) are instructed to contact National Bank of Detroit in order to obtain the execution of the "Consent of Bondholder" in the form included in Exhibit A, after which execution the Supplement provided for herein shall be effective.

SUPPLEMENT TO TRUST INDENTURE DATED AS OF AUGUST 15, 1965,
AND CONSENT OF BONDHOLDER THERETO

THIS AGREEMENT, made and entered into as of the 15th day of February, 1971, between the BOARD OF REGENTS, EASTERN MICHIGAN UNIVERSITY (being the constitutional and statutory Board of Control of Eastern Michigan University), a body corporate, created by the Constitution and laws of the State of Michigan, party of the first part, hereinafter sometimes called "Obligor," and ANN ARBOR TRUST COMPANY, a corporation organized under the laws of the State of Michigan and qualified to do a trust business, herein called "Trustee,"

WITNESSETH:

WHEREAS, the Obligor and the Trustee made and entered into a certain Trust Indenture (hereinafter referred to as the "Indenture") dated as of August 15, 1965, pursuant to which the Obligor issued and sold Eastern Michigan University Capital Improvement Bonds, Series I, of the face value of Three Million Two Hundred Thousand (\$3,200,000) Dollars, (hereinafter referred to as the "Bonds"), which Bonds are more specifically described in the Indenture, and the funds realized from the sale thereof have been used for the purposes specifically authorized in the Indenture; and,

WHEREAS, Section 10.01 of Article X of said Indenture provides as follows:

"Section 10.01. TRUST AGREEMENT MAY BE AMENDED. Any provision of this instrument may be amended at any time by written agreement of the parties hereto, but no such amendment made after the issuance of bonds herein mentioned shall become effective until approved in writing by the holders of sixty-five per cent (65%) of the bonds issued hereunder then outstanding, other than those in the possession of the Obligor or under its control: Provided, However, that the provisions contained in this Trust Agreement or the bonds issued hereunder relative to the interest rates to be paid, maturity schedules or dates, security, provisions relative to the order of bond retirement or redemption premiums may be altered and amended only with the approval of the holders of all outstanding bonds issued hereunder."

and

WHEREAS, the Obligor has deemed it necessary and advisable to change, alter and amend the provisions of said Indenture in the manner hereinafter

set forth in order to enable the Obligor to allocate the University Fees pledged to the Bonds more readily from the appropriate fiscal years of the University; and

WHEREAS, the holder of all of the outstanding Bonds Issued pursuant to said Indenture, to wit, National Bank of Detroit, has, by instrument in writing, consented to the making of the amendments as hereinafter set forth;

NOW, THEREFORE, IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. That the following paragraph of Section 6.02 of Article VI of said Trust Indenture dated as of August 15, 1965, is deleted in its entirety:

"The above payments to be made to the Trustee on or before January 15th each year shall be made out of University Fees collected during the then current fiscal year, and the payments to be made to the Trustee on or before July 15th each year shall be made out of University Fees collected during the next fiscal year."

2. That the following sub-paragraph (a) of Section 6.02 of Article VI of said Trust Indenture dated as of August 15, 1965, is deleted:

"(a) Make the payments to the Trustee for the credit of the Debt Retirement Fund on January 15th during said fiscal year and July 15th of the next succeeding fiscal year;"

and the following new sub-paragraph (a) substituted in place and instead thereof, to wit:

"(a) Make the payments to the Trustee for the credit of the Debt Retirement Fund provided hereunder;"

3. That the above changes shall become effective beginning with the fiscal year of the University beginning July 1, 1970, and ending June 30, 1971.
4. Save as amended by the provisions of this Agreement, all the provisions, terms and covenants of the said Trust Indenture dated as of August 15, 1965, shall remain and continue in full force and effect in accordance with their terms.

IN WITNESS WHEREOF, the Board of Regents, Eastern Michigan University has caused these presents to be signed by the President of Eastern Michigan University or its Secretary, attested by the Vice President for Business and Finance of Eastern Michigan University and its corporate seal to be hereunto affixed, and Ann Arbor Trust Company has caused these presents to be signed by its President or Vice President, attested by its Secretary or Assistant Secretary, and its corporate seal to be hereunto affixed, all as of the 15th day of February, 1971.

---Carried.

. 986 M - GIFTS

Mr. Husse moved and Dr. Robb seconded that the Board of Regents accept the following gifts:

1. \$1 500 - scholarly books. A gift from J. Henry Owens.
 2. \$1 500 - photographic equipment. A gift from General Motors Corporation, Photographic Department.
- Carried.

. 987 M - HEALTH, EDUCATION AND WELFARE GRANT

Mr. Husse moved and Dr. Robb seconded that the Board of Regents accept a Department of Health, Education and Welfare grant in the amount of \$46,634 for continuing the Allied Health Professions Educational Improvement Program for the period April 1, 1971, to March 31, 1972, and that Charles T. Anderson be named director. No EMU contribution is required. Carried.

The meeting was recessed for lunch at 12:25 p.m.

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

Mr. Profit distributed copies of the Amended Complaint of the Faculty law suit. He also distributed copies of the decision of the Supreme Court, State of Michigan, concerning the application of P. A. 379.

. 988 M - HONORARY DEGREES

Mrs. Anderson moved and Dr. Anspach seconded that the following Honorary Degrees be granted at the June commencement: Victor F. Spathelf (speaker) LLD, Earl Cress - LLD, Norman Drachler - LLD, Francis A. Kornegay - HHD, John H. Johnson - LHD. Carried.

. 989 M - SABBATICAL LEAVES OF ABSENCE

Mrs. Anderson moved and Dr. Robb seconded that the following sabbatical leaves of absence be approved: Ralph Peterson, spring 1972, and John W. Simpson, spring 1972. Carried.

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

Mrs. Anderson moved and Dr. Anspach seconded that the appointments, resignations, changes of status and leaves of absence be approved as presented. Carried. A copy of the list of appointments is in the office of the Secretary

President Sponberg distributed copies of a letter of intent to re-employ that is to be mailed to faculty members.

President Sponberg discussed the possible modification of fees and tuition and room and board rates. Dr. Robb suggested that the change of fees be further studied and that no action be taken without all members of the Board of Regents present. Mr. Husse requested that all information concerning the changes be sent to the Regents before the May meeting.

Dr. Nelson reported that the North Central Association had granted to Eastern Michigan University full accreditation for the Specialist in Arts degree program in Educational Administration, preliminary accreditation for Specialist in Arts degree program in Guidance & Counseling, and that on May 3 Eastern would be visited for an examination of the School Psychology program.

In response to a request to be heard, following proper procedures, Chairman McCormick invited Dennis Hertel to speak. Mr. Hertel then relinquished some of his time to Barry Simon and Gail DeSilvio. All three students spoke to their continuing desire to have a student with a speaking seat on the Board of Regents. The members of the Board of Regents present suggested that this matter be considered once again.

.991 M - STUDENT BODY OFFICERS THANKED


Mrs. Anderson moved and Dr. Robb seconded that the Board of Regents thank Dennis Hertel, Barry Simon and Gail DeSilvio for their cooperation in working with the Regents this year. Carried.

Mr. Profit gave a detailed report on EMU - Community Relations and the proposition that the University is an asset rather than a liability to the community.

The next meeting of the Regents will be held on May 19.

The meeting was adjourned at 3:30 p.m.

Respectfully submitted,


Gary D. Hawks, Secretary