

Mr. Broucek and Mr. Earl Cress of the Ann Arbor Trust Company appeared before the Board and presented the following recommendation for the financing for the proposed addition to the proposed addition to the Oakland Center at Oakland University.

SUMMARY OF \$2,600,000 MICHIGAN STATE UNIVERSITY-
OAKLAND UNIVERSITY, OAKLAND CENTER ADDITION BONDS.

I. Purpose

Oakland Center Addition	\$2,400,000
Debt Service Reserve	<u>200,000</u>
Total	\$2,600,000

II. Description

Dated January 1, 1969, interest only first five years.

\$610,000 Serial Bonds maturing from 1975 through 1984.
\$450,000 Term Bonds, Series A, maturing 1989
\$590,000 Term Bonds, Series B, maturing 1994
\$950,000 Term Bonds, Series C, maturing 1999
Public sale, \$5,000.00 denominations, non-callable
for ten years, call premiums beginning at 103 in
eleventh year.

Average maturity - 21 years.
Net Interest Cost 5.75%

III. Security

Pledge of:	<u>First Five Years</u>	<u>6 - 30th Year</u>
A. University Fees	\$135,000	\$184,000
B. Investment Income - Debt Service Reserve	<u>11,000</u>	<u>11,000</u>
Total	\$146,000	\$195,000

IV. Other Covenants

The Board agrees to maintain and collect University Fees in an amount sufficient to provide annual sums equal to at least 200% of the maximum annual debt service requirements on all outstanding fee bonds and loans.

V. Underwriting Group

These bonds will be sold to an underwriting group of Michigan firms headed by First of Michigan Corporation.

VI. Rating

"AA" - Standard and Poor's Corporation.

Oakland Center
Addition
financing
details

RESOLUTION OF THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY
APPROVING OFFICIAL STATEMENT, ACCEPTING UNDERWRITERS COMMITMENT AND
AUTHORIZING PREPARATION OF LEGAL DOCUMENTS NECESSARY TO ISSUANCE OF
BONDS SECURED BY STUDENT FEES TO PAY COSTS OF CONSTRUCTION OF
ADDITION TO OAKLAND CENTER BUILDING ON THE CAMPUS OF OAKLAND UNIVERSITY.

WHEREAS, in order to properly serve the needs of students attending Oakland University (being under the control and management of the Board of Trustees of Michigan State University), it is necessary and advisable that an addition to the Oakland Center building be constructed and equipped on the campus of Oakland University at Rochester, Michigan, said addition to be approximately 40,000 square feet in size which will allow for expansion and increase of size in the facilities in the present buildings; and

WHEREAS, the said Project will be for the benefit and use of all students attending Oakland University; and

WHEREAS, it is the determination of this Board of Trustees that the costs of said Project should be provided by the issuance of bonds secured by a pledge of student fees collected from students attending Oakland University; and

WHEREAS, the Ann Arbor Trust Company, fiscal agent of the Board of Trustees, has prepared and submitted to this Board a document entitled "Official Statement" which outlines the details of the proposed bond issue, \$2,600,000 Oakland University, Oakland Center Addition Bonds, to be dated as of January 1, 1969, together with the security therefore and the covenants in relation thereto; and

WHEREAS, First of Michigan Corporation, of Detroit, Michigan, and associates, have tendered an offer, based upon said Official Statement, to purchase the \$2,600,000 Oakland University, Oakland Center Addition Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY, as follows:

1. THAT the Official Statement outlining terms and conditions of issuance of \$2,600,000 Oakland University, Oakland Center Addition Bonds, to be dated as of January 1, 1969, to be secured by a pledge of student fees collected from students attending Oakland University, the proceeds of which Bonds are to be used to provide costs of constructing and equipping an addition to the Oakland Center Building on the campus of Oakland University at Rochester, Michigan, a copy of which Official Statement is attached to this resolution and made a part thereof by reference, is hereby in all respects approved.

2. THAT the offer of First of Michigan Corporation, of Detroit Michigan and associates, to purchase the \$2,600,000 Oakland University, Oakland Center Addition Bonds at a price resulting in an average net interest cost of 5.75%, is hereby approved and accepted.

3. THAT legal counsel to the Board, in cooperation with the Ann Arbor Trust Company, fiscal agent to the Board, and the financial officers of the University, are hereby authorized and directed to prepare the necessary resolutions and trust agreement to accomplish the financing referred to in the preamble hereto, all in substantial compliance with the terms of the Official Statement herein approved.

4. THAT said necessary resolution or resolutions and trust agreement, together with such other documents in relation thereto as are deemed necessary, be submitted to this Board for its action thereon at the next regular meeting in January 1969.

(The Official Statement is filed with materials pertinent to this meeting).

On motion by Mr. Thompson, seconded by Mr. Stevens, it was voted to approve these recommendations, with the understanding that contracts for construction will not be authorized until after Mr. Cress has contacted the underwriters and is assured of their commitment. When this is accomplished, the Trustees will give consideration at the regular Trustees' meeting to the bids already submitted for beginning the construction of this project.

Change in Assignment

Donald A. Mann from Asst. Dir. AP-V, Computer & Data Processing Center at \$12,000 to Asst. Comp. Systems, Computer & Data Processing Center at \$12,800, effective 1/1/69

Donald Mann

Promotion of George A. Kozlowski, Jr. from Instr. in Mathematics at \$10,200 to Asst. Prof. in Mathematics at \$10,700, effective 12/1/68.

G. Kozlowski

Recommendations from the Director of Personnel

Reclassify a Shift Supervisor VIII to a Programmer AP-I in Comp. & Data Proc. Center
Establish a Clerk-Typist III position in Student Affairs
Reclassify a Department Secy V to a Senior Dept. Secy VII in Modern Languages.

Gifts & Grants

Gifts & Grants

Grant of \$5 from Mrs. Dorothy K. Roosevelt of Birmingham to be credited in the Meadow Brook Summer School of Music Scholarship Fund.

Grant of \$38,994 from the National Institutes of Health to be used under the direction of C. V. Harding in Biology for research on the control of cell division in the ocular lens.

Grant of \$33,294 from the National Institutes of Health to be used under the direction of Gottfried Brieger in Chemistry for research entitled "Lipid Metabolism and Hormones in Insects."

Grant of \$22,750 from the National Foundation on the Arts and Humanities of Washington to be used under the direction of David Doherty in Continuing Education in support of an audience program for theater and music.

Grant of \$3,500 from General Motors Technical Center of Warren to be used under the direction of K. A. Meade in Continuing Education to support a conference on technical management.

Acceptance of a gift of \$150,000 from the Matilda R. Wilson Fund as the first installment in the establishment of a professorship in the Engineering School at Oakland University to be known as the John F. Dodge Engineering Chair.

Gifts of 33 shares of American Cyanamid stock from R. J. and Betty Jay Williams valued at \$1,080. Authorization for the sale of this stock is requested.

On motion by Mr. Nisbet, seconded by Mr. Stevens, it was voted to approve the above Oakland University recommendations.

MINUTES OF THE MEETING
of the BOARD OF TRUSTEES
December 12, 1968

On November 13, 1968 bid proposals were received and opened at Oakland University for the remodeling and expansion to the Oakland Center. A tabulation of the bids submitted is as follows:

Bids for Oakland Center Expansion	<u>Architectural</u>	
	E. E. Powell General Construction Co.	\$1,024,000
	Utley-James, Inc.	1,081,500
	<u>Mechanical</u>	
	Griffin Brothers, Inc.	585,821
	Laya Plumbing and Heating	647,000
	Eames and Brown, Inc.	659,600
	<u>Electrical</u>	
	Fred W. Moote Electric, Inc.	228,000
	Schultz Electrical, Inc.	246,920
	Spaulding Electric Co.	253,530
	<u>Kitchen Equipment</u>	
	Great Lakes Hotel Supply Co.	47,253
	Canton China and Equipment Co.	49,383

The bid proposals have been examined by the architect and staff, and it was recommended that the low bidders be accepted.

It was recommended that the following project budget be approved:

Construction	\$1,975,000
Architect/Engineering/Supervision	107,000
Legal/Administrative	22,000
Interest During Construction	60,000
Furnishings	193,000
Contingency	43,000

Total ----- \$2,400,000

Approval of
contracts to
low bidders
on OC exp.

The President advised the Trustees that Mr. Cress had reported the completion of the appropriate contractual relationships with the underwriting firms to cover the financing of this project, and it was recommended that contracts be awarded to the low bidders.

On motion by Mr. Nisbet, seconded by Mr. Stevens, it was voted to approve the budget and award the contracts to the low bidders for this addition to the Oakland Center as recommended.

Miscellaneous

Alterations and improvement items charged to account 17203 and additional payments to salaried employees per lists on file with materials for this meeting.

The meeting adjourned to meet on the evening of Wednesday, January 15, 1969, and on Thursday January 16, 1969.