

MINUTES OF THE MEETING  
of the  
FINANCE COMMITTEE  
November 21, 1969

Mr. George Cress and Mr. William Broucek presented the following resolution relating to Trust 5942 for Oakland University:

RESOLUTION OF THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY

Approval of  
Resolution re:  
Constr. Fin-  
ancing Note  
w/Ann Arbor  
Trust Co.

WHEREAS, the Board of Trustees of Michigan State University entered into a Construction financing Agreement with Michigan National Bank, of Lansing, Michigan, and Ann Arbor Trust Company, of Ann Arbor, Michigan, as Trustee, dated as of December 15, 1967, providing for the borrowing of \$4,000,000.00 from Michigan National Bank on behalf of Oakland University, affiliated with Michigan State University, and the execution and issuance of a Construction Financing Note to said Bank in evidence of the borrowing, said Note being due and payable December 15, 1969 and bearing interest at the rate of 4½% to maturity, 5% thereafter; and

WHEREAS, it was the intent of this Board to repay the Construction Financing Note prior to maturity with proceeds received from the sale of long term bonds secured by revenue derived from the operation of Vandenberg Hall on the campus of Oakland University, but conditions presently existing in the municipal bond market prohibit the sale of such long term bonds at this time; and

WHEREAS, Ann Arbor Trust Company, fiscal agent of this Board, has requested an extension of the Construction Financing Note from Michigan National Bank and the Bank has agreed to such an extension;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Michigan State University, acting on behalf of Oakland University, that this Board accept the agreement of Michigan National Bank to extend the Construction Financing Note due and Payable December 15, 1969, in the original amount of \$4,000,000.00, on the terms and conditions as outlined in the letter of said Bank dated November 3, 1969 as requested in the letter of Ann Arbor Trust Company dated October 30, 1969, copies of both letters to be attached to this resolution and made a part thereof by reference.

BE IT FURTHER RESOLVED that said Construction Financing Note, with principal balance owing as of December 15, 1969 in the amount of \$3,825,000.00 shall be due and payable December 15, 1970, shall bear interest at the rate of 5% per annum, and that all other terms and conditions of the Construction Financing Agreement dated as of December 15, 1967 between this Board, Michigan National Bank and Ann Arbor Trust Company, as Trustee, shall remain in force and effect until such time as the said Note shall be paid in full.

BE IT FURTHER RESOLVED that the financial officers of Michigan State University shall maintain deposits in Michigan National Bank in excess of \$4,500,000.00 in one-year time certificates, with the understanding that the Bank will pay interest on such Certificates at the rate of 6½% per annum.

On motion by Mr. Thompson, seconded by Mr. Stevens, it was unanimously voted to approve the above resolution.

SPECIAL MISCELLANEOUS

On motion by Mr. Merriman, seconded by Dr. Martin, it was voted to approve the Finance items to approve the Finance items on the preceding pages.

Tenure items  
where contro-  
versy occurs

After discussion during the presentation by Chancellor Varner of the Oakland University tenure items, a motion was made by Mr. Huff, seconded by Dr. Martin, that if, in the judgment of the administration of either MSU or Oakland University, there is likely to be some controversy around a non-reappointment, the Board is to be advised of this but the name of the faculty member concerned will not be included in the public record. Motion carried, with Mr. Thompson voting "No."

Approval to  
discontinue  
\$2 publication  
assessment

Chancellor Varner reported that in a recent referendum to determine whether the \$2.00 publications fee assessed all undergraduates each semester for the Oakland Observer should be abolished, out of 5,000 students who could have voted, only 891 chose to vote and of these 638 voted "No," 250 voted "Yes." Chancellor Varner therefore recommended the following:

Observer to  
be published  
off campus

That Oakland University discontinue collecting the \$2.00 fee  
That the Observer be published off campus, not using University accounts, officials, or facilities.  
That no University constraints be imposed--that the Observer will be free to publish as it pleases and will be subject only to civil laws of the State.

On motion by Mr. Stevens, seconded by Mr. Huff, it was voted to approve Chancellor Varner's recommendations, with the understanding that this action is subject to further review at some future date. Dr. Martin voted "No."

Approval of  
Bids & Budget  
Central Heat-  
ing Plant

Bid proposals for Oakland University Central Heating Plant.

On November 13, 1969, bid proposals were received and opened at Oakland University for the Central Heating Plant. A tabulation of the bids submitted is as follows:

<u>ARCHITECTURAL</u>	E. E. Powell General Contracting	\$ 968,000
	Lerner-Linden Incorporated	1,029,000
	Palmer-Smith Company	1,042,000
	Spence Brothers	1,047,000
	Sorensen Gross Company	1,065,000
	A. Z. Shmina & Sons Company	1,068,000
	J. A. Fredman, Inc.	1,098,000
	J. A. Ferguson Construction Co.	1,133,761

Oakland University Central Heating Plant, continued

<u>Electrical</u>	Schultz Electrical, Inc.	\$389,750
	Standish Electric Engineering	492,805
	T.L. Jacobson Electrical, Inc.	508,850
	Post Electric Company	688,000
<u>Mechanical</u>	Eames & Brown, Inc.	\$1,492,000
	The Stanley-Carter Company	1,510,000
	Down River Mechanical, Inc.	1,564,565
	The Steve Kruchko Company	1,802,000
	Glanz and Killian Company	1,864,100
	John E. Green Plumbing & Heating Co., Inc.	2,686,00

within an hour of bid opening, Schultz Electrical, Incorporated, the low electrical bidder, called and informed Oakland University that an error of \$115,998.30 had been made in their bid proposal and they asked to be allowed to withdraw their bid proposal and to have their certified check returned. On November 17, we received a letter from Schultz stating that they could not do this job for the amount of their bid. After a review of the situation, the Oakland University staff is willing to release Schultz Electrical, Incorporated from their bid proposal, return their bid security, and take the next qualified bidder, Standish Electric Engineering. However, in order to prevent any questions at a later date by the State of Michigan about increasing the construction budget by \$103,055, the difference between Schultz Electrical, Incorporated and Standish Electric Engineering bids, and the return of the bid security to Schultz, it was decided to place this matter before the State of Michigan Administrative Board for their concurrence in selecting Standish Electric Engineering for this project. This was done on November 17, 1969. (Copy of letter addressed to Mr. Ralph Danielson is filed with materials for this meeting.) Mr. Danielson informed Oakland University that this matter would be handled at the next Administrative Board meeting on December 2, 1969.

Schultz Elec-  
trical bid  
recalled on  
Central Heat-  
ing Plant

The bid proposals have been examined by the architect-engineer and our staff, and it is recommended that E. E. Powell General Contracting Company and Eames and Brown, Inc. bids be accepted and that the Standish Electric Engineering bid be accepted pending the concurrence of the Administrative Board. It is further recommended that the following project budget be approved:

<u>Construction</u>	E. E. Powell General Contracting	\$ 968,000	
	Eames and Brown, Inc.	1,492,000	
	Standish Electric Engineering	492,805	
	Install boilers	\$312,430	
	Other boiler costs due to delay in project	55,543	367,973
	Professional services		308,401
	Furnishings, Equipment		10,000
	Supervision, Field Insp., C.P.M.		60,000
	This project	150,821	
	Bal. of authorized funds	650,000	
			<u>800,821</u>
			<u>\$4,500,000</u>

Approval of  
budget for  
Central Heat-  
ing Plant

The source of funds for this project will be \$4,500,000 authorized by the State of Michigan.

Source of funds  
for Central  
Heating Plant

On motion by Mr. Huff, seconded by Mr. Thompson, it was unanimously voted to award the contracts and approve the budget for the Oakland University Central Heating Plant as recommended.

Academic Promotion: David C. BRICKER, from Instructor to Asst. Prof - Education at \$10,500, eff. 12/1/69

BRICKER, D. C.

Appointment: Joseph D. HOVANESIAN as Professor - Engineering at \$17,000, eff. 8/15/70

HOVANESIAN, J.D

Change of Status: Donald R. BRITTON, eff. date as Gen'l Mgr of MBT at \$15,000 9/1/69  
Jerry DAHLMANN from Dir (AP-5) Off-Campus Study Programs at \$13,200 to Adm. Dir (AP-VIII) School of Perf. Arts at \$14,000, eff. 10/1/69  
C. Ronald HORVATH from Admissions Counselor at \$10,500 to Asst. Dir. Admissions & Scholarships at \$11,100, eff. 11/1/69

BRITTON, D.R.  
DAHLMANN, J.  
HORVATH

The following actions are recommended by Chancellor Varner in accordance with the tenure rules:

Associate Professors who have served their probationary terms and acquire tenure with this reappointment, effective August 15, 1970:

ARNOLD, Harvey J.	Mathematics
EDGERTON, Robert H.	Engineering
WITT, Howard R.	Engineering

ARNOLD, H.J.  
EDGERTON, R.H.  
WITT, H.R.

Assistant Professor who has served his probationary term and acquires tenure with this reappointment, effective August 15, 1970:

DAVIS, James E.	Chemistry
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DAVIS, J.E.

Third probationary appointment as Assistant Professor for two years, effective Aug. 15, 1970:

BOTSAS, Eleutherios	Economics
DOVARAS, John N.	Music
DWYER, Donald H.	Art
GERULAITIS, Renate S.	Modern Languages and Literatures
HIRSCHFELD, Adeline G.	Speech (Arts and Sciences)
HURD II, John	Economics
RUSSELL, Joel W.	Chemistry
SCHILLACE, Ralph J.	Psychology
SMITH, Fred W.	Advising & Counseling (Arts and Sciences)
TUCKER, Richard P.	History

Second probationary appointment as Assistant Professor for two years, effective Aug. 15, 1970:

ANDREAS, Carol R.	Sociology and Anthropology
BLOCKOVICH, Robert N.	Psychology
BRILL, Max	"
COLE, Madison	Biological Sciences
COWLISHAW, John D.	" "
DEVORE, Ronald A.	Mathematics
KATZ, Evelyn W.	Psychology
KROMPART, Robert J.	History
KYKER, Jr., Granvil C.	Physics
LOUGHEED, Jacequiline	Education
NACHMAN, Louis J.	Mathematics
SCHOCHETMAN, Irwin	"
TOWER, John E.	Economics
USUI, Kiichi	Art
WAGNER, Cheryl	Classics
WOODHOUSE, Caleb R.	History

Second probationary appointment as Instructor for two years, effective August 15, 1970.

BERTOCCI, Peter J.	Sociology & Anthropology
BRASSE, Perry M.	Art
CHANDLER, Frederick D.	Education
COPPOLA, Carlo	Modern Languages & Literatures
GUERTLER, Reiner M.	" " "
HEIDENREICH, Herbert M.	Political Science
ICE, William D.	" "
PITTS, Monique B.	Modern Languages & Literatures
SACKS, Karen B.	Sociology & Anthropology
WILD, Arthur W.	Political Science

Third probationary appointment as Special Instructor for two years, effective August 15, 1970, through August 14, 1971:

BRICKER, David C.	Education
CLATWORTHY, F. James	"

Recommendations from the Director of Personnel:

Establish a Construction Project Coordinator AP-V position for Physical Plant.  
Establish an Executive Secretary VIII position in Professional Performing Arts.

Grants for  
scholarships

Grants to be used for scholarship purposes as follows:

For the George H. Gardner Scholarship Fund Endowment:

\$2,000	Mrs. Ruth Gardner, Miami, Fla.
\$2,000	Mrs. Ann S. Hartwell, Fort Lauderdale, Fla.

For the Michael Werenski Memorial Loan Fund:

\$ 15	Mr. & Mrs. Donald G. Malm, Troy
25	G. Philip Johnson, Rochester
100	Mr. & Mrs. John Werenski, Warren
\$ 229	friends of Oakland and other parents for the Matilda R. Wilson Honor Scholarship

For the Scholarship Fund #29727:

\$8,000	Macomb County Scholarship Committee, Romeo
\$1,000	Roy G. Michell Charitable Foundation & Trust, Ferndale
\$ 835	Oakland County Scholarship Com. (Tribune Fund), Rochester
\$ 500	Rotary Club of Pontiac
\$ 250	Mrs. Ludmila Velinsky, DeKalb, Illinois
\$ 50	Mrs. E. L. Windeler, Sr., Drayton Plains
\$ 100	Alpha Delta Kappa, Zeta Chapter, Troy

To aid specified students:

\$ 307.50	Hellen J. Baldwin, Berkley
\$1,637.50	The Daily Tribune, Royal Oak
\$ 750	Elks National Foundation, Chicago, Ill
\$ 175	Mumford Parents Club, Detroit
\$ 500	National Assoc. of Secondary School Principals, Washington, D.C.
\$ 100	Order of Eastern Star of Michigan, Clarkston
\$ 100	Sand Creek P.T.A., Sand Creek
\$ 40	Troy High School Spanish Club



Grants for scholarships continued:

\$200 Troy High School "Troy Education Association"  
\$200 " " " "Student Government"  
\$200 " " " "Student Government Scholarship."  
\$150 Waterford Township High School, Pontiac

Gifts and Grants

		<u>Department</u>	<u>Director</u>	<u>Purpose</u>
\$255,232	Health, Ed. & Welfare	Dean of Students	Thomas Dutton	Fed. student loans under terms Nat'l Def. Stu. Loan
\$ 53,848	Health, Ed. & Welfare	" "	" "	Ed. Oppor. grants
\$108,660	Health, Ed. & Welfare	" "	" "	Stu. employmt funds under Col. work-study program
\$ 1,000	Mr. & Mrs. Don Ahrens	Chancellors Off.	D. B. Varner	Chancellor's Club
\$ 1,000	Mr. Ben Mills	" "	D. B. Varner	" "
\$ 7,500	Christ Church Cranbrook	Urban Affairs	Elmer Cooper	Support Pon. Black Cul-tural center
\$ 250	Ford Motor Co. Fund	Urban Affairs	" "	" " " "
\$ 452	Friends Black Cul. Cntr	" "	" "	" " " "
\$ 50	Ford Fund Ed. AID	Chancellors Off.	D. B. Varner	MBMF
\$ 2,000	David L. Gamble	" "	D. B. Varner	MBMF
\$ 2,000	E.E. Powell Co.	" "	D. B. Varner	MBT 5-year plan
\$ 2,000	Hiram Walker & Sons	" "	D. B. Varner	MBT 5-year Plan

Gifts & Grants

On motion by Mr. Merriman, seconded by Mr. Thompson, it was voted to approve the Oakland University items.

Adjourned at 11:50 a.m.

The next meeting of the Board is scheduled for Thursday and Friday, December 11 and 12, 1969.