

Minutes of the
Special Meeting of the State Board of Agriculture
December 9, 1937

Present: Mr. Erody (Chairman), Messrs. Berkey, Daane, Downing, Halstead, Mrs. Wilson; President Shaw, Comptroller Wilkins and Secretary Hannah.

Absent: No one.

The meeting was called to order at 10:30 A.M.

Mr. Earl Cress and Mr. Hugh Wilson, representing the Ann Arbor Trust Company, and Mr. Byron Ballard, the college attorney, were present to report on plans for financing a men's dormitory. After discussion, the following actions were taken:

1. Resolution authorizing the financing of a men's dormitory, etc.

WHEREAS, The State Board of Agriculture desires to construct a new dormitory for the housing of male students of Michigan State College of Agriculture and Applied Science, to be hereafter named, on property owned by said Board; and

WHEREAS, it is anticipated that the costs incidental to the construction of such a dormitory will be approximately Five Hundred Thousand (\$500,000.00) Dollars in excess of the funds which said Board now has available for that purpose; and

WHEREAS, in the opinion of said Board, it is necessary and expedient that it borrow, through the issuance and sale of Dormitory Revenue Bonds, the sum of Five Hundred Thousand (\$500,000.00) Dollars, to be used by it in the construction of said dormitory; and

WHEREAS, the Ann Arbor Trust Company, of Ann Arbor, Michigan, has submitted for the consideration of said Board a Trust Agreement whereby the funds necessary to be borrowed in order to make funds available for the construction and equipping of said dormitory may be borrowed through the issuance and sale of the Dormitory Revenue Bonds hereinbefore mentioned;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF AGRICULTURE, that it borrow the sum of Five Hundred Thousand (\$500,000.00) Dollars, through the issuance of Dormitory Revenue Bonds in the aggregate principal sum of Five Hundred Thousand (\$500,000) Dollars, all to be paid from and equally secured by a pledge of the gross rents collected from students of Michigan State College of Agriculture and Applied Science, who shall reside and occupy rooms in said dormitory to be erected as herein provided, and of the net income derived from the operation of said dormitory when completed and placed in operation. Said Dormitory Revenue Bonds to be issued in one series and to be designated as "Michigan State College of Agriculture and Applied Science Men's Dormitory Revenue Bonds."

Michigan State College of Agriculture and Applied Science Men's Dormitory revenue Bonds shall be dated December 1, 1937, or such other later date as shall be approved by Robert S. Shaw and Charles O. Wilkins, respectively the President and the Treasurer of Michigan State College of Agriculture and Applied Science, and shall consist of five hundred (500) bonds of the denomination of One Thousand (\$1,000.00) Dollars each, numbered one (1) to five hundred (500), both inclusive.

Said bonds shall bear interest at the rate of four and one-half (4½%) per cent per annum, payable semi-annually, and said bonds shall mature fifteen (15) years after issue.

Any and all Dormitory Revenue Bonds shall be subject to redemption on any interest payment date; and all bonds redeemed prior to the date of redemption shall be redeemable on payment of the face value thereof, together with the amount of all matured interest coupons and a premium of one (1%) per cent of the face value thereof.

BE IT FURTHER RESOLVED, that Robert S. Shaw, President of Michigan State College of Agriculture and Applied Science, and John A. Hannah, its Secretary, be and they are hereby authorized, empowered and directed, in the name of the State Board of Agriculture and as its corporate act and deed, to execute and enter into the aforementioned Trust Agreement between the said Board and the Ann Arbor Trust Company.

BE IT FURTHER RESOLVED; that said officers be and they are hereby authorized, empowered and directed, in the name of the State Board of Agriculture and as its corporate act and deed, to execute, sign and countersign the Dormitory Revenue Bonds hereinbefore provided for, in such manner as is prescribed in the aforementioned Trust Agreement; and to pledge the gross rents to be collected from students of Michigan State College of Agriculture and Applied Science who shall reside and occupy rooms in said dormitory to be erected as herein provided, and the net income from said dormitory when placed in operation, including rental from rooms, income from

Financing
new men's
dormitory.

1. Resolution authorizing the financing of a men's dormitory, etc. (continued):

Financing
men's dormi-
tory.

dining room and other service charges, for the purpose of securing and paying the Sinking Fund payments provided in said Trust Agreement and to assure the payment of interest and principal on said Dormitory Revenue Bonds hereinbefore provided for; and to perform all acts and execute all instruments and documents necessary, expedient and proper in connection with the borrowing of said Five Hundred Thousand (\$500,000.00) Dollars, the issuance and sale of said Dormitory Revenue Bonds, and the pledging of the gross rents and net income from said dormitory.

BE IT FURTHER RESOLVED, that said officers be and they are hereby authorized and empowered, for and in the name of The State Board of Agriculture and as its corporate act and deed, to make, consent to and agree to any changes in the terms or conditions of said Trust Agreement which they may deem necessary, expedient or proper, prior to or at the time of the execution of said Trust Agreement, but no such amendments shall change the provisions therein for the amount to be borrowed, the interest to be paid thereon, the payments required to be made to the Sinking Fund, or of the security to be pledged, nor may the redemption date be made later than fifteen (15) years from the date of issue of said bonds, (provided, however, nothing herein contained shall be construed as limiting the right of said officers to alter or change the date of issue of said bonds or date for payment of interest or the dates fixed for Sinking Fund payments as provided in said Trust Agreement): and said officers, either in said Trust Agreement or by the issuance of said Dormitory Revenue Bonds, shall not pledge the credit of or create any liability on the part of the State of Michigan, The State Board of Agriculture, or on any member or officer of said Board, or any of their successors, other than to pledge the gross room rents and net income from said dormitory for the payment of said Dormitory Revenue Bonds, as herein set forth.

BE IT FURTHER RESOLVED, that should it develop that Robert S. Shaw as President of Michigan State College of Agriculture and Applied Science, through illness, absence or otherwise, should be unable to perform the acts that he is herein authorized, empowered and directed to perform, then, in that case, Charles O. Wilkins, Treasurer of Michigan State College of Agriculture and Applied Science, is hereby authorized, empowered and directed to perform any and all acts and deeds herein authorized and directed to be performed by said Robert S. Shaw; and any action so taken by said Charles O. Wilkins shall be as binding on The State Board of Agriculture as if performed by said Robert S. Shaw.

BE IT FURTHER RESOLVED, that should it develop that John A. Hannah, as Secretary of Michigan State College of Agriculture and Applied Science, through illness, absence or otherwise, is unable to perform the acts that he is herein authorized, empowered and directed to perform, then, in that case, said Charles O. Wilkins, Treasurer of Michigan State College of Agriculture and Applied Science, is hereby authorized, empowered and directed to perform any and all acts and deeds herein authorized and directed to be performed by said John A. Hannah; and any action so taken by said Charles O. Wilkins shall be as binding on The State Board of Agriculture as if performed by said John A. Hannah.

On motion of Mr. Daane, seconded by Mrs. Wilson, it was voted to approve the above resolution.

2. Resolution authorizing the State Board of Agriculture to furnish water, heat, and light for new dormitory.

WHEREAS, The State Board of Agriculture is desirous of constructing a new dormitory for the housing of male students of Michigan State College and Applied Science, to be hereafter named, on property now owned by The State Board of Agriculture; and

WHEREAS, under the plan contemplated for the construction of such new dormitory, it is necessary to borrow the sum of Five Hundred Thousand (\$500,000.00) Dollars through the issuance and sale of Dormitory Revenue Bonds, and to pledge as security therefor the gross rents received from students of Michigan State College of Agriculture and Applied Science who reside and occupy rooms therein and the net income derived from the operation of said dormitory when the same is placed in operation; and

WHEREAS, it is the desire of said Board that the purchasers of said Dormitory Revenue Bonds be given the maximum security and assurance that Sinking Fund payments and payments of interest and principal will be paid in accordance with the terms of their issuance.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF AGRICULTURE that so long as any of the Dormitory Revenue Bonds above referred to remain outstanding, in making up the annual budget of said College, the procedure shall be to pay the water, heating and lighting costs of said dormitory to be constructed from such other funds than the gross rents and net income from said dormitory as may be legally used for that purpose.

On motion of Mr. Brody, seconded by Mrs. Wilson, it was voted to approve the above resolution.

3. Resolution authorizing the State Board of Agriculture to transfer a sum not to exceed \$100,000 to the Ann Arbor Trust Company, etc.

State Board
of Agricul-
ture to fur-
nish water,
heat and
light for
new dorm.

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3. (Continued):

WHEREAS, the State Board of Agriculture has this day authorized the execution of a Trust Agreement with the Ann Arbor Trust Company relative to the issuance of \$500,000 par value of dormitory revenue bonds to be used in the construction of a new dormitory for men to be hereafter named, and

State Board
to transfer
\$100,000
to Ann Arbor
Trust Co.

WHEREAS, additional funds will be required to complete the new dormitory,

NOW, THEREFORE BE IT RESOLVED, that the Treasurer be and hereby is authorized and directed to transfer to the Ann Arbor Trust Company, Trustee, a sum not to exceed \$100,000 to be held by said Ann Arbor Trust Company, Trustee, as trust funds and disbursements made in accordance with and for the purpose set forth in the Trust Indenture this day authorized.

BE IT FURTHER RESOLVED, that \$50,000 of said amount be transferred from the Retirement Fund and that a proper note or certificate of indebtedness therefor be executed by the President and Treasurer to the Retirement Fund providing for interest at 3% per annum payable or on before fifteen years from date.

On motion of Mr. Berkey, seconded by Mr. Halstead, it was voted to approve the above resolution.

4. Resolution relative to the sale of bonds, etc.

WHEREAS, the State Board of Agriculture has authorized the issuance of \$500,000 par value dormitory revenue bonds for the erection of a new men's dormitory and it is necessary to sell and dispose of such bonds,

Sale of bonds
for new men's
dormitory.

NOW, THEREFORE, BE IT RESOLVED that the President, Secretary and Treasurer or any two of them be and are hereby authorized to enter into a contract for the sale of and to sell and deliver said dormitory revenue bonds at not less than 97% of their par value plus accrued interest.

On motion of Mr. Downing, seconded by Mr. Brody, it was voted to approve the above resolution.

5. Resolution relative to the employment of Ann Arbor Trust Company, as Trustee, etc.

WHEREAS, the State Board of Agriculture has this day authorized the execution of a Trust Agreement with the Ann Arbor Trust Company, as Trustee, for the purpose of erecting a new men's dormitory at Michigan State College and it is desired to fix the compensation of said Trustee,

Employment
of Ann Arbor
Trust Co. as
trustee.

NOW, THEREFORE, BE IT RESOLVED that the President and Secretary be and hereby are authorized to execute on behalf of this Board an agreement covering the compensation to be paid by the State Board of Agriculture to the Ann Arbor Trust Company as Trustee under the Trust Indenture this day authorized, and employing said Ann Arbor Trust Company as Trustee, to complete the financing and the sale of the \$500,000 of dormitory revenue bonds.

On motion of Mr. Brody, seconded by Mr. Berkey, it was voted to approve the above resolution.

6. Resolution letting contract, etc.

WHEREAS, the State Board of Agriculture has advertised for bids for the new men's dormitory to be hereafter named and erected on the campus at Michigan State College and,

WHEREAS, the Reniger Construction Company has submitted the lowest responsible bid for the general construction contract in accordance with plans and specifications heretofore prepared and it being desirable to proceed with the construction of said dormitory,

NOW, THEREFORE, BE IT RESOLVED that the President and Secretary be and hereby are authorized to enter into a contract on behalf of the State Board of Agriculture with the Reniger Construction Company of Lansing, Michigan, or some other responsible contractor for \$455,899, it being understood that this includes plumbing, heating, ventilating, wiring and electrical, cost of tunnel and service connections, changes in the basement providing for 21 additional rooms and the general construction of the building, providing the contractor gives a completion bond satisfactory to the officers of this Board guaranteeing completion of the building on or before September 1, 1938, in accordance with bids submitted; and, also to execute and enter into such other contracts with sub-contractors and material men as may be approved by the architects for the completion of the dormitory in accordance with the plans and specifications now on file or as may be approved by the architects and make such purchases of equipment and furnishings as may be necessary to furnish said dormitory when completed.

Resolution
letting
contract.

On motion of Mr. Daane, seconded by Mr. Brody, it was voted to approve the above resolution.

The meeting adjourned at 12:20 P.M.

Robert S. Shaw

President

John A. Hornah

Secretary