

MINUTES OF THE MEETING
of the
FINANCE COMMITTEE OF THE
STATE BOARD OF AGRICULTURE
August 18, 1955

The meeting of the Finance Committee was held at Kellogg Center starting at 5:00 p.m. followed by dinner. The following members were present:

Messrs. Akers, Brody, Mueller, Smith; President Hannah, Treasurer May and Secretary McDonel

Absent: Miss Jones, Mr. Rouse

1. Recommendation from Scudder, Stevens and Clark to make the following July investments were approved with Mr. May by telephone by a majority of the members of the Board:

Consolidated Investment Fund:

Using stock rights, subscribed for 5 shares of Consumers Power, total cost \$225

Reserve for Rehabilitation of Structures:

With available cash, buy \$8,500 U.S. Treasury 2 $\frac{1}{2}$ s-11/15/61 at a cost of \$8,415

Forest Akers Fund:

Cancel the order to purchase 40 shares of General Motors at approximately \$100

Buy 65 shares of American Natural Gas at approximately \$54 for a total cost of \$3,510

Jenison Fund:

To carry out the investment policy of this fund, transfer \$15,000 U.S. Treasury 2 $\frac{1}{4}$ s-12/15/62-59 to the Pension and Retirement Fund; and

With funds available from the transfer, purchase:

150 shares American Natural Gas at \$54	\$8,100
60 shares Consolidated Edison at \$50	3,000
30 shares United Aircraft at \$68	2,040
	\$13,140

Pension and Retirement Fund:

Recommend purchasing:

30 Consumer Power at \$50	1,500
600 Northern Natural Gas at \$42	25,200
100 Panhandle Eastern Pipe Line at \$75	7,500
150 United Aircraft at \$68	10,200
	\$44,400

Recommend subscribing to

100 American Natural Gas at \$50 (E)	\$ 5,000
40 Consumers Power at \$45 (E)	1,800
	\$ 6,800

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

2. Communication from Scudder, Stevens & Clark covering investment funds for August as follows:

Akers Fund:

Sell 63 rights of American Natural Gas

Albert H. Case and Sarah A. Case Fund:

Purchase 30 shares of American Natural Gas at approximately \$48.50 using the rights recently made available.

Jenison Fund:

Purchase 30 shares of American Natural Gas at approximately \$48.50 using the rights recently made available

Sell \$15,000 U.S. Treasury 2 $\frac{1}{4}$ s-1962-59

Purchase 200 shares of Burroughs Corporation at approximately \$28

Purchase 200 shares of American Can at approximately \$41

Consolidated Investment Fund:

Sell \$6,000 U.S. Savings Bonds Series "G"

Purchase 100 shares American Natural Gas at approximately \$56

Pension and Retirement Fund:

Purchase 100 shares American Natural Gas at approximately \$48.50 using the rights recently made available.

Purchase 500 shares American Airlines at approximately \$26

Purchase 200 shares of National Steel at approximately \$68

Purchase 200 shares of General Electric at approximately \$50

Purchase 300 shares of American Can at approximately \$41

On motion of Mr. Brody, seconded by Mr. Mueller, it was voted to authorize these purchases and sales as recommended.

On motion of Mr. Brody, seconded by Mr. Mueller, it was voted to approve the recommendation of Scudder, Stevens and Clark, that sale of \$4,400 A T & T Convertible 3 3/4% Debenture Bonds due 12-10-65 at approximately 143 $\frac{1}{2}$, held by the Pension and Retirement Fund, and the investment of the proceeds in approximately 35 shares A T & T Company Common ex-rights.

Finance
Committee
Report

Finance Committee Meeting, continued:

3. On motion of Mr. Akers, seconded by Mr. Mueller, it was voted to approve the following land purchases:

- a. E 15 feet of Lot 64 of the Lilac Lawn Farm, Subdivision No. 1, from Mr. and Mrs. Stuart Gallacher for \$2,000.
- b. Approximately 10 $\frac{1}{2}$ acres of land directly west of the golf course property on Mt. Hope Road from Mr. and Mrs. Edward Yelland at \$9,500, to be paid for with Athletic funds.
- c. 40 acres on College Road from Mr. and Mrs. Russell Kleis for \$48,000, to be paid over a period of years.
- d. Approximately 97 acres adjoining University property and extending to the corner of the C & O railroad and the Red Cedar River for \$75,000, known as Carl and Robert Hicks property.
- e. The Katherine Hart property on Mt. Hope Road surrounded by the golf course for \$19,375 to be charged to Athletic funds.
- f. The Edward Bennett property on Mt. Hope Road surrounded by the golf course for \$16,000 with the house to be removed by Mr. Bennett, to be charged to Athletic funds.

Adjourned.

MINUTES OF THE MEETING
OF THE
STATE BOARD OF AGRICULTURE
August 19, 1955

Present: Mr. Brody, Chairman; Messrs. Akers, Mueller, Rouse, Smith; President Hannah, Treasurer May and Secretary McDonel

Absent: Miss Jones, Dr. Taylor

The meeting was called to order at 9:30 a.m.

The minutes of the previous meeting were approved.

SPECIAL MISCELLANEOUS

1. Approval of the Report of the Finance Committee on the preceding pages.

On motion of Mr. Mueller, seconded by Mr. Brody, it was voted to approve the recommendations of the Finance Committee.

2. It is recommended by Mr. Coleman and Mr. Denison that they be authorized to make application to the Federal Communications Commission for an increase in power for our FM radio station from the present 9700 watts to 100,000 Watts. If this petition is granted, it will involve an eventual expenditure of \$15,585.

On motion of Mr. Brody, seconded by Dr. Smith, it was voted to approve the above item.

3. Approval of the following resolution covering the financing of the Music Building as presented by the Ann Arbor Trust Company and approved by Attorney Carr.

On motion of Mr. Mueller, seconded by Mr. Brody, it was voted to approve the following resolution:

RESOLUTION OF THE STATE BOARD OF AGRICULTURE TO BORROW MONEY TO PROVIDE FUNDS TO PAY COSTS OF AN ADDITION TO THE MUSIC BUILDING

WHEREAS, The State Board of Agriculture, in the exercise of its constitutional duties, has determined that it is necessary and expedient to construct, furnish, and equip an addition to the present Music Building located on the campus of Michigan State University, at East Lansing, Michigan; and

WHEREAS, This Board deems it necessary and expedient that it borrow the sum of Four Hundred Thousand Dollars (\$400,000.00) to be used, together with other available funds, to pay costs of such new construction, the furnishing and equipping of said addition to the Music Building, Architects' fees, financing costs, and other expenses incidental thereto; and

WHEREAS, Ann Arbor Trust Company, of Ann Arbor, Michigan, has submitted for the consideration of this Board a form of Term Loan Agreement whereby the sum of Four Hundred Thousand Dollars (\$400,000.00) may be borrowed from the Michigan National Bank, with principal offices in Lansing, Michigan; which sum, when taken together with other available funds, will be sufficient to pay all costs incidental to the construction, furnishing, and equipping of the new addition to the Music Building hereinbefore described.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF AGRICULTURE that a Term Loan Agreement, substantially in the form presented to the Board, be entered into with Michigan National Bank and Ann Arbor Trust Company, as Agent; which agreement shall be dated as of January 16, 1956, and pursuant to the terms of which Four Hundred Thousand Dollars (\$400,000.00) may be borrowed from said bank under the following terms:

1. Amount of Loan: \$400,000.00
2. Interest Rate: two and one-quarter per cent (2 $\frac{1}{4}$ %) per annum.
3. Term: Ten (10) years.
4. Payment and Security: The Term Loan Agreement shall provide that beginning with January 15, 1956, the Board will set aside and segregate music fees, practice fees, and other fees

Approval of
Finance Com-
mittee Report

Application
to FCC for
inc. in power
FM radio.

Approval of
resolution re:
financing of
Music Bldg.
addition.