

Note: Minutes of the Special Meeting of the Board of Trustees held on February 4, 1969 will be found on page 6370-A.

MINUTES OF THE MEETING
of the
FINANCE COMMITTEE
February 20, 1969

The Finance Committee convened at Kellogg Center at 7:30 p.m.

The following members were present: Messrs. Hartman, Huff, Martin, Merriman, Nisbet, Stevens, Thompson, and White; President Hannah, Acting Vice President Wilkinson, and Secretary Breslin.

Absent: No one.

Investment
recommendations

1. Recommendations from Scudder, Stevens & Clark and Earl Cress:

Forest Akers Fund

<u>Amount</u>	<u>Security</u>	<u>Approx. Price</u>	<u>Principal</u>	<u>Income</u>	<u>Yield</u>
Maturing:					
\$10,000	U.S. Treasury Bills 1/28/69				
Recommend:					
Roll-over into 6 months maturity					

A. V. Case Memorial Scholarship Fund

Recommend selling:					
3,000 shs.	International Mining	33	\$99,000	\$ 900	0.9%
Recommend purchasing:					
200 shs.	Magnavox	53	10,600	240	2.3%
300 shs.	Federated Dept. Stores	35	10,500	285	2.7%
100 shs.	Polaroid	123	12,300	32	0.3%
50 shs.	Xerox	270	13,500	80	0.6%
70 shs.	Hanes (making 300)	38	2,660	63	2.4%
400 shs.	Scott Paper	29	11,600	400	3.4%
up to \$40,000	U.S. Treasury Bills (approx. 6 months maturity)	97	38,800	2,480	6.2%

Albert Case Fund

Recommend selling:					
600 shs.	Abbott Laboratories	74	44,400	600	1.4%
1500 shs.	International Mining	33	49,500	450	0.9%
Recommend purchasing:					
400 shs.	Magnavox	53	21,200	480	2.3%
50 shs.	Xerox	270	13,500	80	0.6%
500 shs.	Hanes	38	19,000	450	2.4%
600 shs.	Federated Dept. Stores	35	21,000	570	2.7%
up to 150 shs.	Polaroid	123	18,450	48	0.3%

Class of 1915 Fund

Maturing:					
\$3,000	U.S. Treasury Bills 2/28/69				
Recommend:					
Roll-over into 6 months maturity					

Consolidated Investment Fund

Recommend purchasing:					
up to 150 shs.	Hanes Corp. (making 900)	38	5,700	135	2.4%

Damm & Wahlen Scholarship Fund

Maturing:					
\$5,000	U.S. Treasury Bills 2/28/69		4,811		
Recommend purchasing:					
\$6,000	U.S. Treasury Bills (approx. 6 months maturity)		5,820		

James & Lynelle Holden Fund

Maturing:					
\$10,000	U.S. Treasury Bills 2/28/69				
Recommend:					
Roll-over into 6 months maturity					

Minutes of the Finance Committee Meeting

February 20, 1969

1. Investment Items, continued

Investment
recommendationsInsurance Fund

<u>Amount</u>	<u>Security</u>	<u>Approx. Price</u>	<u>Principal</u>	<u>Income</u>	<u>Yield</u>
Recommend selling					
700 shs.	CNA Cum. Cv. Pfd. "A"	38	\$26,600	\$ 770	2.9%
Recommend purchasing:					
up to					
700 shs.	Hanes Corp.	38	26,600	630	2.4%

Jenison Fund

Recommend selling:					
\$40,000	U.S. Treasury Bonds 4.125% 2/15/74	92	36,800	1,650	4.5%
600 shs.	Abbott Laboratories	74	44,400	600	1.4%
Recommend purchasing:					
up to					
300 shs.	Hanes (making 665)	38	11,400	270	2.4%
600 shs.	Magnavox	53	31,800	720	2.3%
\$50,000	General Motors Acceptance 4.50% 11/1/85	75	37,500	2,250	6.0%

H.W. & E.A. Klare Trust Fund

Recommend selling:					
200 shs.	Abbott Laboratories	74	14,800	200	1.4%
Recommend purchasing:					
up to					
50 shs.	Xerox	270	13,500	80	0.6%

Retirement Fund

Recommend selling:					
\$381,000	U.S. Treasury Bonds 4.125% 2/15/74	92	350,520	15,716	4.5%
\$50,000	Federal Land Banks 4.50% 2/20/74	90	45,000	2,250	5.0%
\$75,000	U.S. Treasury Bonds 4.25% 5/15/74	92	69,000	3,188	4.6%
5,300 shs.	Abbott Laboratories	74	392,200	5,300	1.4%
Recommend purchasing:					
\$200,000	Missouri Pacific 4.25% 1/1/2005	60	120,000	8,500	7.1%
\$200,000	Consolidated Edison 4.625% 11/1/90	73	146,000	9,250	6.3%
\$200,000	U.S. Steel 4.625% 1/1/96	75	150,000	9,250	6.2%
up to					
350 shs.	Xerox	270	94,500	560	0.6%
6,000 shs.	Federated Dept. Stores	35	210,000	5,700	2.7%
4,200 shs.	Magnavox	53	222,600	5,040	2.3%

Fred T. Russ Fund

Maturing:
\$10,000 U.S. Treasury Bills 2/28/69

Recommend:
Roll-over into 6 months maturity

F. A. & E. G. Simonsen Fund

Maturing:
\$4,000 U.S. Treasury Bills 2/28/69

Recommend:
Roll-over into 6 months maturity

Spartan Fund

Maturing:
\$12,000 U.S. Treasury Bills 2/28/69

Recommend:
Roll-over into 6 months maturity

Investment
recommendations

1. Investment Items, continued

White Motor Company Fund

		Approx. Price	Principal	Income	Yield
Maturing:					
\$10,000	U.S. Treasury Bills 2/27/69				

Recommend:
Roll-over into 6 months maturity

Recommend selling:					
300 shs.	Abbott Laboratories	74	\$ 22,200	\$ 300	1.4%

Recommend purchasing:					
200 shs.	Magnavox	53	10,600	240	2.3%
up to					
40 shs.	Xerox	270	10,800	64	0.6%

Ivan Wright Fund

Maturing:					
\$3,000	U.S. Treasury Bills 2/27/69				

Recommend:
Roll-over into 6 months maturity

Ivan & Jean Wright Beneficiary Fund

Recommend selling:					
130 shs.	Abbott Laboratories	74	9,620	130	1.4%

Recommend purchasing:					
up to					
35 shs.	Xerox	270	9,450	56	0.6%

App. sale of
stock rec from
M.V. Burlingame

2. Authorization was requested to sell the following stock:

- a. 63 shares of Eaton & Howard stock received from Mr. and Mrs. Mark V. Burlingame for the MSU Development Fund.

On motion by Mr. Nisbet, seconded by Mr. Merriman, it was unanimously voted to approve the Investment Items and the sale of the 63 shares of Eaton & Howard stock.

Procedures to be
followed in
matter of H. A.
Fields estate

3. Communication from Roger Wilkinson:

Attached is a gift and grant form and a schedule of the items received from the Estate of Harold A. Fields, deceased.

Under the terms of the last will and testament of Mr. Fields, it was provided that the residue should be given to James R. Ramsey of Lansing, Michigan, in trust for the following uses and purposes:

- a. To pay to Mrs. Gertrude Schmidt the sum of \$250 on the first day of January and June of each year as long as she shall live (using interest and principal, if necessary), and
- b. Immediately following her death to transfer whatever remains of said funds to Michigan State University to provide scholarships for needy students as a memorial to testator's son Jack B. Fields, who was killed in action November 13, 1944, while serving in France with the Twelfth Air Corps, 443 Squadron, said fund to be known as the "Jack B. Fields Memorial Fund for Needy Students."

It was agreed with Mr. Ramsey that his services as trustee were not necessary to assure payment of the annuity to Gertrude Schmidt and that the University could handle this responsibility while holding the trust corpus for the purposes indicated in the will.

On motion by Mr. Huff, seconded by Mr. Stevens, it was voted to approve the above procedure.

Report on dis-
cussions re
approp. for 1969-
1970

4. Mr. Breslin and Provost Neville discussed with the Trustees the hearings held before the Appropriations Committee of the Senate with reference to legislative appropriations for 1969-70.

Baseball field
to be named
"John Kobs Field"

5. The Athletic Council, the Varsity Alumni Club, and others have been pressing for some years for the naming of the baseball field only as "John Kobs Field." This has been held in abeyance for a variety of reasons. Mr. Breslin led a preliminary discussion with the understanding if this idea is favored by the Trustees that it be included in the agenda for the regular meeting in March.

On motion by Mr. Huff, seconded by Mr. Stevens, it was voted to take formal action on the naming of the baseball field at the March meeting of the Trustees.

6. Mr. Breslin and Mr. Carr discussed the present status of the controversy involving the University, the AFSME Union and Local 547 International Union of Operating Engineers.

Int. Union of Operating Engr. to be recognized as exclusive bargaining agent for Power Plant employees

After discussion, it was moved by Mr. Thompson, seconded by Mr. Nisbet, that the University would work out the necessary details with Local 547, International Union of Operating Engineers and Local 1585, American Federation of State, County and Municipal Employees for the purpose of recognizing the Operating Engineers as the exclusive bargaining agent for the Power Plant employees. Motion carried. Mr. Stevens asked to be recorded as not participating in the discussion or voting on this issue.

7. Mr. Breslin and Provost Neville discussed with the Trustees possible solutions of the problem raised by Senator Zollar and others having to do with the present tuition charges made to all scholarship students, and particularly those financed with State of Michigan funds.

Discussion re tuition charges to scholarship students

After discussion, on motion by Mr. Stevens, seconded by Mr. Huff, it was voted to authorize Mr. Breslin to work directly with members of the Senate Appropriations Committee and try to arrive at a good solution to the problem of tuition charges made to scholarship students under the Michigan Higher Education Assistance Authority. It was the consensus of the group that the arrangements should include a charge to MHEAA of an amount equal to the average tuition collected from students paying Michigan residence fee. Trustees Thompson and Merriman voted "No."

Oakland University

8. Communication from Attorney Carr:

Authorization to purchase Barnett property by Oakland Univ.

In 1957, Byron T. Barnett and his sister, Elizabeth Barnett, sold land in Section 18, Avon Township, Oakland County, Michigan, to the State Board of Agriculture for inclusion within the Oakland University Campus. The grantors retained a fraction over 36 acres for purposes of maintaining the family residence. At the time of closing, we secured an option to purchase this remainder at a price of \$2,000 per acre. The option is exercisable upon the death of the survivor of the two Barnetts unless earlier activated by notice in writing.

During the intervening period of time, Byron Barnett has died, and Elizabeth Barnett is the sole surviving owner. She has decided to sell the land, reserving a life interest in a parcel supporting the old family residence.

In light of the skyrocketing value of this real estate which is currently assessed at three and a half times the option figure and possesses a market value of twice the assessment, we notified her attorney of the desire of the Board of Trustees to effectuate its option rights.

It is requested that this matter is included in the agenda for the meeting scheduled February 21, 1969, and that the officers be authorized to work out the details of the transfer, paying the indicated per acre cost following receipt of a survey by Howard Keith, R.L.S.

On motion by Mr. Thompson, seconded by Mr. Huff, it was voted to authorize the purchase of the Barnett property under the terms outlined in item 8.

9. Mr. Varner suggested that the Trustees authorize the officers of the University to sell stock from donors when it is offered for gift purposes without specific authority of the Trustees. This is occasioned by the fact that the resulting delay recently resulted in a depreciation of about \$2,200 from the original value of gifts to Oakland University. This delay and loss of funds affects the tax advantage to donors, irritates them, and may affect adversely their future generosity.

Authorization to immediately sell stock given to MSU and Oakland Univ.

The Trustees recognize the need for the immediate sale of stocks and bonds given to Michigan State University and Oakland University, and on motion by Mr. Nisbet, seconded by Mr. Huff, it was unanimously voted to authorize the officers of the universities to sell immediately such stocks and bonds and report these actions to the Board at its next meeting.

10. Secretary Breslin recommended that Ralph Calder and Associates be employed as the architects for the proposed Basketball-Events Building.

Calder & Assoc. architects for Basketball-Events Building

On motion by Mr. Nisbet, seconded by Mr. Thompson, it was voted to employ Ralph Calder and Associates as the architects for the Basketball-Events Building. The vote was 5 "Yes," 3 "No."

11. Secretary Breslin recommended the installation of security measures to protect the computer installation in the Computer Center at an estimated cost of \$21,000, with \$7,500 charged to Dean Von Tersch's funds and \$13,500 to the Secretary's Alterations and Improvements account.

Security measures to be installed in Comp. Center

Mr. Huff moved, seconded by Mr. Stevens, to install the recommended security measures in the Computer Center. Unanimously carried.

Physical Plant
Engr. Serv. to
design and
supervise
constr. of
Botany Field
Lab.

12. Some years ago it was necessary to require the College of Agriculture to move the Botany Field Laboratory and Plant Pathology plots from the corner of Forest and Beaumont Roads to a new site to make it possible to increase the power of WKAR-FM. The new site for this project is to be on College Road as a part of the University farm. It is estimated that the cost of the building and the moving will total \$67,000 with the building estimated to cost \$42,400. The project cost is to be shared equally between research facilities funds of the United States Department of Agriculture and the Agricultural Experiment Station funds. This authorization is recommended so that Physical Plant Engineering Services can proceed to design and supervise the construction involved.

On motion by Mr. Nisbet, seconded by Mr. Thompson, it was voted to approve the above recommendation.

CTV facility
to be installed
for married
housing units

13. It was recommended that the Trustees authorize the installation of a CTV facility covering our married housing units by the National Cable Company which has been authorized for this service by the City of East Lansing. After the installation, the service is to be offered to occupants on an optional contract basis with a \$5 installation charge and a \$5 per month service charge to be collected directly by the National Cable Company from the users. Approval of the Board of Trustees is required to allow commencement of the construction of the community television system to be available for use in the fall of 1969. This was recommended by Mr. Foster and Mr. Wilkinson.

Mr. Hartman moved, seconded by Mr. Huff, that the above recommendation be approved. Carried.

Purchase of
Ethel Hicks
property for
\$42,000

14. After extensive negotiations, the heirs of Ethel Hicks have agreed to sell the property at 3122 Collins Road for a sales price of \$42,000 with the right of possession for one year following the date of closing. It was recommended that the Trustees authorize the completion of this purchase.

Purchase of
J.W. and E.M.
Osterday prop.
for \$18,000

15. Arrangements have been completed to purchase the 3.7 acres of land at 4100 Collins Road from Joseph W. and Elsie M. Osterday at a purchase price of \$18,000 plus unpaid back taxes.

On motion by Mr. Huff, seconded by Mr. Merriman, it was voted to approve the purchase of the Hicks property at 3122 Collins Road and the Osterday property as recommended in items 14 and 15.

16. Communication from Roger Wilkinson:

Bids on
\$2,800,000 hous-
ing and refund-
ing revenue
bonds for
apartments and
Holden Hall
rejected

At the December 1968 Board meeting the Trustees authorized the Ann Arbor Trust Company to proceed in arranging the financing of \$2,800,000 housing and refunding revenue bonds. These bonds were to provide the financing of 228 apartments and the unfinanced portion of Holden Hall. It was reported to the Trustees that the interest rate would be approximately 5½% to 5-3/4%.

These bonds were to be issued on a bid basis, and the Ann Arbor Trust Company was authorized to receive the bids. A committee was established by the Board which consisted of the Chairman of the Board, the President, the Secretary, and the Acting Vice President. On February 6 the following bids were received:

Halsey, Stuart & Company	6.1118
First of Michigan (underwriters)	5.9886
Bank of the Commonwealth (underwriters)	5.9672

Due to the high interest rates, it was the decision of the committee that these bids would be rejected. This was also the advice of the Ann Arbor Trust Company.

After discussion, Chairman Stevens suggested that the University be ready to construct additional married student apartments when interest rates are more favorable.

Construction
commitments
reviewed

17. The following communication from Mr. Wilkinson is for information, with discussion and action suggested at the March Trustees meeting:

It has been the practice to review with the Trustees each spring the construction commitments and, also, to request the necessary funds to complete the financing of our present construction program. This information is outlined as follows:

1. Schedule of funds needed to complete present construction program.

a. Plant Research Laboratory No. 2		\$ 50,000
b. Pesticide Research Laboratory		76,000
c. Library Addition		20,000
d. Olin Health Center Addition		10,000
e. Speech and Hearing Clinic		45,000
	Total	<u>\$201,000</u>

Less, Surplus in construction accounts:

a. Baker Hall	\$24,000	
b. Botany Addition	<u>10,000</u>	<u>\$ 34,000</u>
Net cost to complete construction		<u>\$167,000</u>

17. Communication from Mr. Wilkinson, continued

Construction
commitments
reviewed

2. Schedule of funds needed to finance new construction program:

a. Wells Hall Addition	\$300,000
b. Observatory	660,000
c. Office of Campus Park and Planning	150,000
d. Public Safety Building	600,000
Net cost of new construction	<u>\$1,710,000</u>

It is recommended that indirect cost revenue available in 1968-69 be allocated to cover item 1 and, to whatever extent possible, item 2 with the balance to be financed in 1969-70. The estimated revenue available at this time is \$1,300,000.

In review, the Trustees should be informed that we have previously committed the \$1,000,000 allocation of student fees for construction purposes as follows:

1. For the 1968-69 fiscal year, \$1,000,000 applies to the Kedzie Addition.
2. For the 1969-70 fiscal year, \$700,000 applies to the Kedzie Addition and \$300,000 applies to the New Administration Building.

We have also committed \$685,000 for each of the fiscal years from 1968-69 to 1972-73 for the purchase and operation of the CDC 6500 computer. This commitment is from indirect cost revenue. Since we have now received a grant to support the purchase of the computer, this commitment will be reduced by approximately \$1,000,000.

Long-range projects include the Life Science Building for which there will be a commitment of approximately \$2,000,000 and the Animal Care Center which is also a \$2,000,000 project. Another future project is an incinerator for the health and science areas.

18. A copy of the Ann Arbor Trust Company investment inventory as of December 31, 1968 was distributed to the Trustees.

19. The Trustees were given a communication from the First Federal Savings and Loan Association of Detroit dated January 30 assuring the Trustees that the corporation will not involve itself in any business activities affecting Michigan State University or Oakland University.

Adjourned.

MINUTES OF THE
EXECUTIVE SESSIONS
of the
BOARD OF TRUSTEES
February 20 and 21, 1969

Following the Finance Committee meeting on Thursday evening, February 20, the President asked for an executive session of the Board with Secretary Breslin and Attorney Carr attending. All Trustees were present.

Discussions
pertaining to
Pres. Hannah's
departure from
the University

The substance of the President's remarks centered around his confirmation as Director of the Agency for International Development by the Senate and the date of his departure as President of Michigan State University. The President expressed the thought that he should depart the University soon after confirmation by the Senate. He expressed the hope that he may be able to remain on campus through March 30 in an effort to effect an orderly transition.

The President recommended that when his retirement becomes effective the Board appoint Provost Neville as Acting President of the University for the interim period pending the appointment of the next president of the University.

The President concluded his remarks by saying that in his judgment there are two areas within the University that should not be allowed to lose their momentum. They are:

1. The involvement of this University in international education, and
2. The University's efforts and involvement in helping to solve the problems of Black Americans and other minority group people.

The Trustees met in executive session at 2:30 p.m. on Friday, February 21, 1969.

Present were Trustees Hartman, Huff, Martin, Merriman, Stevens, Thompson, and White; President Hannah, Secretary Breslin, and Attorney Carr.

Absent: Trustee Nisbet

1. In accordance with action taken at the earlier regular meeting of the Board of Trustees, Chairman Stevens appointed a subcommittee composed of himself, Mr. Hartman, and Mr. Merriman to work with the All-University Committee on Search and Selection for the new president.

Trustees
Sub-committee
appointed to
work with All-
University
Search and
Selection Com.

Statement to Board by Andy Pyle for "The Movement."

2. Mr. Andy Pyle, a representative of the organizing committee of "The Movement" was allowed to make a statement before the Trustees. The following demands were included in Mr. Pyle's statement:
 - a. We demand that Professor Garskof be rehired with tenure and full privileges as a professor, including the right to conduct classes his own way.
 - b. We demand that the University institute a policy of open admissions for black, Third World, and white working class people.

Dir. of Inter-collegiate Athletics to report to Secy Breslin during period new president is being selected

3. Chairman Stevens introduced the subject of his concern relative to the potential problems that might occur this spring with black students, and specifically the black athletes. He indicated that he felt this was a very sensitive area.

It was moved by Mr. Merriman, seconded by Mr. Huff, that after the departure of President Hannah and during the period that the new president is being selected, Director of Athletics Munn report to Secretary Breslin concerning all matters dealing with Inter-collegiate Athletics. Unanimously carried.

4. It was suggested that Secretary Breslin work out the best possible dates for the May Board meeting which will be held at Gull Lake. The three suggested dates were:

May 14, 15, 16

May 15, 16, 17

May 16, 17, 18

Adjourned.

MINUTES OF THE
SPECIAL SESSIONS
of the
BOARD OF TRUSTEES

February 21 and 22, 1969

Meetings with Academic Council Ad Hoc Com. on Procedures for Selecting Chief Academic Officers of University

The Trustees met at 8 a.m. on February 21 at Kellogg Center.

Present: Messrs. Hartman, Huff, Martin, Merriman, Nisbet, Stevens, Thompson, and White; President Hannah, Provost Neville, Acting Vice President Wilkinson, Chancellor Varner, Attorney Carr, Secretary Breslin.

Members of the Academic Council Ad Hoc Committee on Procedures for Selecting Chief Academic Officers of the University: John F. A. Taylor, Chairman, Arthur Adams, H. John Carew, R. L. Featherstone, C. C. Killingsworth, Donald J. Montgomery; Dale E. Hathaway, Chairman of the Academic Council Steering Committee.

This meeting was called to discuss the proposed recommendations of the Ad Hoc Committee prior to presentation of the Committee's report to the Academic Council at a special meeting of the Council on Tuesday, February 25.

The meeting adjourned at 10 a.m. with plans to meet again following the regular Trustees' meeting to continue this discussion.

With the exception of Mr. Nisbet, all Trustees, Secretary Breslin and Attorney Carr met with the Ad Hoc Committee following the executive session of the Trustees on Friday afternoon, February 21. This meeting adjourned at 6 p.m. to meet again at 8 a.m. on Saturday, February 22.

Present at 8 a.m. on February 22 were: Trustees Hartman, Huff, Stevens, and Thompson; Attorney Carr, Secretary Breslin, all members of the Ad Hoc Committee except Mr. Killingsworth.

The Trustees and the Ad Hoc Committee of the Academic Council continued their discussion relative to the procedures for the selection of the new president. The proposals as originally submitted by the Ad Hoc faculty committee as amended were finally agreed to unanimously.

Adjourned at 10:25 a.m.