The meeting of the Finance Committee was held at Kellogg Center starting with dinner at 6 p.m. The following members were present:

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

Absent: Mr. Akers; Dr. Taylor

1. The Finance Committee received the recommendations of Scudder, Stevens, and Clark as follows:

### Pension and Retirement Fund

<table>
<thead>
<tr>
<th>Amount</th>
<th>Security</th>
<th>Approx. Price</th>
<th>Principal</th>
<th>Income</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>with available cash of about $822,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recommend Purchasing:

- $100,000 Michigan State University Dormitory Revenue bonds at 100
- up to $25,000 Selected Mortgages at $20,750

### Consolidated Investment Fund

For the February Stock Buying Program

Recommend SELLING to the Pension & Retirement Fund for cash:

- $7,000 U.S. Savings Bonds Series "G" 2/5-5/58 (of $31,000) at 98
- 50 U.S. Savings Bonds Series "F" 2/1/56 at 37

Recommend SELLING to the Jenison Fund:

- 21 Shrs. Northern Illinois Gas at $0.50
- 1 Sh. Standard Oil of New Jersey at 14

### Jenison Fund

In order to increase mortgage investments in this Fund, recommend SELLING to Pension & Retirement Fund for cash (or REDEEM if cash not available):

1. U.S. Savings Bonds Series "G" 2s (longer maturities first)
2. U.S. Savings Bonds Series "K" 2.76s

Recommend PURCHASING:

- $50,000 Selected Mortgages at $19,500

To Consolidate holdings, recommend CONVERTING:

- 500 Standard Oil of Indiana Convertible 3 1/8s-1982 at 120

Into:

- 11 Standard Oil of Indiana at $2.40
- Plus Cash to be paid for 1/2 share at $0.25

### Spartan Fund

For the February Stock Buying Program of about $3,000

Recommend PURCHASING with cash:

- 125 American Airlines at $1.00

---

Finance Committee Recommendations

MINUTES OF THE MEETING
of the
FINANCE COMMITTEE OF THE
STATE BOARD OF AGRICULTURE
February 16, 1956

The meeting of the Finance Committee was held at Kellogg Center starting with dinner at 6 p.m. The following members were present:

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

Absent: Mr. Akers; Dr. Taylor

1. The Finance Committee received the recommendations of Scudder, Stevens, and Clark as follows:

### Pension and Retirement Fund

<table>
<thead>
<tr>
<th>Amount</th>
<th>Security</th>
<th>Approx. Price</th>
<th>Principal</th>
<th>Income</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>with available cash of about $822,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recommend Purchasing:

- $100,000 Michigan State University Dormitory Revenue bonds at 100
- up to $25,000 Selected Mortgages at $20,750

### Consolidated Investment Fund

For the February Stock Buying Program

Recommend SELLING to the Pension & Retirement Fund for cash:

- $7,000 U.S. Savings Bonds Series "G" 2/5-5/58 (of $31,000) at 98
- 50 U.S. Savings Bonds Series "F" 2/1/56 at 37

Recommend SELLING to the Jenison Fund:

- 21 Shrs. Northern Illinois Gas at $0.50
- 1 Sh. Standard Oil of New Jersey at 14

### Jenison Fund

In order to increase mortgage investments in this Fund, recommend SELLING to Pension & Retirement Fund for cash (or REDEEM if cash not available):

1. U.S. Savings Bonds Series "G" 2s (longer maturities first)
2. U.S. Savings Bonds Series "K" 2.76s

Recommend PURCHASING:

- $50,000 Selected Mortgages at $19,500

To Consolidate holdings, recommend CONVERTING:

- 500 Standard Oil of Indiana Convertible 3 1/8s-1982 at 120

Into:

- 11 Standard Oil of Indiana at $2.40
- Plus Cash to be paid for 1/2 share at $0.25

### Spartan Fund

For the February Stock Buying Program of about $3,000

Recommend PURCHASING with cash:

- 125 American Airlines at $1.00

---

Finance Committee Recommendations

MINUTES OF THE MEETING
of the
FINANCE COMMITTEE OF THE
STATE BOARD OF AGRICULTURE
February 16, 1956

The meeting of the Finance Committee was held at Kellogg Center starting with dinner at 6 p.m. The following members were present:

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

Absent: Mr. Akers; Dr. Taylor

1. The Finance Committee received the recommendations of Scudder, Stevens, and Clark as follows:

### Pension and Retirement Fund

<table>
<thead>
<tr>
<th>Amount</th>
<th>Security</th>
<th>Approx. Price</th>
<th>Principal</th>
<th>Income</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>with available cash of about $822,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recommend Purchasing:

- $100,000 Michigan State University Dormitory Revenue bonds at 100
- up to $25,000 Selected Mortgages at $20,750

### Consolidated Investment Fund

For the February Stock Buying Program

Recommend SELLING to the Pension & Retirement Fund for cash:

- $7,000 U.S. Savings Bonds Series "G" 2/5-5/58 (of $31,000) at 98
- 50 U.S. Savings Bonds Series "F" 2/1/56 at 37

Recommend SELLING to the Jenison Fund:

- 21 Shrs. Northern Illinois Gas at $0.50
- 1 Sh. Standard Oil of New Jersey at 14

### Jenison Fund

In order to increase mortgage investments in this Fund, recommend SELLING to Pension & Retirement Fund for cash (or REDEEM if cash not available):

1. U.S. Savings Bonds Series "G" 2s (longer maturities first)
2. U.S. Savings Bonds Series "K" 2.76s

Recommend PURCHASING:

- $50,000 Selected Mortgages at $19,500

To Consolidate holdings, recommend CONVERTING:

- 500 Standard Oil of Indiana Convertible 3 1/8s-1982 at 120

Into:

- 11 Standard Oil of Indiana at $2.40
- Plus Cash to be paid for 1/2 share at $0.25

### Spartan Fund

For the February Stock Buying Program of about $3,000

Recommend PURCHASING with cash:

- 125 American Airlines at $1.00
Finance Committee meeting February 16, 1956:

1. Recommendations of Scudder, Stevens, and Clark, continued:

**Pension & Retirement Fund**

To consolidate investment in Detroit Edison, recommend **CONVERTING**:

<table>
<thead>
<tr>
<th>Cost</th>
<th>Principal</th>
<th>Income</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000</td>
<td>$2,000</td>
<td>65</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

80 shs. Detroit Edison (Holding 700)

In order to improve selection, recommend **SELLING**:

150 Shs. Northern Illinois Gas $0.80 19 2,850 120 4.20%

Recommend **PURCHASING**:

100 Shs. Merck & Company (Holding 1,200)

With proceeds from **MATURITY OF**:

$16,200 U. S. Savings Bonds Series "G" 2 spare-2/1/56

Recommend **PURCHASING**:

$16,000 U. S. Treasury 2 2/1-15-61

Recommended **PURCHASING**:

$2,100 U. S. Savings Bonds Series "G" 2 spare-2/1/1956

With proceeds from **MATURITY OF**:

$2,000 U. S. Treasury 2 2/1-15/1961

Reserve for Rehabilitation of Structures and Acquisition of Educational Facilities

With proceeds from **MATURITY OF**:

$95,000 U. S. Treasury 1 5/8-3/15/1956

Recommend giving to Mr. May authority to act on recommendation of Either Accepting Treasury exchange offer to be made shortly before maturity or **PURCHASING**.

$70,000 U. S. Treasury 2 2/1-15/1961

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

2. To complete the sale of securities as covered in the preceding recommendations, the following resolutions are required:

a. Recommendation from Scudder, Stevens and Clark that the following securities held in the Consolidated Investment Fund be sold at market value:

21 Shares Northern Illinois Gas.

On motion of Dr. Smith, seconded by Mr. Baker, it was voted to authorize the sale of the above named securities at market value and that Philip J. May, Treasurer, be and is hereby authorized to execute any and all necessary transfers to effectuate and carry out the sale of said securities.

b. Recommendation from Scudder, Stevens & Clark that the following bonds be converted into common stock which are held in the Pension and Retirement Fund:

$2,000 Detroit Edison Company 3 5/8 due February 1, 1969.

On motion of Mr. Mueller, seconded by Mr. Brody, it was voted to authorize the conversion of the above named bonds and that Philip J. May, Treasurer, be and is hereby authorized to execute any and all necessary transfers to effectuate and carry out the conversion of said bonds.
Finance Committee Meeting February 16, 1956:

2. Complete sale of securities as covered in preceding recommendations, resolutions required:

c. Recommendation from Scudder, Stevens and Clark that the following bond be converted into common stock which is held in the Jenison Fund:

$500 Standard Oil Company (Indiana) 3 1/3% due October 1, 1982 No. B254D.

On motion of Mr. Rouse, seconded by Mr. Brody, it was voted to authorize the conversion of the above named bond and that Philip J. May, Treasurer be and is hereby authorized to execute any and all necessary transfers to effectuate and carry out the conversion of said bond.

d. Recommendation from Scudder, Stevens and Clark that the following securities held in the Pension and Retirement Fund be sold at market value:

- 150 shares Northern Illinois Gas.

On motion of Mr. Mueller, seconded by Dr. Smith, it was voted to authorize the sale of the above named securities at market value and that Philip J. May, Treasurer, be and is hereby authorized to execute any and all necessary transfers to effectuate and carry out the sale of said securities.

3. Mr. Harding of Scudder, Stevens and Clark presented the following statement:

"For the first year of our supervision our fee charge was set at $5,000 on the basis of a formula worked out with the Committee's approval and spelled out in detail in a letter to Mr. May dated May 16, 1955. Applying this same formula to the January 1, 1956 appraisal of the account our fee charge for the current year works out to $5,506."

On motion of Mr. Mueller, seconded by Mr. Rouse, it was voted to approve the retention of Scudder, Stevens and Clark for the calendar year 1956 at an annual fee of $5,506.

4. Mr. Cress presented his recommendations for financing the $1,700,000 married student apartments now under construction. He has tentative commitments for the purchase of these bonds as follows:

National Bank of Detroit $150,000
Detroit Bank 250,000
Manufacturers National Bank 100,000
Ann Arbor Bank 100,000
Michigan National Bank—Trust Department 100,000
State Savings Bank, Ann Arbor 50,000
NSU Pension and Retirement Fund 100,000
Trust Companies 250,000

$1,700,000

The interest rate on the bonds to be $370,000 @ 2.80, $350,000 @ 2.90, $750,000 @ 3.25; an average of 3.09.

On motion of Mr. Brody, seconded by Dr. Smith, it was voted to authorize the officers to complete the financing as suggested by Mr. Cress, to accept the tentative commitments, and to issue the necessary bonds subject in form and content to the approval of +ee Carr, our legal counselor.

The formal resolution in full which has been approved by the legal counselor follows:

RESOLUTION OF THE STATE BOARD OF AGRICULTURE RELATIVE TO THE ISSUANCE AND SALE OF MICHIGAN STATE UNIVERSITY OF AGRICULTURE AND APPLIED SCIENCE APARTMENT REVENUE BONDS, 1955 SERIES.

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, on the campus of Michigan State University of Agriculture and Applied Science at East Lansing, Michigan, eleven apartment buildings, in which will be located eighty-eight one-bedroom apartment units and eighty-eight two-bedroom apartment units, and which, when completed and placed in operation, will be used to furnish housing accommodations primarily for married students attending Michigan State University of Agriculture and Applied Science; and

WHEREAS, this Board deems it necessary and expedient to issue and sell Michigan State University of Agriculture and Applied Science Apartment Revenue Bonds, in the aggregate principal amount of One Million Seven Hundred Thousand Dollars ($1,700,000.00), for the purpose of providing funds incidental to the construction, furnishing, and equipping of said eleven apartment buildings more particularly described in the preceding paragraph, including, but not limited to, Architects' fees, costs of bringing utility services to said buildings, provide necessary walks and drives, landscaping, insurance during construction, financing costs, including interest during construction, costs of unforeseen contingencies, and other costs incidental to the construction, furnishing, and equipping herein contemplated, and to establish a Debt Service Reserve in the principal amount of One Hundred Thousand Dollars ($100,000.00); and

WHEREAS, Ann Arbor Trust Company, of Ann Arbor, Michigan, has submitted for the consideration of this Board a form of Trust Agreement, pursuant to the terms which Michigan State University of Agriculture and Applied Science Apartment Revenue Bonds, 1955 Series, of the face value of One Million Seven Hundred Thousand Dollars ($1,700,000.00) may be issued and sold;
Finance Committee meeting February 16, 1956:

a. Recommendations for financing the $1,700,000 married student apartments.

Formal resolution, continued:

NOW, THEREFORE, BE IT RESOLVED by the State Board of Agriculture that it borrow the sum of One Million Seven Hundred Thousand Dollars ($1,700,000.00), through the issuance and sale of Michigan State University of Agriculture and Applied Science Apartment Revenue Bonds, 1955 Series, of the face value of One Million Seven Hundred Thousand Dollars ($1,700,000.00), pursuant to the terms and conditions set forth in the Official Statement adopted by this Board and the Trust Agreement above referred to, and to sell the same to provide funds to pay costs incidental to the construction, furnishing, and equipping of sixteen apartment buildings on the campus of Michigan State University of Agriculture and Applied Science, which when completed and placed in operation, will contain 58 one-bedroom apartment units and 88 two-bedroom apartment units, which will be rented primarily to married students attending Michigan State University of Agriculture and Applied Science, to pay Architects' fees, financing costs, costs of unforeseen contingencies and other costs incidental to such construction and financing, and to establish a Debt Service Reserve in the principal amount of One Hundred Thousand Dollars ($100,000.00).

BE IT FURTHER RESOLVED that this Board issue Michigan State University of Agriculture and Applied Science Apartment Revenue Bonds, 1955 Series, of the face value of One Million Seven Hundred Thousand Dollars ($1,700,000.00), pursuant to the terms and conditions set forth in the Official Statement adopted by this Board and the Trust Agreement above referred to, and to sell the same to provide funds to pay costs incidental to the construction, furnishing, and equipping of sixteen apartment buildings on the campus of Michigan State University of Agriculture and Applied Science, which when completed and placed in operation, will contain 58 one-bedroom apartment units and 88 two-bedroom apartment units, which will be rented primarily to married students attending Michigan State University of Agriculture and Applied Science, to pay Architects' fees, financing costs, costs of unforeseen contingencies and other costs incidental to such construction and financing, and to establish a Debt Service Reserve in the principal amount of One Hundred Thousand Dollars ($100,000.00).

BE IT FURTHER RESOLVED that this Board issue Michigan State University of Agriculture and Applied Science Apartment Revenue Bonds, 1955 Series, of the face value of One Million Seven Hundred Thousand Dollars ($1,700,000.00), pursuant to the terms and conditions set forth in the Official Statement adopted by this Board and the Trust Agreement above referred to, and to sell the same to provide funds to pay costs incidental to the construction, furnishing, and equipping of sixteen apartment buildings on the campus of Michigan State University of Agriculture and Applied Science, which when completed and placed in operation, will contain 58 one-bedroom apartment units and 88 two-bedroom apartment units, which will be rented primarily to married students attending Michigan State University of Agriculture and Applied Science, to pay Architects' fees, financing costs, costs of unforeseen contingencies and other costs incidental to such construction and financing, and to establish a Debt Service Reserve in the principal amount of One Hundred Thousand Dollars ($100,000.00).

BE IT FURTHER RESOLVED that Philip J. Hay, Comptroller and Treasurer of Michigan State University of Agriculture and Applied Science, be and he is hereby authorized, empowered, and directed, in the name of The State Board of Agriculture and as its corporate act and deed, to execute and sign the Apartment Revenue Bonds, 1955 Series, herein provided for. If Philip J. Hay, by reason of illness, absence, or for some other reason, is unable to sign the Apartment Revenue Bonds, 1955 Series, herein provided for, then, in such event, the same shall be signed by Karl H. McDonel, Secretary of the University. To facilitate the signing of bonds, said Philip J. Hay is authorized to sign said bonds as P. J. Hay; and if the bonds shall be signed by Karl H. McDonel, he is authorized to sign the same as K. H. McDonel. The coupons appertaining to the Apartment Revenue Bonds, 1955 Series, shall be authenticated by the facsimile signature of Karl H. McDonel, Secretary of the University.

BE IT FURTHER RESOLVED that any two of the following officers of Michigan State University of Agriculture and Applied Science, to-wit: John A. Hannah, President, Karl H. McDonel, Secretary, and Philip J. Hay, Comptroller and Treasurer, are hereby empowered and directed, for and in the name of The State Board of Agriculture and as its corporate act and deed, to execute the Trust Agreement hereinbefore referred to, to pledge the Net Income, as therein defined, for the purpose of securing and paying all payments of principal, interest, and reserves provided for in the Trust Agreement and Official Statement, and to perform all acts and deeds and execute all instruments and documents necessary, expedient, and proper in connection with the borrowing of said sum of One Million Seven Hundred Thousand Dollars ($1,700,000.00), the issuance of the Apartment Revenue Bonds, 1955 Series, and the sale of the same.

BE IT FURTHER RESOLVED that any two of said officers be and they are hereby authorized, empowered, and directed, 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 and conditions of said Trust Agreement which they may deem necessary, expedient, and proper, prior to or at the time of the execution of said Trust Agreement, but no such amendment 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 Trustees, or the security pledged. Provided, however, nothing herein contained shall be construed as limiting the right of such officers to alter or change the date of issue of said bonds, the dates for payment of interest, or the dates fixed for payments to the Trustee provided for in said Trust Agreement.

BE IT FURTHER RESOLVED that said officers, either in said Trust Agreement or by the issuance of said Apartment Revenue Bonds, 1955 Series, shall not pledge the credit of or create any liability on the part of the State of Michigan, The State Board of Agriculture, or any member or officer of this Board of any of their successors, other than to pledge the Net Income, as defined in the Trust Agreement above referred to and as set forth in the Official Statement.

BE IT FURTHER RESOLVED that any two of said officers be and they are hereby authorized, empowered, and directed, for and in the name of The State Board of Agriculture, to sell Michigan State University of Agriculture and Applied Science Apartment Revenue Bonds, 1955 Series, of the face value of One Million Seven Hundred Thousand Dollars ($1,700,000.00) at par and accrued interest, in accordance with commitments submitted by Ann Arbor Trust Company, as Fiscal Agent of this Board; and said Ann Arbor Trust Company is hereby authorized to accept payment for said bonds upon delivery of the same.