

Agendum
Oakland University
Board of Trustees Formal Session
May 7, 2014

ACCEPTANCE OF MEADOW BROOK SUBDIVISION GUARANTEE REPORT

1. **Division and Department:** Student Affairs, University Housing.
2. **Introduction:** In the early history of Oakland University (University) when it was affiliated with Michigan State University (MSU), it was determined that the Meadow Brook Subdivision should be developed to provide housing for University employees.

The MSU governing board authorized the establishment of the Meadow Brook Subdivision in April 1960, and granted authority to the University to take the necessary action for the implementation of the subdivision project including the guarantee of long-term financing on homes in the subdivision, which was a requirement from private lenders. The University became an autonomous institution of higher education in July 1970, with its own Board of Trustees (Board) assuming control of University property, assets, and obligations formerly possessed by MSU.

The Board determined that it was in the best interest of the University to continue the operation of the Meadow Brook Subdivision and the obligations which have been incurred since 1960; provided that all such transactions regarding the guarantee of loan payments are to be reported to the Board at its next regularly scheduled meeting. The financing arrangements and payments required in connection with such transactions are to be established at a level to assure the full fiscal integrity of the accounts relating to the Meadow Brook Subdivision.

As of March 1, 2014, the Board is guarantor of 16 mortgages with balances totaling \$1,695,572.17, which is at a level that does not compromise the fiscal integrity of the accounts relating to the Meadow Brook Subdivision.

On March 14, 2014, the University guaranteed payment on a Promissory Note for Evan Dermidoff, in the amount of \$169,100.00. This is a 30-year mortgage with an interest rate of 4.50% during the life of the loan. The loan, with Oakland University Credit Union, matures on April 1, 2044. Mr. Dermidoff is employed as an Academic Advisor in the Athletics Department. The loan satisfies all requirements of the Board of Trustees' Policy Statement.

3. **Previous Board Action:** The Board accepts the Meadow Brook Subdivision Financing Guarantee Report as needed at its formal sessions.

Acceptance of Meadow Brook Subdivision Guarantee Report
Oakland University
Board of Trustees Formal Session
May 7, 2014
Page 2


4. **Budgetary Implications:** The Board is guarantor of 17 mortgages with balances totaling \$1,864,672.17.
5. **Educational Implications:** None.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** The Meadow Brook Subdivision Home Sales report was reviewed and approved by the Interim Vice President for Student Affairs and Enrollment Management.
8. **Board Action to be Requested:** Board review and acceptance of the Meadow Brook Subdivision Home Sales report.
9. **Attachments:** None.

Submitted to the University President
on 25 March 2014



Glenn McIntosh, Interim Vice President for
Student Affairs and Enrollment Management

Recommended on March 26, 2014
to the Board for Approval by



Betty J. Youngblood
Interim President