

Minutes of the Recessed Meeting of the Board of Trustees of the University of Kentucky, August 24, 1963.

The Board of Trustees of the University of Kentucky met in the President's Office on the campus of the University of Kentucky at 10:55 a. m., Eastern Standard Time, on Saturday, August 24, 1963, pursuant to recess and adjournment from the statutory meeting held pursuant to KRS 164.170 on June 4, 1963. The following members were present: Governor Bert T. Combs, Chairman, Dr. Ralph Angelucci, Vice Chairman, Judge James A. Sutherland, Secretary, Dr. R. W. Bushart, Dr. Harry Denham, Mr. Sam Ezelle, Mr. Robert Hillenmeyer, Dr. H. B. Murray, Mr. Gilbert Kingsbury, Mr. Clifford E. Smith, Mr. Floyd Wright, and Dr. Lewis Cochran and Professor Paul Oberst, non-voting faculty representatives. Absent were: Mr. Emerson Beauchamp, Mr. Wendell P. Butler, Mr. Smith Broadbent, and Mr. W. F. Foster. Dr. A. D. Albright, Interim President, was also present.

A. Meeting Opened

It having been determined that a quorum was present, Governor Combs called the meeting to order and asked Judge James A. Sutherland to pronounce the invocation.

B. Minutes Corrected and Approved

Mr. Smith indicated that he had reviewed the Minutes of the June 4, 1963 meeting of the Board of Trustees and in order that it might be shown clearly what action was taken, he made a motion that the Minutes of the June 4, 1963 meeting be approved with the clarification that since the motion to adjourn which had been made prior to the presentation by the campus planners did not have a second, the motion that the meeting be recessed to reconvene on the call of the Governor represented the official action taken at that time. On second, Mr. Smith's motion that the Minutes of the June 4, 1963 meeting be approved with the above clarification was passed.

C. Professor Oberst Sworn In

Governor Combs welcomed Professor Paul Oberst, the newly elected faculty representative on the Board, and administered the oath of office.

D. Report on Investments

Dr. Albright reported on investments and indicated that funds from a number of small accounts had been consolidated and placed in short term investments, included as follows:

Schedule of Securities Coupon Income, Securities Removed and Securities
Added Safety Deposit Box

University of Kentucky

<u>Schedule of Security Coupon Income</u>	<u>Amount</u>
General fund income	\$ 1,475.00
Restricted fund income	33,590.02
Endowment fund income	840.00
Student Loan fund income	662.50
Agency fund income	287.50
	36,855.02
Total Investment Income	\$ 36,855.02

Kentucky Research Foundation

General fund income	\$ 462.50
Restricted fund income	162.50
Endowment fund income	818.75
	1,443.75
Total Investment Income	\$ 1,443.75

Athletic Association

Total Investment Income	\$ 1,875.00
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University of Kentucky

<u>Schedule of Securities Removed</u>	<u>Numbers</u>	
U. of Ky. Dorm. Revenue Bonds	70-74	\$ 5,000.00
U. of Ky. Library & Service Bldg. Bonds	313-317	5,000.00
U. of Ky. Auditorium Field House Bonds	526-530	5,000.00
U. of Ky. Certificate of Investment in Owensboro- Daviness County Industrial Foundation	252	1,000.00
Savings & Loan Certificates: New Union Bldg. Association	2043	10,000.00
Louisville Home Federal Savings	20552	10,000.00

Schedule of Securities Added

University of Kentucky

<u>Issuing Company</u>	<u>Number</u>	<u>Par Value</u>
Ashland Oil Company	58	
Lexington Water Company	16	
Kentucky Utilities Company - Preferred	6	
Great Northern Railway Company	16	

<u>Issuing Company</u>	<u>Number</u>	<u>Par Value</u>
General Motors Corporation	6	
American Water Works Company	30	
Pennsylvania Gas and Water Company (Formerly Scranton Spring Brook Water Service Co.)	12	
Ohio Water Service Company	8	
Sperry Rand Corporation	100	
Sperry Rand Corporation	100	
Sperry Rand Corporation	20	
Southern Gas and Water Company (Formerly W. Va. Water Ser. Co.)	22	
Southern Gas and Water Company (Formerly W. Va. Water Company)	5	
Louisville Gas and Electric Company	56	
American Tobacco Company	100	
American Tobacco Company	80	
Bethlehem Steel Corporation	18	
Kentucky Utilities - Preferred	79	
Liggett and Meyers Tobacco Company	18	
Louisville Gas and Electric Company-Preferred	100	
Louisville Gas and Electric Company-Preferred	73	
McKesson and Robbins	93	
Standard Oil of California	90	
Standard Oil of California	36	
Standard Oil Company - New Jersey	36	
R. J. Reynolds Tobacco Company	100	
R. J. Reynolds Tobacco Company	50	
Texas Gas Transmission Corporation	93	
<u>Bonds:</u>		
Houston Corporation	1	\$ 6,000.00
Houston Corporation	8	100.00
<u>Passbook:</u>		
Farmers Bank and Capital Trust Company		1,000,000.00
<u>Kentucky Research Foundation</u>		
Notes of L. Marion Oliver for Battlefield Stock Farm	3	25,000.00
Standard Oil of New Jersey	4	100.00
Kentucky Utilities	4	100.00
<u>Thomas Poe Cooper Agricultural Foundation</u>		
Standard Oil of New Jersey	1	100.00

Schedule of Investments Made by the University of Kentucky

<u>Restricted Funds</u>	<u>Amount</u>
Group Investment - G.M.A.C. Notes	\$ 100,000.00
Farmers Bank and Capital Trust	1,000,000.00
<u>Medical Fund</u>	175,000.00
<u>Athletic Association</u>	100,000.00

Schedule of Investments Made by Trustee

<u>Farmers Bank and Capital Trust Company</u>	
U. of Ky. Housing Bonds of 1960	18,000.00
Haggin Hall Bonds	80,000.00
Shawneetown Apts.	129,000.00
Holmes Hall	51,000.00
Keeneland Hall	35,000.00
Donovan Hall	61,000.00
Blazer Hall	80,000.00
Total	<u>\$ 454,000.00</u>
<u>First Security National Bank and Trust Company</u>	
Community Colleges Educational Bldg.	\$ 57,000.00
Consolidated Educational Bldgs. -Series B	<u>403,431.15</u>
Total	<u>\$ 460,431.15</u>

Investment to be Made August 26, 1963

<u>Bank of Commerce</u>	
Restricted Funds	\$ 100,000.00

The above investments for the most part carry 4% return, with the GMAC notes carrying 3 5/8%. Dr. Albright recommended ratification of the investments made and authorization for a \$100,000 investment to be made on August 26, 1963, and on motion duly made, seconded, and carried, his recommendation was approved.

E. Agreement with the Methodist Hospital in Henderson, Inc.

Dr. Albright presented an agreement with the Methodist Hospital in Henderson, Inc., relative to their cooperation in the implementation of education for nursing. The hospital will serve as the clinical laboratory for College of Nursing students and the College of Nursing faculty will provide the necessary instruction and supervision of its students. The agreement is the same which has been executed with all affiliated hospitals and no financial transactions are involved.

On motion by Dr. Denham, duly seconded and carried, approval was given to the agreement with the Methodist Hospital in Henderson, Inc.

F. Basic Agreement with United States Air Force

The United States Air Force has requested the University of Kentucky to enter into a Basic Agreement which is a written instrument of understanding executed between a procuring activity and a contractor which sets forth the negotiated contract clauses which will be applicable to future negotiated procurements entered into between the parties during the term of the Basic Agreement. It is not a contract in the legal sense but is a memorandum setting forth the general provisions which have been agreed upon by the parties for application in future contracts. The execution of the Basic Agreement will not affect contracts already in force.

On the recommendation of Dr. Albright, motion was made, seconded, and carried that the University of Kentucky enter into a Basic Agreement with the United States Air Force.

G. Easement with General Telephone Company

The General Telephone Company has requested an easement involving a 10-foot strip of land adjacent and parallel to Ramp "B" at intersection of Newtown Road and I-64 and I-75 on Coldstream Farm for buried cable and pedestals. The grantee has agreed to use all reasonable precautions to protect any trees that may be encountered on said easement. Dr. Albright indicated that since the usual clause "for the use and benefit of the University of Kentucky" does not appear in the title to Coldstream Farm, granting of the easement must be made by state officials but it was felt desirable to have the approval of the Board of Trustees of the University of Kentucky prior to approval.

On motion by Dr. Murray, duly seconded and carried, University administrative officials were authorized to recommend approval of the easement requested by the General Telephone Company to the proper state officials.

H. Easement with Russell Cave Road Water District

The Russell Cave Road Water District has requested an easement on Coldstream Farm covering a 10-foot strip of land in order to lay, maintain, operate, remove, repair and replace a pipe line or lines. The grantee agrees that the line shall be constructed and maintained below cultivation and will pay for all damages to crops, buildings, livestock, fences and private roadways resulting from its construction.

On motion by Dr. Angelucci, seconded by Mr. Hillenmeyer, and carried, University officials were authorized to recommend to the proper state officials the approval of this easement with the Russell Cave Road Water District.

I. Fee Change Authorized for Engineering Cooperative Work Assignment Program

On April 1, 1952, the Board of Trustees approved a registration fee of \$5.00 per semester for students carrying out their Engineering Cooperative work assignment away from the campus. Dean Shaver has requested that this fee be changed to an amount equivalent to that charged for one credit of academic work effective with the fall semester 1963-64.

On motion and second, approval was given to the change in fee for the Engineering Cooperative work assignment program.

J. Part-time Fee for Nursery School Approved

Nursery School participation for 4-year olds is particularly heavy this year and, since the maximum capacity at present is fourteen children in a session, it is felt desirable that a plan be worked out whereby some of the children could attend on a half-time basis. Such an arrangement would permit handling seventeen children rather than fourteen. The recommended fee for the half-time students is \$15.00 for the semester, such fee to become effective with the fall semester 1963-64.

On motion duly made, seconded and carried, approval was given to a fee of \$15.00 a semester for children enrolling in the Nursery School on a half-time basis.

K. Approval of Budget Adjustments

Dr. Albright requested approval of the transfer of \$2,304.38 from unappropriated funds to Account 740, College of Commerce Instruction, to cover fees for the College Business Management Institute which were collected and credited to Realized Income. The amount was not included in the budget estimated income.

Dr. Albright also requested that the \$75,000 which the University had agreed to allocate to the construction of the Alumni Building on Euclid Avenue and Rose Street be transferred from Account 3410, Capital Outlay, to the Alumni Building Account.

On motion by Dr. Denham, seconded, and carried, the transfers of \$2,304.38 to College of Commerce Instruction Account and \$75,000 to Alumni Association Building Account were approved.

L. Memberships in Graduate Faculty Approved

Upon the nomination of the Graduate Council, the Board of Trustees on motion by Dr. Angelucci, seconded by Judge Sutherland, and carried approved membership in the Graduate Faculty for the following persons:

John Järnefelt - Associate Professor of Pharmacology
 S. Sidney Ulmer - Professor and Head, Department of Political Science
 Melvin De Fleur - Professor of Sociology
 James F. Thorpe - Associate Professor of Nuclear Engineering

M. Approval of Consultative Services

Dr. Mark M. Luckens, College of Pharmacy, has requested permission to become a consultant to the Division of Pediatrics of the Children's Hospital in Louisville. This will involve an appointment to the Medical School of the University of Louisville but no salary or fees will be paid. Travel and telephone expense will be borne by the Division of Pediatrics.

On motion by Judge Sutherland, seconded, and carried approval for Dr. Mark Luckens to become a consultant to the Division of Pediatrics of the Children's Hospital in Louisville with the understanding that his consultative services would in no way interfere with his regularly scheduled University duties was granted.

N. Approval of Temporary Appointment of Mrs. Mary Alice Kraeche

Dr. Lawrence Thompson has recommended the appointment on a temporary basis of Mrs. Mary Alice Kraeche as a part-time assistant in the Acquisitions Department of the University Library. Since Dr. Kraeche is a professor in the Department of History, approval of the Board of Trustees is necessary under the nepotism clause of the Governing Regulations.

Dr. Albright recommended approval of the appointment of Mrs. Kraeche and on motion by Judge Sutherland, seconded and carried, Mrs. Kraeche's appointment was confirmed.

O. Approval of Agreement with Phi Kappa Tau Fraternity

Since Zeta Beta Tau withdrew from the loan agreement with HHFA for the financing of four small dormitories, Phi Kappa Tau has requested that they be permitted to enter into an agreement with the University for the construction of a fraternity house. They have also requested that the loan agreement be in the amount of \$160,000 rather than the \$150,000 specified for Zeta Beta Tau and that the firm of Meriwether, Marye, and Bond be approved as the architects since prior planning has already been done with this firm.

Upon the recommendation of Dr. Albright, Dr. Angelucci moved that the administrative officers of the University work out the modifications to the loan agreement with HHFA to cover the additional \$10,000 requested and that Meriwether, Marye, and Bond be approved as the architects for the Phi Kappa Tau fraternity house, and that the usual agreements be worked out with the Phi Kappa Tau House Corporation. The motion was seconded and carried.

P. Organization of Pathology in the Colleges of Medicine and Dentistry Approved.

Dr. Albright presented the following recommendations from Dr. Willard relative to the organization of Pathology in the Colleges of Medicine and Dentistry:

1. That the Department of Pathology in the College of Medicine be recognized officially as the Department of Pathology in the College of Dentistry;
2. That the Division of Legal Medicine and Toxicology within the Department of Pathology be recognized in the College of Dentistry as a division of the Department of Pathology under the title, Division of Legal Dentistry and Toxicology.

Dr. Albright indicated his concurrence in Dr. Willard's recommendations and on motion by Dr. Angelucci, seconded and carried, approval was given.

Q. President Oswald Named Professor of Plant Pathology

With the concurrence of Dr. Richard A. Chapman and Dean Stanley Wall, Dr. Albright recommended to the Board of Trustees that President John W. Oswald's appointment as President of the University of Kentucky also include his appointment as Professor of Plant Pathology.

On motion by Mr. Ezelle, seconded and carried, Dr. John W. Oswald was approved as Professor of Plant Pathology.

R. Gifts and Grants

Dr. Albright presented the following list of gifts for acceptance by the Board of Trustees, calling particular attention to the gifts from Mrs. Frank G. Dickey and from the Fischer Packing Company:

<u>Donor</u>	<u>Amount or Value</u>	<u>Purpose</u>
Mrs. Frank G. Dickey	\$ 2,000.00	To establish Ira Drymon Memorial Scholarship
Hinkle Contracting Corp.	200.00	In support of their scholarship for 1963-64
Ralston Purina Company	500.00	Ralston Purina Scholarship
Mrs. Emma R. Duncan	1,500.00	In support of W. G. Duncan, Jr. Scholarships
International Nickel Company	1,003.00	\$500 for use of Department of Mining and Metallurgical Engineering; \$503 for scholarship purposes
Williamson Piggly Wiggly, Inc.	500.00	In support of a scholarship for fall semester
Commercial Solvents Corp.	500.00	Grant to Dr. R. F. Wiseman for research
The Babcock & Wilcox Co.	700.00	For use in the area of engineering and technical education
Ladies Auxiliary, BPOE 206, Henderson	500.00	Nursing scholarship (2 years) at Northwest Center
Methodist Hospital Auxiliary, Henderson	250.00	Nursing or lab technician for one year
Henderson County Lions Club	800.00	Freshman scholarships (4) at Northwest Center
Foundry Educational Foundation	500.00	Discretionary fund for use by Professor Duncan in the College of Engineering
Moorman Manufacturing Co.	1,500.00	Scholarships in agriculture
Eli Lilly and Company	3,000.00	Research in Department of Animal Science
Dr. Herbert Sorenson	100.00	Taylor Education Fund for scholarship purposes
The Sperry and Hutchinson Co.	500.00	Unrestricted grant
The Carrier Foundation, Inc.	1,000.00	In support of J. Irvine Lyle Memorial Scholarships
Anonymous	113.75	For the Hobart Ryland Memorial Library Fund
Klarer of Kentucky	3,000.00	In support of research in Animal Science Department
	<u>\$18,166.75</u>	

Other Gifts

*Fischer Packing Company Oldsmobile 98 with all appurtenances for use of the President of the University

*Gift not accepted but referred to Executive Committee for further study and action.

Governor Combs questioned the advisability of the acceptance of an automobile from the Fischer Packing Company. Mr. Smith explained that this company had made large contributions in the past to the University, mainly in the form of cash contributions for the promotion of research in the College of Agriculture. One of the terms of employment of President Oswald was the provision of an automobile for his and his family's use. When the Fischer Packing Company learned of this, they offered to provide the automobile so that University funds would not need to be expended for such a purchase. In the discussion that followed, it was felt that perhaps further study should be given to the matter before acceptance of such a gift.

Dr. Angelucci then made the motion that the list of gifts, with the exception of the Fischer Packing Company's gift of an automobile, be accepted with the usual letter of thanks sent to the donors on behalf of the Board of Trustees, and that the Executive Committee of the Board of Trustees be empowered to study the matter and to take the appropriate action relative to the gift from the Fischer Packing Company. The motion was seconded and carried.

S. Appointments and Other Staff Changes

Dr. Albright then presented the list of appointments and other staff changes, as follows:

COLLEGE OF ARTS AND SCIENCES

Appointments

Jack N. Baldwin, Professor, Microbiology, for ten months, beginning September 1, 1963, ending June 30, 1964

John D. Boller, Music Director, Radio, Television & Films, beginning July 25, 1963, ending June 30, 1964

R.B. Clay, Field Archaeologist, Anthropology, for the month of July 1963, only

Rosemary R. Hartman, Project Assistant, Psychology, beginning July 15, 1963, ending June 30, 1964

Anne A. Hendricks, Project Assistant, Psychology, beginning July 15, 1963, ending June 30, 1964

George H. Johnson, Piano Technician, Music, for ten months beginning September 1, 1963, ending June 30, 1964

Edna Mae Lottes, Secretary, Social Work, beginning August 1, 1963, ending June 30, 1964

Reappointments

Marion M. Worth, Senior Secretary, Microbiology, beginning July 1, 1963, ending June 30, 1964

James M. Kline, p-t Instructor, Physics, beginning September 1, 1963, ending June 30, 1964

Resignations

Wolfgang Fischer, Associate Professor, Modern Foreign Languages, effective September 1, 1963 (unable to accept position)

Beverley Joan Wilson, Secretary, Social Work, effective July 31, 1963

Leave of Absence

Betty Jo Timberlake, Secretary, Physics, leave for August, 1963

Changes in Status

J. C. Eaves, Professor, Mathematics & Astronomy, 1963-64 appointment to include July and August as NASA Research Mathematician (KRF), adjustment in salary

Bobby E. Perraut, Electronics Technician, Physics, correct 1962-63 appointment which should have included July and August as leave instead of resignation effective July 1, 1962

Saeed Salehi, Instructor, Mathematics & Astronomy, to be p-t Instructor for ten months beginning September 1, 1963, ending June 30, 1964, adjustment in salary

Douglas W. Schwartz, Professor, Anthropology, 1963-64 appointment to include July and August (beginning June 15) as Research Director (KRF), adjustment in salary

Charles B. Traux, Associate Professor, Psychology, 1963-64 appointment to include July and August as Project Director, adjustment in salary

COLLEGE OF AGRICULTURE AND HOME ECONOMICS

Appointments

Deanna Craddock, Assistant Home Demonstration Agent in Training, Hickman County, beginning July 15, 1963

Anna Lou Fleener, Extension Clerk, Grayson County, beginning July 1, 1963

Norma Valoise Ives, Extension Clerk, Allen County, beginning July 1, 1963

Cozette Wilson, Assistant Home Demonstration Agent in Training, Johnson County, beginning September 16, 1963

Reappointment

Glenda G. Wallace, Home Demonstration Agent, Jackson County, beginning July 1, 1963

Resignations

Norma Jo Boggs, Home Demonstration Agent, Hancock County, effective July 27, 1963

Hazel P. Chatten, Extension Clerk, Larue County, effective July 1, 1963

George F. Lacy, Field Enumerator, Experiment Station, effective July 19, 1963

Raymona D. Radford, Extension Clerk, Todd and Christian Counties, effective July 1, 1963

Joyce C. Terry, Clerk-Stenographer, Extension, effective July 8, 1963

Howard C. Wilson, Artist-Draftsman, Experiment Station, effective August 6, 1963

Merle Jean Wilson, Home Demonstration Agent, Monroe County, effective July 31, 1963

Deceased

Margaret Morris, Special Assignment, Experiment Station, died July 23, 1963

Leaves of Absence

Harold D. Collins, County Agent, leave beginning July 14, 1963, ending August 31, 1963

Thomas H. Johnson, Assistant in Poultry Science, sabbatical leave beginning July 1, 1963, ending October 31, 1963

Clyde Russell Hopkins, County Agent, continue leave beginning July 1, 1963, ending September 10, 1964

William H. McCollum, Professor, Animal Pathology, return from leave (Indonesian Assignment), effective August 10, 1963

Changes in Status

James K. Stacey, Area Agent in Horticulture, Pulaski County, to be Extension Specialist in Horticulture, Campus, effective July 1, 1963

Paul Mills, Acting County Agent, Rockcastle County, transferring to Whitley County, effective August 1, 1963

Patrona F. Dixon, Extension Clerk, Todd County, adjustment in salary, beginning July 1, 1963

Gordon Henshaw, County Agent, Carlisle County, adjustment in salary, beginning July 1, 1963

Shirley Russell Lamb, Greenhouse Technical Aide, Horticulture, to be Technician, beginning July 1, 1963

Asa I. Overall, County Agent, continue leave for August, 1963

Bobbie Gail Pullen, Assistant Home Demonstration Agent, Ohio County, transfer to Hancock County as Home Demonstration Agent, beginning August 1, 1963

Cleabern Wells, Draftsman, adjustment in salary, beginning July 1, 1963

Reappointments of County Secretarial Staff for Fiscal Year 1963-64: Ruth M. Tuck, Phyllis Jean Tucker, Shirley Tucker, Allene F. Wallis, Kathy Wheeler, Frieda J. Williams, Betty A. Yates, Carrol J. Pendley, Myrna M. Phelps, Reta D. Pickett, Brenda F. Pope, Phyllis W. Powders, Ann Poynter, Betty Purcell, Sibyl Radford, Lillie D. Richards, Mabel C. Rosel, Darla J. Schulze, Doris S. Scillian, Christine Sue Smith, Jewell A. Smith, Anita Jenkins, Christine A. Jones, Eunice E. Kinner, Myrtle McIntosh, Aylene F. McKee, Florence L. Martin, Sandra H. Murphy, Jerima P. Gee, Shirley H. Grider, Mary R. Gridley, Nana T. Grooms, Rebecca Ann Guinn, Glenda K. Hancock, Virginia Y. Alsop, Suzanne G. Bell, Hazel Bewley, Peggy R. Blacketer, Maggie H. Blanton, Mary E. Boswell, Beatrice Bowman, Helen Bowling, Wanda R. Brank, Florence M. Burnette, Mary B. Cannoy, Julia Ann Cash, Bonnie W. Couch

COLLEGE OF LAW

Change in Status

James R. Richardson, Professor, to have additional appointment as Legal Consultant to the Medical Center, beginning July 1, 1963, ending December 31, 1963

COLLEGE OF COMMERCE

Appointment

Floyd C. Graham, Assistant Professor for ten months, beginning September 1, 1963, ending June 30, 1964

Leave of Absence

Robert H. Stroup, Associate Professor, leave beginning September 1, 1963, ending June 30, 1964

COLLEGE OF ENGINEERING

Appointment

Harry Edward Gilkey, Jr., Assistant Professor, Engineering Mechanics, p-t, beginning August 15, 1963, ending May 15, 1964

Resignations

Patricia L. Leistner, Senior Secretary, Aero Laboratory, effective September 30, 1963

Charles E. Strawn, Laboratory Technician, effective May 31, 1963

Change in Status

Peggy J. Fuller, Invoice Clerk, Purchasing, Medical Center, transferring to Aero Laboratory, Engineering, as Senior Secretary, beginning August 19, 1963, ending June 30, 1964, adjustment in salary

COLLEGE OF EDUCATION

Reappointment

Charles D. Auvenshine, Assistant Professor, beginning July 1, 1963, ending June 30, 1964

Resignation

Primitiva Perez, Instructor, Summer Term, cancel lump sum payment

The following people are summer term instructors for the second half: David Aspy, Olive E. Barrett, Vivian Burke, Grace Champion, Jack M. Conner, Jess L. Gardner, Eugene M. Huff, F. Sue Monson, Curtis Phipp, Margaret E. Roser, Salome Souder.

The following persons employed to serve as supervising teachers in off-campus teaching program during summer school session of the school year 1962-63:

Fayette County Public Schools: Jane Anderson, Eloise Dietz, Henry Grehan, Anna Neal, Clarice Ramey, Adele Rice, Florence Martin.

Lexington City Public Schools: Mildred Arens, Fern Cassity, Jessie Fugett, Robert Shaw, Helen Vander Veer, Zaner Zerkel

Frankfort State Hospital & School: Christine Coleman

Woodford & Grant Counties Elizabeth Parker

The following persons served as General Supervisors:

Fayette County Schools: James D. Ishmael, General Supervisor

Lexington Public Schools: Clyde Lassiter, General Supervisor

EXTENDED PROGRAMS

Appointments

Stanley Alvin Larson, Instructor, English, Southeast Center, for ten months, beginning September 1, 1963, ending June 30, 1964

The following persons to be paid for instruction during the Executive Housekeepers Institute the week of July 22, 1963: W.H. Ennis, J. T. Flint, A. P. Nestor

The following persons to be paid for Evening Class Instruction, Summer 1963: Wilford E. Fridy, Edith F. Mongan, Martin A. Oordt, George Curtis Olsen, John F. Weir

The following persons to be paid for extension instruction from June 14 to August 8, 1963. Fees in excess of total amount requested have been collected and turned over to the Comptroller's Office for the purpose of meeting this obligation: Joyce Ann Bryan, Gerald Daubek, C. Perry Martin, Edna C. Miller, James R. Ogletree, Wallace Ramsey

Roy Leon Jagers, Operating Engineer, Elizabethtown, beginning July 1, 1963, ending June 30, 1964

MEDICAL CENTER

College of Medicine

Appointments

Carol B. Currier, Assistant Professor, Psychiatry, beginning August 28, 1963 ending June 30, 1964

Patricia Ann Donovan, Clerk-Stenographer, Community Medicine, beginning July 15, 1963

Donald Edward Edger, p-t Instructor, Obstetrics & Gynecology, beginning July 1, 1963, ending June 30, 1964

Gail Robert Houck, Laboratory Technician, Surgery, beginning July 22, 1963

Pauline Quire Meadors, Assistant to Radiation Officer, Radiation Therapy, beginning July 22, 1963

Charles L. Preston, Instructor of Clinical Obstetrics & Gynecology, beginning July 1, 1963, ending June 30, 1964

Dixie Hill Reber, Technician, Obstetrics & Gynecology, beginning August 1, 1963, ending June 30, 1964

Catherine Whitney Scott, Clerk-Typist, Community Medicine, beginning July 1, 1963, ending August 31, 1963

Jerome Thomas Taylor, Laboratory Aid, Community Medicine, beginning September 1, 1963

J. Kent Trinkle, Resident-Second Year, Surgery, beginning July 1, 1963, ending June 30, 1964

Nan S. Wells, Research Assistant, Surgery, beginning July 11, 1963, ending June 30, 1964

Gerald L. Points, Histological Technician, Anatomy (KRF), for June, July and August, 1963

Resignations

Catherine R. Boyd, Laboratory Technician, Surgery, effective August 14, 1963

Cornelius D. Caudill, Laboratory Assistant, Medicine, effective August 16, 1963

Marta N. Flanary, Research Assistant, Physiology & Biophysics, effective July 17, 1963

V. Venona Graham, Research Assistant, Surgery, effective August 23, 1963

Charles G. Grigsby, Postdoctoral Fellow, Physiology & Biophysics, effective July 15, 1963

Maria A. Stojkewycz, Technician, Obstetrics & Gynecology, effective August 23, 1963

Harris W. Terrell, Jr., Research Assistant, Surgery, effective August 29, 1963

Billie Anne Walker, Glass Washer, Surgery, effective July 31, 1963

Changes in Status

Joan Angelone, Administrative Assistant, Anesthesiology, to be Administrative Secretary, beginning July 1, 1963, with adjustment in salary

Willa Amenta Duke, Laboratory, Assistant, Biochemistry, adjustment in salary, beginning July 1, 1963 (KRF)

John Q. Gallagher, Fourth Year Resident, Surgery, to be paid by VA beginning July 1, 1963

David Klein, Second Year Resident, Surgery, to be paid by VA beginning July 1, 1963

Edward H. Ray, Sr., Professor & Chief, Division of Urology, Surgery, salary listed incorrectly for appointment beginning August 1, 1963.

Mary Jo Varney, Principal Secretary, Community Medicine, adjustment in salary, beginning July 1, 1963

Gerald B. Wells, Laboratory Technician, Biochemistry, to be Research Assistant, (KRF) with adjustment in salary, effective July 1, 1963

Richard E. Wood, First Year Resident, Surgery, adjustment in salary, (VA) beginning July 1, 1963 through September 30, 1963

Leave of Absence

Marilyn J. Lose, Secretary, Behavioral Science, leave beginning August 15, 1963, ending November 15, 1963

HospitalAppointments

Shirley Allen Collins, Medical Technician, Pathology, effective July 15, 1963

Janice Marie Ebs, Clerk-Typist, Pathology, beginning July 1, 1963

Carolyn L. Fuller, Social Worker, Social Services, beginning July 1, 1963

Kora J. Gwinn, Clerk-Typist, Administration, beginning July 22, 1963

Joe Hendrickson, Assistant Medical Record Librarian-Statistician, Medical Records, beginning July 15, 1963

Brenda Marie Lloyd, Medical Technologist, Pathology, beginning July 1, 1963

June Ray Peterson, Medical Technologist, Pathology, beginning July 1, 1963

Mary Lou Porter, General Staff Nurse, Nursing Services, beginning July 15, 1963

Robert Parker Rapp, Graduate Pharmacist, Pharmacy Central Supply, beginning July 1, 1963

Janice Marian Snyder, General Staff Nurse, Nursing Services, beginning July 23, 1963

Patricia Thornton Taylor, Unit Clerk, Nursing Services, beginning July 29, 1963

Reappointments

Nanci Lynn Brakd, Staff X-ray Technician, Radiology, beginning July 1, 1963
(Brake)

Marjorie W. Brayfield, Medical Record Clerk, Medical Records, beginning July 1, 1963

Joe Larry Eads, Supervisor, X-ray Technician, Radiology, beginning July 1, 1963

Judith A. Evers, Isotope Technician, Radiation Therapy, beginning July 1, 1963

Ralph Thomas Givens, Film Record Clerk, Radiology, beginning July 1, 1963

Paula L. Hesselschwerdt, Social Work Associate, Social Services, beginning July 1, 1963

Louise B. Jett, Film Record Clerk, Radiology, beginning July 1, 1963

Janett Giles Price, Secretary, Radiology, beginning July 1, 1963

Resignation

Stephanie C. Lee, Medical Record Clerk, Medical Records, effective July 9, 1963

Changes in Status

New Salary Schedule for 1963-64 Budget for the Following Members of University Hospital Staff, effective July 1, 1963: Judith L. Bennett, Charlotte A. Boone, Barbara J. Brewer, Betty Jo Brewster, Ruby Sherwood Brown, Ruby Dean Campbell, Billye Webb Cook, Fannie Faye Covey, Judy C. Cunagin, Marilyn G. Curry, E. Gale Duff, Justine Edwards *William D. Epperson, Janet M. Farmer, Jane Graybeal, Mary Belle Hall, Jane B. Jackson, Betsy R. Kessler, Mary Evelyn Kidd, Eloise I. Kirby, Anna Florence Leachman, Margery Burdette McCabe, Ann Heath Moloney, Sarah B. Moore, Betty Mulberry, Jean F. Ruddle, Maureen Rule, Toy A. Shepherd, Vivian C. Smith, Sara D. Thompson, Fayette

H. Weddle, Nancy Ross Wingate, Barbara A. Woods, Alberta F. Yonts
 (* Probation adjustment in salary)

College of Nursing

Reappointments

Alice Higgins, Associate Professor, Instruction, beginning July 1, 1963, ending June 30, 1964

Delores Higgins, Associate Professor, Associate Degree Program, beginning July 1, 1963, ending June 30, 1964

College of Dentistry

Appointments

Clair D. Reitz, Instructor, Operative Dentistry, beginning September 1, 1963, ending June 30, 1963

William F. Simmons, Histology Technologist, Oral Pathology, beginning July 22, 1963, ending June 30, 1964

Changes in Status

William John Begue, Instructor, Oral Pathology, transfer to Department of Research, effective August 1, 1963

Sandra R. Sheriff, Senior Secretary, Administration, adjustment in salary, beginning July 1, 1963, ending June 30, 1964

Other Departments

Reappointments

Peggy J. Fuller, Invoice-Clerk, Purchasing, beginning June 1, 1963, ending August 18, 1963 (transferring to Engineering)

Linda Fay Wood, Invoice-Clerk, Purchasing, beginning July 1, 1963, ending June 30, 1964

Resignation

Glenda Sue Rampulla, Medical Records Clerk, Health Service, effective July 31, 1963

Changes in Status

Terrie Joan Cahoon, Senior Account Clerk, Accounting & Budgetary Control, adjustment in salary, beginning August 1, 1963

Ann S. Ellers, Senior Secretary, Health Service, adjustment in salary, beginning July 1, 1963, ending June 30, 1964

Berman Cecil Gibson, Media Supervisor, Central Media Services, adjustment in salary, effective July 1, 1963

William W. Greathouse, Glass Washer, Central Media Services, to be Supervisor of Glass Washing, beginning August 1, 1963

Carrie Lee Hitt, Clerk-Receptionist, Health Service, adjustment in salary, beginning July 1, 1963, ending June 30, 1964

Russell E. Hundley, Test Scoring Supervisor, Counseling & Testing Service, transferring to Accounting & Budgetary Control as Principal Account Clerk, effective July 1, 1963

Malcolm Warford, Stores Supervisor, Central Receiving, transferring to Purchasing as Purchasing Assistant, effective July 1, 1963

OFFICE OF THE PRESIDENT

Resignation

Frank G. Dickey, President, effective July 31, 1963 (to cover vacation leave)

Changes of Status

Linda H. Gillespie, Clerk-Stenographer, Placement Service, to be Senior Secretary, beginning July 1, 1963

Mary L. Lawrence, p-t Secretary, Provost's Office, continue appointment through August 23, 1963

OFFICE OF THE EXECUTIVE VICE PRESIDENT

Appointments

Robert King Fullinwider, Circulation Assistant, Library, p-t, beginning September 1, 1963, ending June 30, 1964

Dennie C. McDaniel, Machine Operator, Computing Center, p-t, beginning September 1, 1963 (adjustment in salary for August), ending June 30, 1964

Resignations

Merl Baker, Executive Director, Kentucky Research Foundation and AID Programs, effective October 2, 1963

C. Stuart Riley, part Instructor, Computing Center & Electrical Engineering, effective August 31, 1963

Peggy Hughes Rucker, Admissions Clerk, Admissions, effective September 6, 1963

Leaves of Absence

Zelma Dozier, Cataloging, Library, leave for August 1963

Sylvia Zsoldos, Acquisitions, Library, continue leave beginning July 1, 1963, through September 15, 1963

Changes in Status

William H. Ballew, Clerk, Library, adjustment in salary, beginning July 1, 1963

Dolores A. Copenhaver, Admissions Clerk, Admissions, transferring from Acquisitions, Library, effective July 1, 1963, adjustment in salary

Noel Katherine Ganter, Admissions Clerk, Admissions, to be Junior Transcript Clerk, beginning July 1, 1963

Lawrence C. Grebstein, Counselor, Counseling & Testing, part-time, adjustment in salary, effective August 1, 1963

Sandra Boehling Lykins, Secretary, Testing Service, to be Senior Secretary, with adjustment in salary, beginning July 1, 1963

Olive W. Miller, Senior Secretary, Vice President's Office, Medical Center, transferring to Counseling & Testing Office, same title, with adjustment in salary, effective July 22, 1963

Agatha E. Parks, Administrative Secretary, Office of the Executive Vice President, to be Administrative Assistant, with adjustment in salary, effective July 1, 1963

Helen Baker Pearce, Secretary, Director's Office, Library, adjustment in salary, beginning July 1, 1963

DIVISION OF BUSINESS ADMINISTRATION

Appointments

Mary E. Amburgey, Account Clerk, Accounting, effective July 8, 1963

Diane Caudell, Clerk-Stenographer, Personnel, beginning July 23, 1963

Neva F. Ewers, Clerk-Receptionist, Personnel, beginning July 29, 1963

Mary M. Fletcher, Account Clerk, Accounting, effective July 15, 1963

Marjorie Hoehler, Account Clerk, Accounting, effective July 17, 1963

Olivia Storey, Interviewer, Personnel, effective July 25, 1963

Polly Logsdon, Order Expediter, Purchasing, effective July 1, 1963

Mary Carol Sears, Cashier, Accounting, effective July 8, 1963

Reappointment

Bennie D. Hager, Manager, K-Lair Grill, effective July 1, 1963

Resignations

Joann Jones, Senior Record Clerk, Personnel, effective July 19, 1963

Mary Lucile Miller, Senior Account Clerk, Accounting, effective August 7, 1963

Charlotte D. Powers, Secretary, Business Administration, effective September 2, 1963

Samuel Y. Schuster, Research Analyst, Business Administration, effective July 31, 1963

Leaves of Absence

Laurence W. Roberts, Manager, Wildcat Grill, leave August 1963

Mayme B. Powers, Dietitian, Donovan Hall Cafeteria, leave beginning July 1, 1963 ending August 11, 1963

Emma Jean Niles, Dietitian, Donovan Hall Cafeteria, leave beginning July 1, 1963, ending August 11, 1963

Changes in Status

Barbara Coleman, Clerk-Stenographer, Personnel, to be Senior Record Clerk, with adjustment in salary, beginning July 22, 1963

Fleming B. Griffith, Accountant, Maintenance & Operations, to go on hourly basis beginning July 1, 1963

J. D. Hooper, Senior File Clerk, Purchasing, adjustment in salary, effective July 1, 1963

H. B. Ingalls, Senior Account Clerk, Accounting, adjustment in salary, beginning July 1, 1963

Thomas B. Stroup, University Studies Editor, Press, effective July 1, 1963. (Dr. Stroup is Professor of English)

OFFICE OF THE DEAN OF MEN

Appointments

Catherine Emily Appley, Housemother, effective July 1, 1963

Reappointments

Barbara Milton Clay, Secretary, Men's Residence Hall, effective July 1, 1963

Resignations

Tommye S. King, Housemother, effective July 1, 1963

Ethel T. Patton, Housemother, effective July 1, 1963

Hallie Ullendorff, Housemother, effective July 1, 1963

Dorothy F. Webb, Housemother, effective July 1, 1963

Change in Status

Martha Joan Moffett, Secretary, adjustment in salary, beginning July 1, 1963

OFFICE OF THE DEAN OF WOMEN

Appointments

Jane Batchelder, Program Coordinator, Holmes Hall, beginning August 18, 1963

Marion Royal, Head Resident, Holmes Hall, effective August 18, 1963

Reappointments

Anne P. Hilgartner, Resident Advisor, effective July 1, 1963

Changes in Status

Edith Potts, Executive Housekeeper, adjustment in salary, effective July 1, 1963

Helen Ingerton, Assistant Housekeeper, adjustment in salary, effective July 1, 1963

Mr. Hillenmeyer moved that the lists be approved and made a part of the minutes of the meeting. His motion was seconded by Dr. Angelucci and passed.

T. Final Report of Peat, Marwick, Mitchell & Company Accepted

Mr. Smith indicated that copies of the final report of Peat, Marwick, Mitchell & Company had been distributed to all members of the Board of Trustees and that copies were available for the press. He, therefore, with the approval of the Finance Committee of the Board of Trustees wished to make the following motion: That the final report of Peat, Marwick, Mitchell & Company, dated July 8, 1963, be received and filed as a permanent record with additional copies thereof made available to members of the administrative staff and the press. The motion was seconded by Dr. Angelucci and carried.

U. Dr. Robert D. Haun Named Business and Financial Officer

Mr. Smith stated that he had discussed with Dr. Albright the question of the hiatus which has existed in the administrative department by reason of the indefinite suspension of Dr. Peterson and wished to make the following motion:

That the recommendation which has been made by Dr. A. D. Albright, Interim President, that Dr. Robert D. Haun, Professor of Accounting in the University's College of Commerce, be appointed business and financial officer of the University of Kentucky and that he be vested with all of the authority, powers, and duties heretofore assigned under the Governing Rules and Regulations of the University of Kentucky to the Vice President of Business Administration, hereby is approved with the request that Dr. Haun assume the aforesaid duties immediately and that he continue in said position until the incoming president, Dr. John W. Oswald, with the approval of the Board, employs a replacement. It is the further order of the Board that the official bond of Dr. Haun shall be in the penal sum of \$500,000 with the Standard Accident Insurance company as surety of said bond and that said bond be filed in an appropriate place for safekeeping and that the premium thereon be paid out of available and unallocated funds of the University.

Dr. Albright indicated that he concurred in the recommendation of Dr. Haun as Business and Financial Officer of the University of Kentucky until such time as a replacement may be employed, and on second by Judge Sutherland, Mr. Smith's motion was passed without dissenting vote.

V. Authorization Given to Carry Out and Effectuate Recommendations Made by Peat, Marwick, Mitchell & Company

Mr. Smith made the following motion: President-elect, Dr. John W. Oswald, and the administrative officers of the University hereby are authorized to take such action and such steps as they may deem appropriate (within the scope of present statutory authority) to carry out and effectuate the recommendations

made by Peat, Marwick, Mitchell & Company in that firm's Report on Special Investigation submitted under date of July 8, 1963, and this day ordered to be filed as a part of the permanent records of the University. The motion was duly seconded and carried.

In a brief discussion following the approval of the motion, it was indicated that the report would be paid for out of the Governor's Emergency Fund and that the cost would be approximately \$25,000 and would not exceed \$30,000.

W. Peat, Marwick, Mitchell & Company Employed to Audit University Accounts

Mr. Smith presented the following motion, indicating that it was in line with discussions held with Dr. Oswald and the Finance Committee:

Peat, Marwick, Mitchell & Co., Certified Public Accountants, 70 Pine Street, New York 5, New York, hereby is employed to examine and audit the accounts of the University and each and all of its several affiliated organizations for the fiscal year which ended June 30, 1963. The firm's examinations and audits shall be made in accordance with generally accepted auditing standards and shall include such tests of the accounting records and such other auditing procedures as appear necessary and appropriate for the purpose of expressing an informed opinion on the financial statements. It is understood that the major portion of the work will be done by qualified staff men of the firm's Louisville office under the direction of Mr. Frank P. Doheny, with over-all supervision from Mr. Howard Withey, the head of the firm's Institutions Department in its New York office. Said firm will render reports on its examinations and audits which will include the firm's opinion and appropriate financial statements. Said firm shall also render separately letters covering any deficiencies in accounting procedures and other pertinent matters which come to its attention. Said firm will also review the systems of internal checks and controls and make such tests as appear appropriate, devoting particular emphasis to those areas where inadequacy has been disclosed by that firm's recent special investigations. Said firm shall give careful study to the existing internal procedures including pre-audits, post-audits and related procedures and records.

As a part of this employment, the aforesaid firm shall promptly take all appropriate steps and proceedings to close out all accounts of every kind and character which have been under the jurisdiction of Mr. Frank D. Peterson in each and all of the official capacities which Mr. Peterson has acted, including bank accounts, custodianship of securities, and all other accounts and securities which relate to the University of Kentucky and any of its affiliated organizations and agencies, and the reports thereof shall be furnished to the President, to the Board of Trustees and Mr. Peterson as promptly as possible, as of the date or dates of such closing.

The duties of Peat, Marwick, Mitchell & Co. shall include the Athletic Association, Kentucky Research Foundation, Thomas Poe Cooper Foundation, the Fund for the Advancement of Medical Education and Research, and all other companies, organizations and agencies affiliated with the University of Kentucky, its properties and its activities.

Upon completion of the examinations and audits aforesaid, Peat, Marwick, Mitchell & Co. will submit to the President and to the Board of Trustees not less than fifty multilith copies of its report.

The aforesaid employment is predicated upon the proposal of Peat, Marwick, Mitchell & Co. as follows:

"Our fees for this work will be based on our regular governmental hourly rates, plus out-of-pocket expenses, and we estimate that the total charges would be approximately \$15,000.00. We would agree that in any event the total charges would not exceed \$17,000.00. ***We will allocate appropriate portions of the total charges to the respective organizations."

In answer to a question by Dr. Angelucci, Mr. Smith indicated that the firm of accountants which had done previous audits for the University had voluntarily withdrawn. It was also pointed out that the employment of the firm, Peat, Marwick, Mitchell & Co. covered only the audit for the fiscal year ending June 30, 1963.

Mr. Ezelle seconded the motion and it was carried without dissenting vote.

X. Report of Real Estate Committee

Mr. Hillenmeyer indicated that the University was interested in two pieces of property at 122 and 136 Graham Avenue, both of which are important to the University in connection with the construction of the new Law Building. The Real Estate Committee is at this time in the process of receiving surveys, appraisals, etc.; however, in view of the fact that the Real Estate Committee has not been empowered to make actual purchases, it is requested that the Committee be given authorization to proceed in the acquisition of these properties directly and that the action taken by the Committee be binding on the Board of Trustees.

Mr. Ezelle moved that such authority be given to the Real Estate Committee. Governor Combs clarified the motion and indicated that the Real Estate Committee should be empowered to take whatever action was necessary in the acquisition of this property and that such action would be binding on the Board of Trustees. Mr. Smith then moved the adoption as clarified and on second, it was so ordered.

Y. Board Invited to Inspect Accelerator

Dr. Cochran indicated that the installation of the accelerator was in an interesting stage and invited the members of the Board to visit the project if they had time since it will be completed and closed before the next meeting.

Z. Session Recessed

Mr. Smith made the motion that the meeting recess for lunch and reconvene at 12:30 p.m. at which time the Committee appointed to hear charges against Mr. Peterson would be prepared to make recommendations relative to the final disposition of the matter. The motion was seconded and carried and the group recessed at 11:50 p.m.

A-1. Meeting Reconvened

The Board of Trustees reconvened at 1:00 p.m. with all persons who were present for the recessed session returning. Mr. Frank D. Peterson, Mr. John Y. Brown, and Mr. Charles Landrum were also present.

B-1. Report of the Committee Appointed to Hear Charges Against Mr. Peterson

Mr. John Y. Brown, counsel for Mr. Peterson, requested permission to speak on behalf of Mr. Peterson, prior to the presentation of the committee's report. He indicated that Mr. Peterson had agreed to accept the disposition of the matter with the understanding that a letter from him to Dr. Dickey and a letter from Dr. Dickey to the Board of Trustees be made public. He further indicated that Mr. Peterson and his counsel did not agree to the correctness of paragraph 6 of the report and wished this made a matter of record.

Mr. Smith indicated that the committee had met with Mr. Peterson, his counsel, and Dr. Dickey and had reached an agreement relative to the disposition of the matter. He presented the following two letters--one from Mr. Peterson and one from Dr. Dickey.

President Frank G. Dickey
and the
Board of Trustees
University of Kentucky
Lexington, Kentucky

Gentlemen:

For more than 22 years I have devoted my life to the University of Kentucky. During that time I have worked long hours, day in and day out, to promote and develop what I thought to be the best interests of the University of Kentucky in the conduct of its business affairs. I am by nature and training a businessman, and during my more than 22 years of service to the University I have always endeavored to isolate my private business investments from my management of the business affairs of the University.

The Board of Trustees has charged me with misconduct. The principal ground as set forth in the letter of the Attorney General and in the report of the accounting firm of Peat, Marwick, Mitchell & Company is my participation in Central Kentucky Enterprises, Inc., a vending company which owned vending machines which were in part located on the campus of the University.

The accounting firm's investigation has found nothing irregular that would infer dishonesty in the business and financial affairs of the University. The accounting firm's principal criticism relates to the administrative control and supervision of agency and restricted accounts. All funds and securities under my supervision or in my possession have been completely accounted for. Now that I reflect on the past, regardless of my honest motives at the time, I realize that I should not have been financially interested in any firm doing a part of its business on the campus of the University. I sincerely feel that no official of the University should have any business connections or interest either on or off of the campus that would result in criticism to our great University. It is for this reason that in retrospect I am now convinced that I made an error in judgment in being financially interested in Central Kentucky Enterprises, Inc. I did not so believe at the time, or I would not have done so. However, I now see that there is reason for criticism of my judgment and of my financial interest in that company.

Notwithstanding the foregoing, I am certain that the students, faculty members, personnel of the University and others who purchased merchandise from the vending machines of Central Kentucky Enterprises, Inc. received full value, and that no other vending machine company would have or could have supplied such merchandise of the same or similar quality at lower prices.

In view of all of the foregoing and because my interests have always been and now are for a better and more progressive University of Kentucky, and because the publicity attendant to my financial activities in my opinion has destroyed my effectiveness as a business officer, I herewith do request of the Board of Trustees that I be relieved of duties as Vice President for Business

Administration, Treasurer of the University of Kentucky, Custodian of Securities, and Secretary to the Board of Trustees and all other duties incidental to the office, but that my employment with the University be continued with the equivalent rank of associate professor at a salary commensurate with that rank, with my future assignment and salary to be determined by the new President with the approval of the Board of Trustees.

I also request that I be given a leave of absence of twelve calendar months from June 4, 1963, and ending June 3, 1964. I shall always be interested in sound, progressive development at the University of Kentucky. On my return from the requested leave of absence, I shall be happy to continue to serve to the very best of my ability in whatever position or assignment may be made by the new President with the approval of the Board of Trustees.

Simultaneously with the delivery of this writing to the President of the University of Kentucky, I have also submitted to all agencies affiliated with the University my written resignation from all offices which I now hold in such agencies, with the request that said resignations be accepted so that during my twelve months' leave of absence I shall be fully and completely relieved of all official connections with and responsibility of such official positions.

It is my sincere hope that the new President of the University will have a completely free hand to organize or reorganize the business administration of the University of Kentucky in whatever way he may feel to be in the best interests of the University. However, I do commend to the new President the fine personnel in the various departments of the Division of Business Management and Control. In my judgment, they are a dedicated group of people interested in the welfare of the University of Kentucky.

Respectfully submitted,

Frank D. Peterson

June 7, 1963

Board of Trustees
University of Kentucky
Lexington, Kentucky

Gentlemen:

I recognize that the matter before you is one for Board consideration and decision; however, I have such a lasting and vital interest in the welfare of the University of Kentucky that I am taking the liberty of presenting to you a brief statement and several recommendations which I fervently hope

will bring to a satisfactory conclusion the case of Mr. Peterson which has been before the Board of Trustees for the past several months.

I have reviewed carefully the reports of the Attorney General, of Peat, Marwick, Mitchell & Co., and the response of Mr. Peterson to the information presented by Governor Combs on March 4, 1963. It seems to me that all of the charges, with the exception of the vending machine connections, have been satisfactorily answered. I have discussed with Mr. Peterson on several occasions recently this particular relationship and Mr. Peterson admits freely that he made an error in judgment in purchasing stock in this firm. Mr. Peterson realizes that he should not have been involved in Central Kentucky Enterprises, Inc. and has so indicated to me.

I wish to call your attention again to the service which Mr. Peterson has rendered to the University of Kentucky over a period of the past twenty-two years. He has aided admirably in moving forward the building program of this University; he has given unstintingly of his time to the complex financial affairs of an institution during war times, during periods of rapid expansion, and during periods when dollars have been scarce. He has also developed a College Business Management Institute which has gained nationwide recognition and has attracted business management personnel from over forty states of the nation and from six foreign countries during the past nine years.

I have presented these points of view in an effort to explain the background for some of the recommendations which I wish to make. However, before making the recommendations let me say that I am presenting these suggestions primarily because of my concern for the University and my love for this institution. It is my firm conviction that the new president of this University should have the knowledge that the Board is able to solve such problems as this one in a judicious and effective manner. He also should have the privilege of coming to the position of president without any unfinished business of this nature standing before him. Therefore, I am making the following recommendations for your consideration:

1. Mr. Peterson having submitted in writing his resignation as Vice President for Business Administration, as Treasurer of the University, as Custodian of Securities, as Secretary of the Board of Trustees and from any other ex officio positions held by virtue of his being Vice President for Business Administration, I recommend that his resignation be immediately accepted.

2. Mr. Peterson has submitted to me his written resignation of all offices in companies and organizations affiliated with the University of Kentucky to be presented to and acted upon by those respective companies and organizations. I shall present those resignations to the proper boards or officers of those affiliated organizations and request that they be immediately accepted.

3. I recommend that an auditing or accounting firm selected by the Board of Trustees take all appropriate steps to close out all accounts which have been under the jurisdiction or supervision of Mr. Peterson, including the custodianship of securities, which accounts and securities relate to the University of

Kentucky and any of its affiliated appropriations and agencies and that a report thereof be furnished to the Board and Mr. Peterson as of June 30, 1963.

4. In view of the services which Mr. Peterson has rendered to the University of Kentucky over the continuous period of more than twenty-two years, I further recommend as follows:

(a) that Mr. Peterson be given a leave of absence without pay for one calendar year, beginning June 4, 1963, and ending June 3, 1964.

(b) That he be retained as an employee of the University of Kentucky with the equivalent rank of associate professor, effective as of June 4, 1963, at a salary commensurate with that rank, and that his compensation start on June 3, 1964, at the end of his leave of absence without pay; and, that the amount of his compensation and his duties be assigned by the new president of the University of Kentucky with the approval of the Board of Trustees.

The foregoing recommendation is predicated upon and coupled with the understanding that Mr. Peterson, at the expiration of the leave above referred to, will be treated as having been continuously employed by the University of Kentucky from the date of his initial employment in 1941, and will upon the expiration of his leave of absence be entitled to such rights and privileges as provided in the governing rules and regulations of the University of Kentucky as are now in effect and which have been duly approved by the Board of Trustees.

5. I have reviewed the preliminary report of Peat, Marwick, Mitchell & Co. and have discussed with members of that company the result of that company's investigation and studies. I am sure that Peat, Marwick, Mitchell & Co.'s final report will embrace statements of that company's officers and representatives that they have found no evidence that any of the funds of the University or any of its affiliated organizations have been diverted, and that they have failed to find any evidence that any of the funds or securities of the University or any of its affiliated organizations have in any wise or in any manner been devoted to the use of Mr. Peterson or any person. In other words, I am sure from a discussion with the officers and agents of Peat, Marwick, Mitchell & Co. that all monies and all funds and all securities of the University of Kentucky and all of its related organizations have been fully accounted for.

Therefore, I hope that the resignations of Mr. Peterson will be accepted and that the approval of the recommendations hereinabove made will bring to an end the unfortunate and unpleasant situation which the Board of Trustees of the University of Kentucky has been confronted with. For the good of the University, it is my opinion that the action hereinabove reported and recommended will be for the best interest of the University. It is my considered judgment that the facts and recommended action hereinabove set forth will result in substantial justice

having been fully satisfied.

Respectfully submitted, this 7th day of June, 1963.

Frank G. Dickey, President
University of Kentucky

On motion by Mr. Smith, duly seconded, and carried the letters from Dr. Peterson and Dr. Dickey were received and ordered filed as a part of the permanent record of the Board of Trustees and copies made available to the press.

Mr. Smith then presented the following report:

REPORT OF COMMITTEE APPOINTED TO HEAR
CHARGES AGAINST MR. FRANK D. PETERSON

ARTICLE I

1. The Committee appointed to hear charges against Mr. Frank D. Peterson made a brief report which embraced certain recommendations at the regular meeting of the Board held on June 4, 1963. That report and the recommendations embraced therein were approved by unanimous action of the Board.

2. In the Committee's report to the full Board on June 4, 1963, the Chairman of the Committee said:

"I think I can say on behalf of each member of the committee that there is no member of the committee who desires any vindictive or any punitive action whatsoever. We have a difficult situation to deal with and we hope that at the conclusion it will be recognized that we have considered it solely on the merits and on the law;

"No member of the Board and no public citizen who is primarily interested in the welfare of the University of Kentucky would desire to prolong a controversy that could be detrimental to the University. It is my hope from some preliminary discussions that maybe a sound, justifiable ground can be found to avoid the prolongation of the controversy or prolonged litigation."

3. The full Committee has had one meeting with Mr. Peterson at which Mr. Peterson's attorneys and former President Frank G. Dickey were present; and, all participated in the discussions with the objective of arriving at some sound, fair, equitable and justifiable basis for final determination by the Board of the pending charges against Mr. Peterson.

Immediately following the June 4, 1963 meeting of the Board, the Committee, with only Mr. Foster absent, had a meeting at which the subject matter was fully discussed and the Chairman and Secretary of the Committee were authorized to meet with Mr. Peterson, his attorneys, and Dr. Frank G. Dickey, for the purpose of undertaking to reach a mutual agreement and understanding that could be presented to the full Board and which, if and when approved by the Board, would be accepted by Mr. Peterson without the necessity of prolonging the period of uncertainty.

4. On June 7, the Chairman and Secretary of the Committee met with Mr. Peterson and his attorneys and Dr. Dickey and reached a mutual understanding which basically conforms with and embraces the terms and provisions embraced in this report and in the order submitted herewith for consideration and action by the full Board.

5. At each of the aforesaid meetings, Mr. Peterson admitted that he should not have become involved either in the ownership or management of Central Kentucky Enterprises, Inc., which company owned and operated approximately 25% or 26% of its vending machines on the campus or upon properties of the University of Kentucky. Mr. Peterson agreed that he should not have been financially interested in any business, firm or corporation who engaged in business either in whole or in part with the University of Kentucky, or whose business was either in whole or in part located or done either on the campus or on properties of the University of Kentucky. Mr. Peterson agreed that no official or administrative employee of the University of Kentucky should have any business connections or interests either on or off the campus in which such official or employee derives any pecuniary profit. Mr. Peterson also agreed that his financial interest in the vending machine company, Central Kentucky Enterprises, Inc. subjected him to justifiable criticism because of his official position with the University of Kentucky.

6. The Committee is of the unanimous opinion that, by virtue of the authority vested in the office of the Vice President for Business Administration and the powers and duties relating thereto, Mr. Peterson was an agent of the Board of Trustees and, under the applicable facts and law, Mr. Peterson breached his principle-agent relationship with the Board of Trustees, the governing body of the University of Kentucky, by his stock ownership in and in his participation in the business affairs of the vending machine company, Central Kentucky Enterprises, Inc.

7. Mr. Peterson has agreed forthwith to submit in writing his resignation from all offices held by him in each and all of the corporations, associations and other organizations affiliated with the University of Kentucky.

8. Predicated on the foregoing, the Committee unanimously recommends to the full Board of Trustees the adoption of the order hereinafter set forth in Article II hereof.

ARTICLE II

ORDER

It is ordered by the Board of Trustees as follows, to wit:

1. That Mr. Frank D. Peterson forthwith be relieved of his duties as Vice President for Business Administration, Treasurer of the University of Kentucky, Custodian of Securities, Secretary of the Board of Trustees, and of any and all other duties incidental to the office of Vice President for Business Administration; and, that the office of Vice President for Business Administration should be and the same hereby is terminated and said office abolished.

2. That Mr. Peterson be and he hereby is given a leave of absence without pay or compensation for twelve calendar months from June 4, 1963 to and including June 3, 1964.

3. That the Board of Trustees hereby respectfully requests that the appropriate officials of each of the respective companies and organizations affiliated with the University of Kentucky take immediate and appropriate action to accept Mr. Peterson's resignations of all offices held by him in each and all of those respective affiliated organization; and, that the settlement of any and all accounts of Mr. Peterson over which he is responsible with each of said respective companies and organizations be promptly made in accordance with the provisions of the next succeeding paragraph herein, namely paragraph No. 4.

4. The Board of Trustees having this day employed Peat, Marwick, Mitchell & Co. to perform services indicated in the order of employment, hereby authorizes and directs said accounting firm promptly to take all appropriate steps to close out all accounts which have been under the jurisdiction, control or supervision of Mr. Frank D. Peterson, including the custodianship of securities and all other accounts of corporations, organizations and agencies affiliated with the University of Kentucky; and, that the reports thereof be furnished to the President of the University of Kentucky, to Mr. Peterson, and to each member of the Board of Trustees, as of the date or dates of such closing.

5. In view of the services which Mr. Peterson has rendered to the University of Kentucky over the continuous period of more than twenty-two years, it is ordered by the Board of Trustees of the University of Kentucky as follows, to wit:

(1) That Mr. Frank D. Peterson be and he hereby is retained as an employee of the University of Kentucky with the equivalent rank of Associate Professor effective as of June 4, 1963, at a salary commensurate with that rank, and that Mr. Peterson's compensation start as of the end of the day June 3, 1964 (at the end of his leave of absence without pay); and, that the amount of his compensation be determined and his duties assigned by the

President of the University of Kentucky, with the approval of the Board of Trustees. The foregoing and the following provisions of this order are with the understanding that the duties assigned to Mr. Peterson shall in no wise be related to the business administration of the University, and with the further understanding that when Mr. Peterson reaches retirement age (age for Change of Work Status) in September 1964, he shall be granted and will accept Change of Work Status with the subsequent payments or benefits based on the applicable percentage of the salary or compensation he is then receiving at the level of associate professor.

(2) The foregoing provisions embraced in sub-paragraph (1) (of paragraph 5) are predicated upon and coupled with the agreement and understanding that Mr. Peterson, at the expiration of the leave of absence above referred to, will be treated as having been continuously employed by the University of Kentucky from the date of his initial employment in 1941; and, upon the expiration of his leave of absence he will be entitled to such rights and privileges as are provided in the governing rules and regulations of the University of Kentucky which are now in effect and which have been duly approved by the Board of Trustees.

ARTICLE III

The Committee is of the unanimous opinion that the foregoing recommendations and recommended order will achieve a final disposition of the charges which have been preferred by the Board of Trustees against Frank D. Peterson and referred to this Committee to hear and to report back to the full Board. The prolongation of the controversy would be detrimental to the best interests of the University and the Committee members believe that the foregoing recommendations and the recommended order, if adopted and approved by the full Board, will settle the controversy on a fair, equitable and justifiable basis.

Respectfully submitted,

Clifford E. Smith
Member and Chairman

Lewis W. Cochran
Member and Secretary

Harry Denham
Member

Sam Ezelle
Member

Member

On motion by Mr. Smith, seconded by Judge Sutherland, the report of the Hearing Committee was accepted as presented and ordered filed as a part of the permanent record of the Board of Trustees. Such action was taken with

the understanding, concurred in by Mr. Peterson, that he would waive a hearing and agree to this disposition of the case.

C-1. Meeting Adjourned

There being no further business, on motion duly made, seconded and carried the meeting adjourned at 1:20 p.m.

Respectfully submitted,

James A. Sutherland, Secretary