

Minutes of the Meeting of the Board of Trustees of the University of Kentucky,
Tuesday, March 12, 1968

In accordance with action taken by the Board of Trustees on May 2, 1967, which established monthly meetings of the Board during the academic year, the Board met on Tuesday, March 12, 1968, at 2:00 o'clock (Eastern Standard Time), in the Board Room of the Administration Building on the campus of the University with the following members present: Dr. Ralph Angelucci, Vice Chairman, Mrs. Rexford Blazer, former Governor A. B. Chandler, Mr. Richard Cooper, Dr. Harry Denham, Mr. G. W. Griffin, Mr. Robert Hillenmeyer, Mr. J. Robert Miller, Mr. B. Hudson Milner, Dr. N. N. Nicholas and non-voting faculty members Professor Stephen Diachun and Professor Paul Oberst. Absent were Governor Louie Nunn, Mr. William R. Black, Mr. Smith Broadbent, Mr. Wendell P. Butler, and Mr. Sam Ezelle. President John W. Oswald, Vice Presidents A. D. Albright, William R. Willard, Robert F. Kerley, Robert L. Johnson and Lewis W. Cochran were in attendance as were members of the various news media. Mr. Steve Cook, President of Student Government, was present as the representative of the student body.

A. Meeting Opened

The meeting was called to order at 2:00 p.m. Following the invocation pronounced by Dr. Stephen Diachun, Mrs. Rexford Blazer, named acting secretary for the meeting, called the roll and reported a quorum present. Dr. Angelucci then declared the meeting officially open for the conduct of business at 2:05 p.m.

B. Minutes Approved

Mr. Hillenmeyer moved that the reading of the Minutes of the February 13, 1968 meeting of the Board of Trustees be dispensed with and that the Minutes be approved as published. His motion was seconded by Governor Chandler and passed unanimously.

C. President's Report to the Trustees

After briefly discussing the items contained in PR 1, President Oswald concluded his report with the statement that as usual it was merely an attempt to cover matters which he felt would be of particular interest to the Board of Trustees and that it was not a complete and comprehensive report of all activities which had occurred since the February report.

Dr. Angelucci asked if there were any additions to be made and, since there were none, accepted the report and ordered it filed.

D. Students Speak Against Proposed Legislative Increase in Out-of-State Tuition Charges

Just prior to the opening of the meeting, Dr. Angelucci indicated that a group of students had requested permission to appear before the Board to present a petition relative to the proposed increase by the Legislature in out-of-state tuition charges. He had told them he would present their request to the Board and, upon receiving concurrence from the members, asked Mr. Steve Cook, President of Student Government, to introduce the two students who would speak for the group. Mr. Cook then introduced Miss Robin Lowry and Mr. Allen Youngman. Mr. Youngman read the following statement which the students had prepared and distributed to the Governor and members of the General Assembly expressing their objection to HB 110 (as amended by the Senate Education Committee).

STUDENT COMMITTEE FOR THE PRESERVATION
OF A DIVERSE UNIVERSITY

RE: HB 110 (as amended by the Senate Education Committee)

When it left the House, HB 110 was a good bill. It called for the raising of tuition for non-resident students to the level equal to the average of the highest non-resident tuition fee charged by a state college or university in each of the adjoining states.

Of course, out-of-state students would rather not see their tuition raised. However, it is obvious to them that there are problems existent in Kentucky that must be solved. This they readily accept. HB 110, as it passed the House, provided a reasonable solution.

The Senate Education Committee, however, did not take a reasonable approach. They amended a good bill out of all proportion.

They deleted the 15% limitation on the number of non-resident students; they increased the fees for those students to \$1500 at the universities of Kentucky and Louisville and \$1100 at the other state-supported schools. Similarly, SB 394 (Harris) called for raising fees at UK to \$2000 per year. THIS IS UNREASONABLE.

The problem that needs to be solved is, basically, that there is an overabundance of non-resident students at certain Kentucky schools. This problem needs to be solved, but we must go about it in a manner that in no way lessens the quality of our education.

Consider the method of lowering the numbers of non-resident students proposed by the Senate. They seem to feel that merely making the cost prohibitive will effectively solve the problem. THIS IS UNREASONABLE.

It would make wealth the sole criteria for admission to Kentucky schools. A PERCENTAGE RESTRICTION ACCOMPANIED BY A REASONABLE FEE INCREASE WOULD ALLOW SCHOOLS TO CHOOSE ON THE BASIS OF SCHOLASTIC MERIT. This method, proposed by the House is obviously the better solution.

It stands to reason that the better applicants would go to better state schools or prestige private institutions and Kentucky would be left with a small number of non-resident students who were second-rate scholars. THIS IS UNREASONABLE.

The House has provided a wise solution to a complex problem. The 2,700 students (1,650 of which are Kentucky residents and voters) who signed the petition opposing the unreasonable Senate solution, urge you to stand by your decision to keep the quality of Kentucky education as your first concern.

Following Mr. Youngman's presentation, Miss Lowry read a petition urging the defeat of Senate Bill No. 394. She stated that the petition had been signed by 2,673 students, of which 1,641 were in-state students and 1,032 were out-of-state students. The two students requested the Board of Trustees to pass a resolution stating its position with respect to the out-of-state tuition charges.

Dr. Oswald stated that under Kentucky Statutes the responsibility for setting fees lies with the Council on Public Higher Education. The Council has met and has acted. The Council action, which is supported by the University of Kentucky, raised out-of-state tuition at the University of Kentucky from \$820 a year to \$980 a year, with an increase for the Medical Center from \$1,280 to \$1,500. This is the action to which the University has responded and he urged the students to support the action of the Council on Public Higher Education rather than any of the bills before the General Assembly. Governor Chandler suggested that all future efforts be directed toward the Governor since he has the power to veto.

Dr. Angelucci thanked the students for appearing and for their interest in the welfare of the University and both Miss Lowry and Mr. Youngman left the meeting.

E. Recommendations of the President (PR 2)

Since copies of PR 2, as well as all other agenda items, had been mailed to the members of the Board in advance of the meeting, Dr. Oswald indicated that he had no comments to make other than to mention the recommended appointment of Mr. Albert Clay of Mt. Sterling as a member of the Development Council, but would be pleased to answer any questions.

Governor Chandler moved that PR 2 be approved as a whole and made an

official part of the Minutes of the meeting. His motion was seconded by Mr. Hillenmeyer and passed without dissent. (See PR 2 at the end of the Minutes.)

F. Supplemental Recommendations of the President (PR 3)

Dr. Oswald indicated that there were no additional recommendations to be submitted and hence there was no PR 3.

G. Appointment of Dr. Harry M. Bohannon as Dean of the College of Dentistry Approved (PR 4)

Dr. Willard enlarged on the background material submitted as part of PR 4 and recommended approval of the appointment of Dr. Harry M. Bohannon, Associate Dean and Professor of Periodontics of the University of Kentucky College of Dentistry, as Dean of the College of Dentistry, effective immediately.

Dr. Nicholas said that he and other members of the dental profession in the state regarded Dr. Bohannon as most capable and he moved that his appointment be approved. Dr. Denham seconded his motion and all members present voted aye. (See PR 4 at the end of the Minutes.)

H. Clarification of Status of Northern Community College

Dr. Oswald indicated he had no further matters requiring action by the Board but wished to make a statement relative to the status of the Northern Community College. He said that recent newspaper stories from the Northern Kentucky area showed some apparent misunderstanding of the action taken by the Board of Trustees in February. At that time the Board withdrew its application for Title I funds for the Northern Community College and canceled the Title I grant received. At the same time it requested that all available funds in the grant be redistributed to other University of Kentucky Community College projects. In order to clarify the matter, he made the following statement:

On March 6, 1968, the General Assembly completed action on HB 255, a measure to establish a four-year college to serve the Northern Kentucky area. The measure was approved by both houses without a dissenting vote.

The action culminated intensive activity by citizens of the region who expressed a legitimate concern for such an institution to meet the growing needs of the area.

A year or so before the current activity of the community for a four-year college commenced, the University's Board of Trustees directed that a long-range development plan be structured for the Northern Community College in Northern Kentucky.

Following this long-range study of the present site, preliminary planning for a \$2.95 million structure was authorized to meet the growing demands (approximately \$1.0 million from a federal grant and \$2.0 million from the University of Kentucky's Community College revenue bonds).

At this juncture several citizen organizations expressed doubts over the feasibility of putting additional buildings on the present restricted tract of land. It was pointed out by those groups and individuals that in their opinion the Northern Community College site was inadequate to meet the growing needs of the student body and faculty.

Others voiced the view that seeking a new community college site at the same time that legislation was being sought for the establishment of a four-year institution might confuse the issues. Certainly if the Legislature had decided to "convert" the existing Community College to the new four-year campus, proceeding with a new major building on the small site would have been most unwise.

All these factors were considered in a number of meetings held with citizens and officials of the community and with the Community College Advisory Board, and therefore, planning on a new structure was suspended.

On October 31, 1967, the Advisory Board of the Northern Community College concluded several sessions with these conclusions and recommendations to the University Board of Trustees:

1. The present site is inadequate to meet the needs of a two-year or four-year institution.
2. It would be unwise to expend additional funds to construct permanent facilities in view of the uncertain future.

Further, the Advisory Board pointed out to the Board of Trustees in the same letter these factors:

1. A consulting firm is presently preparing for the Council on Public Higher Education a report on educational needs for the entire state, including the possibility of a four-year institution serving the Northern Kentucky area. And,
2. This report is expected to be submitted soon to the Council on Higher Education. And,
3. The Council, in turn, must submit its recommendations to the Governor and the General Assembly. And,
4. The General Assembly then must take such action as it deems best for the Commonwealth.

The Advisory Board then concluded that report to the Board of Trustees with two recommendations:

1. That every appropriate effort be made to meet enrollment demands on the present site by housing students and faculty in temporary structures.
2. That the Board of Trustees await whatever action might occur in the next General Assembly relative to higher education in Northern Kentucky before seeking actively a new site for the Community College.

These recommendations have been followed by the Board of Trustees and the University administration.

To care for the increased enrollment, 7,600 square feet in temporary structures at the cost of \$108,000 were placed on the Northern Community College campus, in the summer of 1967. In addition, 10,000 additional square feet of facilities, will be placed on the site next summer to care for the projected 1968-69 enrollment. These latter facilities are estimated to cost \$226,000. Certain improvements to the main building also are planned at an estimated cost of \$30,000. Meanwhile, the University administration was faced with a decision concerning the federal government grant for the college under Title I, of the Higher Education Facilities Act.

It was pointed out that if the funds granted to the Board of Trustees for Northern Community College construction were not used by June, 1968, the monies would revert to the federal government and be redistributed to other states. Therefore, at the February, 1968, meeting of the Board of Trustees, the application was withdrawn. The available allocation then was redistributed to support the Community College System building program in Kentucky.

This action will not interfere in any way with a new federal grant being secured for permanent construction on the campus as soon as a decision is made on the site. Northern Community College with its large enrollment will most certainly have top priority in Kentucky under the 1968-69 federal appropriation measure for public community colleges.

It is also equally clear that the University's bonding capacity for community college construction will be sufficient to meet the additional financial requirements to provide added and permanent facilities at Northern Community College as soon as the matter is settled as to where the new permanent building will be located.

The next step will be a meeting with the Community College Advisory Board to review the future development of the Community College, especially as to the matter of its site, now that the General Assembly has acted.

Representatives from Northern Kentucky papers were present and Dr. Oswald asked if they had any questions. There being none, Dr. Angelucci accepted the report and ordered it filed.

I. Financial Report Accepted (FCR 1)

Dr. Denham pointed out that copies of the Financial Report for the period ended January 31, 1968 had been sent out in advance and asked Mr. Kerley if he wished to make any comments. Mr. Kerley said that income realized and expenditure experience were according to plan. The report reflected the reduction in budget income and expenditure authority approved in January.

There being no questions, Dr. Denham moved acceptance of the Financial Report for the period ended January 31, 1968. His motion was seconded by Governor Chandler and all present voted aye. (See FCR 1 at the end of the Minutes.)

J. Investment Policies Restated (FCR 2)

Dr. Denham said that four members of the Finance Committee, who met on the morning of March 12, spent considerable time discussing the investment policy of the University of Kentucky and they had unanimously concurred in the recommendations presented in FCR 2 with respect to investment of available current funds. He added that the policy was in essence a restatement of existing policies and a codification of practices of the past four years. Representatives of the Chase Manhattan Bank had met with the Finance Committee members and the policy statement comes to the Board with their endorsement as well as that of the Finance Committee.

Dr. Denham moved acceptance of FCR 2 as presented. His motion was seconded by Governor Chandler and passed unanimously.

The Finance Committee will meet again before the April 2 meeting of the Board of Trustees and plans to present at that time a policy statement with respect to investment of endowment funds. (See FCR 2 at the end of the Minutes.)

K. Connection Fee for the Quicksand Sewer District (FCR 3)

Mr. Kerley explained that the Finance Committee had discussed FCR 3 relative to the expenditure of up to \$35,000 as a connection fee to the Quicksand Water District for a Sanitary Sewer System at Robinson Substation and recommended its approval.

Dr. Denham moved that FCR 3 be approved as presented. Mr. Hillenmeyer seconded his motion and it carried. (See FCR 3 at the end of the Minutes.)

L. Real Property Matters (FCR 4)

Mr. Kerley explained that Item I was a routine easement for the installation of water and sewer facilities at the Henderson Community College; Item II involved a minor reduction in rental payments for three Greek organizations leasing housing facilities from the University of Kentucky; and Item III requested authority to dispose of certain property located at 504 South Upper Street which is not needed for the purpose of expanding the plant or extending the usefulness of the University.

Governor Chandler asked for clarification on the location of the lot and its appraised value. After seeing the location on a plat map and being told that the lot had been appraised at \$18,000, he indicated his agreement with the proposed disposition of the property at a price no lower than \$18,000.

On motion by Dr. Denham, seconded by Mr. Cooper and passed, FCR 4 was approved as a whole. (See FCR 4 at the end of the Minutes.)

M. Special Fee Authorized for External Audit (FCR 5)

Mr. Kerley said that at the time the fee of \$25,000 was approved for the external audit for 1966-67, it was not contemplated that the audit would include the College Work Study Program and the National Defense Student Loan Fund. The request that such an audit be made came from the Department of Health, Education and Welfare and the University will recover a substantial part of the \$3,000 additional fee from the government. Governor Chandler indicated that he did not approve of paying additional fees but would go along with the recommendation of the Finance Committee in this instance. Dr. Denham indicated that the Finance Committee had discussed it and felt it was a justifiable expenditure.

On motion by Dr. Denham, seconded by Mr. Hillenmeyer, FCR 5 was approved as presented. (See FCR 5 at the end of the Minutes.)

N. Management Letter From External Auditors for 1966-67 Accepted (FCR 6)

Dr. Denham reported that the Finance Committee had spent over an hour discussing the management letter and had gone over the findings and recommendations contained in it. The Finance Committee is satisfied that the Office of Business Affairs will implement the recommendations made in the report to the extent that they can do so with the funds available.

Governor Chandler questioned the section of the letter dealing with duplication of effort by the Commonwealth and the University and was assured that progress was being made in eliminating this but that certain duplication could not be avoided under present statutes.

Dr. Denham said that the management letter this year was much better than last year's and complimented Mr. Kerley and his staff on the progress which had been made. He moved acceptance of the management letter. His motion was seconded by Mr. Cooper and passed. (See FCR 6 at the end of the Minutes. The management letter is not duplicated in the Minutes but is available in the files of the March 12, 1968 meeting.)

O. Recovery of Workmen's Compensation Payments (FCR 7)

The University of Kentucky, being self-insured, is permitted to recover from negligent third parties Workmen's Compensation payments made to employees as a result of negligent accidents committed by a third party. The recommendation made to the Board of Trustees by Mr. Kerley was that he, as Vice President - Business Affairs and Treasurer, be authorized to take the necessary steps to provide for recovery of Workmen's Compensation by the University and resulting from negligent acts by a third party. Dr. Angelucci asked if this was infringing upon the legal profession and was assured that the University was not attempting to help persons recover damages but was merely trying to recover from the third party damages paid out by the University because of his negligence.

On motion duly made, seconded, and carried, the Vice President - Business Affairs and Treasurer, was authorized to take steps necessary to provide for the recovery of Workmen's Compensation payments made by the University as a result of the negligent acts of third parties. (See FCR 7 at the end of the Minutes.)

P. Contract for Heating and Cooling Services, Jefferson Community College (FCR 8)

Mr. Kerley said that authorization was requested from the Board of Trustees to execute a contract to provide steam and chilled water requirements of the Jefferson Community College from a central steam plant located near the site of the college. He indicated that the University was not yet ready to sign the contract but the time limit for signing would expire prior to the next meeting of the Board of Trustees. He assured the Board that the contract would not be signed until the University was completely satisfied that it was not only the most economical way but the best way to provide these requirements for the college. It was emphasized that the contract, if signed, would provide the steam and chilled water for the new developments at the college and would not affect the present facilities.

On motion by Mr. Hillmeyer, seconded by Dr. Denham, and passed without dissent, the recommendation contained in FCR 8 was approved. (See FCR 8 at the end of the Minutes.)

Q. Report on Cash Flow Management (FCD 1)

Dr. Denham asked Mr. Kerley to present the report on cash flow management which was being made in response to questions raised by Dr. Nicholas at the meeting of the Board of Trustees in February. Mr. Kerley read the items contained in FCD 1 and, in answer to a question asked by Dr. Angelucci, indicated that the University's return on investments made from current funds amounted to approximately \$400,000 per year. Dr. Angelucci thanked Mr. Kerley for the report and ordered it filed. (See FCD 1 at the end of the Minutes.)

R. Discussion of Policy Regarding Investment of Endowment Funds

Mr. Kerley said that one item which came out of the Finance Committee discussion was the need to establish more clearly the investment policy of the Board of Trustees toward endowment funds. Specifics were discussed and the consensus was that the policy of this Board should be to achieve maximum growth consistent with requirements for yield. One method of achieving this is to shift to a higher ratio (perhaps 75-25) of commonstock with growth potential to fixed income stocks. One technique discussed by the Finance Committee for carrying out the specifics was to authorize the Treasurer of the University to make investment transactions upon the advice and counsel of the Chase Manhattan Bank, the University's investment counselor and custodian, and to report such transactions to the Board on a continuous basis. Mr. Milner expressed concurrence with the latter suggestion indicating that it would be a mistake to set up such a cumbersome procedure that maximum advantage could not be taken of good situations in the market. He strongly favored following the advice of the investment counselor and, if they made too many mistakes, to "fire them" but give them an opportunity to take advantage of the market.

Governor Chandler asked who served on the Finance Committee and was told that Dr. Denham was Chairman and Mr. Black, Mr. Cooper, Mr. Hillenmeyer, Mr. Ezelle and Mr. Milner served on the committee.

Dr. Denham indicated that the Finance Committee would continue to discuss the investment of endowment funds and hoped to have a policy statement to present to the Board at the meeting in April.

S. Executive Committee Report on University of Kentucky--University of Louisville Relationship

Dr. Angelucci reported that the Executive Committee had met in a special called session on the evening of March 6 to discuss the resolution before the General Assembly with respect to the future relationship of the University of Kentucky and the University of Louisville. He then read the following report from the Committee:

The Executive Committee met formally on March 6, 1968, to consider a resolution introduced before the General Assembly at the request of officials of the University of Louisville.

Inasmuch as this resolution did not implement significantly, in the opinion of the Executive Committee, the Baker Committee report which the Board of Trustees had endorsed in principle, the Executive Committee decided that the matter should be referred to the Board of Trustees.

Since this resolution has now passed the House and is in the process of consideration in the Senate, the Executive Committee does not recommend action by the Board of Trustees.

Further, the Executive Committee wishes to state that no opposition exists to the resolution and that the University of Kentucky anticipates the continuance of work with the University of Louisville in the implementation of the Baker Committee recommendations.

The Board indicated its agreement with the report of the Executive Committee and the report was accepted and ordered filed.

T. Committee Reports

The Chairmen of the Hospital Committee and the Governing Regulations Committee both indicated they had no reports to make.

U. Meeting Adjourned

Dr. Oswald reminded the members of the Board that the next meeting was a statutory meeting and would be held on April 2, 1968. Dr. Angelucci asked if there were any further business to come before the Board, and having determined there was not, entertained a motion for adjournment. The motion being duly made, seconded, and carried, the meeting was adjourned at 3:25 p. m.

Respectfully submitted,

Mrs. Rexford S. Blazer
Acting Secretary, Board of Trustees

(PR 2, PR 4, FCR 1, FCR 2, FCR 3, FCR 4, FCR 5, FCR 6, FCR 7, FCR 8 and FCD 1 which follow are official parts of the Minutes of the March 12, 1968 meeting of the Board of Trustees of the University of Kentucky.)

Missing report(s)

Office of the President
March 12, 1968

PR 2

Members, Board of Trustees:

RECOMMENDATIONS OF THE PRESIDENT

I. Patent Assignment

Recommendation: that authorization be given to the proper officials of the University of Kentucky Board of Trustees to execute an assignment on behalf of the Board to the University of Kentucky Research Foundation of the following application for Letters Patent of the United States and the invention represented thereby: Edward M. Higgins; Harold D. Rosenbaum; Waldo D. DeVore - Serial No. 697,233, filed January 11, 1968.

Background: The above named inventors have assigned all rights to their invention, "Method and Apparatus for Analyzing and Calibrating Radiation Beams of X-Ray Generators" to the University of Kentucky. In accordance with past practice and the Patent Policy of the University, it is recommended that such assignment be transferred to the University of Kentucky Research Foundation by the Board of Trustees.

II. Appointment to University of Kentucky Development Council

Recommendation: that Mr. Albert G. Clay, Mt. Sterling, be appointed to membership on the University of Kentucky Development Council.

Background: At the April 5, 1966 meeting of the Board of Trustees, the University of Kentucky Development Council was established to serve in an advisory capacity to the President, and through him to the Board of Trustees, for all private fund development for the entire University. The Council may have as many as twenty members, two of whom are Trustees appointed by the Board of Trustees and five ex officio members - the Chairman of the Board of Trustees, the Chairman of the Executive Committee of the Board of Trustees, the President, the Vice President-University Relations, and the Director of Development.

Mr. Clay, President of the Clay Tobacco Company, Mt. Sterling, and Chairman of the Board of Directors, Federal Reserve Bank of Cleveland, is recommended to fill the lone vacancy now existing.

III. Appointments and Other Staff Changes

Recommendation: that approval be given to the appointments and/or other changes which require Board action and that the report relative to appointments

and/or changes already approved by the administration be accepted.

Background: Approval of the Board of Trustees is required for all appointments to the positions with the rank of Associate Professor and above, for promotions, for the granting of tenure, and for salary changes above \$12,000 for non-academic personnel and \$15,000 for academic personnel. All other appointments and/or changes may be made by the President and reported to the Board.

BOARD ACTION

New Appointment

Rupert T. Leslie, Professor, with tenure, Department of Statistics, College of Arts and Sciences, effective September 1, 1968

Promotions

Joe W. Daugherty, Department of Oral Surgery, College of Dentistry, from Instructor, part-time to Assistant Professor, part-time
Warren E. Fischer, Department of Restorative Dentistry, College of Dentistry, from Instructor, part-time to Assistant Professor, part-time
William C. Kranz, Department of Oral Surgery, College of Dentistry, from Instructor, part-time to Assistant Professor, part-time
Karl W. Lange, Department of Prosthodontics, College of Dentistry, from Instructor, part-time to Assistant Professor, part-time
James C. Murphy, Department of Oral Diagnosis and Oral Medicine, College of Dentistry, from Instructor, part-time to Assistant Professor, part-time
Andrew T. Polites, Department of Periodontics, College of Dentistry, from Instructor, part-time to Assistant Professor, part-time

ADMINISTRATIVE ACTION

New Appointments

Ira S. Fink, Instructor, Department of Pharmaceutical Chemistry, College of Pharmacy, retroactive to January 1, 1968
Joe Dennis Fox, Assistant Professor, Department of Animal Sciences, College of Agriculture, retroactive to February 1, 1968
Loys L. Mather, Assistant Professor, Department of Agricultural Economics, College of Agriculture, retroactive to February 5, 1968
Eugenie L. Moss, Librarian III, retroactive to February 19, 1968
Gretchen E. Price, Librarian IV, Medical Center Library, retroactive to February 1, 1968
Grant Robert Wilkinson, Assistant Professor, Department of Materia Medica and Pharmacy, effective July 1, 1968

G. Nelson Copeland, Jr., Clinical Instructor, Department of Obstetrics and Gynecology, College of Medicine, retroactive to February 1, 1968 (voluntary faculty)

John W. Garden, Clinical Instructor, Department of Surgery, Division of Ophthalmology, College of Medicine, effective July 1, 1968 (voluntary faculty)

Frank M. Jenkins, Jr., Clinical Instructor, Department of Surgery, Division of Otolaryngology, College of Medicine, retroactive to February 1, 1968 (voluntary faculty)

Hart James, Assistant Clinical Professor, Department of Psychiatry, College of Medicine, retroactive to January 1, 1968 (voluntary faculty)

Joint Appointment

George A. Digenis, Assistant Professor, Department of Materia Medica, also named Assistant Professor, Department of Pharmaceutical Chemistry, retroactive to January 1, 1968

Department Chairman Named

Helmut A. Gordon, Professor, Department of Pharmacology, named Acting Chairman, Department of Pharmacology, for the period September 1, 1968 through June 30, 1969

Leaves of Absence

T. Z. Csaky, Professor and Chairman, Department of Pharmacology, sabbatical leave for the 1968-69 academic year

Kenneth Harper, Assistant Professor, Department of Anthropology, extension of leave without pay, to include the calendar year 1968

Donald Hochstrasser, Associate Professor, Department of Community Medicine, sabbatical leave for the period August 1, 1968 through July 31, 1969

Douglas Schwartz, Professor, Department of Anthropology, extension of leave without pay for the academic year 1968-69

Jesse W. Tapp, Associate Professor, Department of Community Medicine, sabbatical leave for the period August 1, 1968 through July 31, 1969

Action: Approved _____ Disapproved _____ Other _____

Date: _____, 1968

Office of the President
March 12, 1968

PR 4

Members, Board of Trustees:

APPOINTMENT OF DEAN, COLLEGE OF DENTISTRY

Recommendation: that Dr. Harry M. Bohannon, Associate Dean and Professor of Periodontics of the University of Kentucky College of Dentistry, be appointed Dean of the College of Dentistry, effective March 12, 1968.

Background: At the time Dr. Alvin L. Morris was designated by the Board of Trustees as Assistant Vice President for the Medical Center on January 12, 1968, it was understood that he would continue as Dean of the College of Dentistry until his replacement was appointed. A Search Committee, composed of representatives from the College of Dentistry, College of Medicine, School of Allied Health Professions, and the College of Arts and Sciences, unanimously recommended the appointment of Dr. Bohannon as Dean of the College of Dentistry.

The Search Committee canvassed virtually all sources from which prospective deans might be recruited and consulted with a large number of leading dental educators. They accumulated an impressive number of letters from individuals outside the University recommending Dr. Bohannon's appointment - letters which state there is no one better qualified for this position. In addition, the Committee secured evidence of support for Dr. Bohannon from the faculty and alumni of the College of Dentistry. The Committee was further impressed with the desirability of providing continuity of leadership and philosophy for the College of Dentistry at this time by elevating Dr. Bohannon to the deanship.

Dr. Bohannon is a native of Kentucky, a graduate of the University of Louisville School of Dentistry, and has had additional postgraduate training at the University of Pennsylvania where he received a Master of Dental Science degree. He has had academic experience on the faculty of the University of Louisville School of Dentistry, the University of Washington School of Dentistry, and the University of Kentucky College of Dentistry. He was one of the original group who came with Dr. Morris to establish the College of Dentistry here and initially served as Chairman of the Department of Periodontics and Endodontics. Since 1966, he has served as Associate Dean and Professor of Periodontics. Dr. Bohannon has received national awards for his research contributions and, in 1966, was voted by the students as the outstanding clinical instructor at the College of Dentistry.

Both Vice President Willard and Dr. Morris strongly support this recommendation.

Action: Approved Disapproved Other

Date: March 12, 1968

Finance Committee Report
March 12, 1968

FCR 1

Members, Board of Trustees:

FINANCIAL REPORT

Recommendation: that the financial report for the seven months ending January 31, 1968 be accepted.

Background: The financial report for the period cited reflects the reduction of estimated income and expenditure authority as approved by the Board during its January meeting. Approximately 74% of estimated income for the year had been realized through January 31, 1968 while expenditures and commitments represented approximately 56% of expenditure authority approved by the Board for the current fiscal year. In summary, income is being realized as planned and expenditures are slightly below estimates. The University's operations are now estimated to result in expenditures of approximately \$77.8 million exclusive of capital construction expenditures.

Action: Approved / Disapproved Other

Date: March 12 , 1968

UNIVERSITY OF KENTUCKY

LEXINGTON, KENTUCKY 40506

OFFICE OF VICE PRESIDENT
BUSINESS AFFAIRS AND TREASURER

February 7, 1968

Dr. John W. Oswald, President
University of Kentucky
Lexington
Kentucky

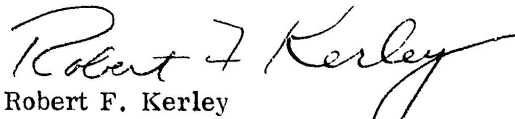
Dear Dr. Oswald:

Submitted herewith is the interim financial report of the University of Kentucky for the period July 1, 1967 through January 31, 1968. This report consists of a balance sheet for the twelve fund groups, and statements of income and appropriations showing the financial transactions for the seven months ended January 31, 1968.

<u>Exhibit</u>	<u>Name</u>	<u>Page</u>
A	Balance Sheet	1
B	Summary of Current Funds Income and Appropriated Balances	7
C	Summary of Current Funds Expenditures	8
D	Statement of Unexpended Plant Funds	10
E	Statement of Retirement of Indebtedness Funds	13
F	Statement of Sinking Funds	14
G	Summary of Other Funds Transactions	15
	1. Loan Funds	
	2. Endowment Funds	
	3. Agency Funds	

This report is intended to form a comprehensive and permanent record of the finances of the University for the period covered.

Respectfully submitted,



Robert F. Kerley
Vice President- Business Affairs
and Treasurer

/rts

EXHIBIT A

University of Kentucky
Balance Sheet
January 31, 1968

ASSETS

I. Current Funds:

A. General:

Cash:

Federal funds	\$ 380,871.68
Depository funds	2,704,790.49
On deposit with State Treasurer	5,040,276.10
Available balance, state appropriations	<u>5,309,016.46</u>
Total cash	13,434,954.73

Reimbursements due from State

Treasurer	546,338.72
Due from other funds	1,097,658.63
Accounts receivable	590,171.25
Notes receivable	71,190.00
Unrealized income (Exhibit B)	14,167,807.54
Inventories and undistributed charges	<u>1,965,990.11</u>

Total general

\$ 31,874,110.98

B. Restricted:

Cash:

Depository funds	213,306.67
Revolving funds	<u>713,000.00</u>
Total cash	926,306.67
Petty cash advances	135,148.88
Investments	7,671,738.41
Accounts receivable	178,788.38
Unrealized income (Exhibit B)	<u>414,668.38</u>

Total restricted

9,326,650.72

C. Hospital and clinics:

Cash:

Depository funds	86,737.62
On deposit with State Treasurer	<u>238,490.67</u>
Total cash	325,228.29
Accounts receivable (net of allowance for doubtful accounts of \$ 4,412,173)	1,715,845.20
Unrealized income (Exhibit B)	3,030,964.37
Inventories	<u>405,485.25</u>

Total hospital and clinics

5,477,523.11

University of Kentucky
Balance Sheet
January 31, 1968

EXHIBIT A

LIABILITIES

I. Current Funds:

A. General:

Outstanding encumbrances	\$ 2,300,609.64
Due to other funds	146,338.72
Due to Federal Government	62,689.74
Deferred income-student fees	1,218,219.63
Advances from state for imprest cash fund	400,000.00
Unencumbered balance, departmental appropriations (Exhibit C)	24,914,266.07
Reserve for inventories	977,238.67
Reserve for notes receivable	71,190.00
Activation reserve-University Hospital	249,000.00
Unappropriated surplus	<u>1,534,558.51</u>

Total general \$ 31,874,110.98

B. Restricted:

Outstanding encumbrances	78,599.51
Due to other funds	5,349,917.44
Outstanding check liability	10,610.90
Undistributed collections and clearing	1,566,155.95
Unencumbered balance, departmental appropriations (Exhibit C)	493,388.37
Unappropriated funds balances	<u>1,827,978.55</u>

Total restricted 9,326,650.72

C. Hospital and clinics:

Outstanding encumbrances	85,965.14
Unexpended balance, departmental appropriations (Exhibit C)	3,871,399.95
Reserve for inventories	398,630.76
Reserve for accounts receivable	<u>1,121,527.26</u>

Total hospital and clinics 5,477,523.11

EXHIBIT A

University of Kentucky
Balance Sheet
January 31, 1968

ASSETS

D. Housing and dining system:		
Cash in bank	\$ 1,387,716.93	
Funds for renewal and replacement	140,954.00	
Accounts receivable	26,016.00	
Inventories	458,922.56	
Unrealized income (Exhibit B)	2,740,042.90	
Funded future bond interest expense	<u>1,504,533.75</u>	
Total housing and dining system		\$ 6,258,186.14
E. Auxiliary enterprises:		
Cash in bank	1,168,054.93	
Inventories	166,892.34	
Unrealized income (Exhibit B)	<u>462,235.95</u>	
Total auxiliary enterprises		<u>1,797,183.22</u>
TOTAL CURRENT FUNDS		<u>\$ 54,733,654.17</u>
II. Loan Funds:		
Cash in bank	\$ 81,923.49	
Notes receivable	3,645,192.81	
Due from Federal government	4,175.65	
Due from United Student Aid loan fund	2,000.00	
TOTAL LOAN FUNDS		<u>\$ 3,733,291.95</u>
III. Endowment Funds:		
Cash in bank	\$ 252.83	
Cash on deposit with Trustee	32.97	
Investments	<u>621,192.34</u>	
TOTAL ENDOWMENT FUNDS		<u>\$ 621,478.14</u>

University of Kentucky
Balance Sheet
January 31, 1968

EXHIBIT A

LIABILITIES

D. Housing and dining system:		
Bonds payable	\$ 1,504,533.75	
Deferred income	73,176.00	
Unexpended balance, departmental appropriations (Exhibit C)	4,216,852.13	
Funds balances:		
Funds for renewals and replacement	140,954.00	
Unappropriated	<u>322,670.26</u>	
Total housing and dining system		\$ 6,258,186.14
E. Auxiliary enterprises:		
Outstanding encumbrances	123,472.36	
Unencumbered balance, departmental appropriations (Exhibit C)	669,313.85	
Unappropriated funds balances	<u>1,004,397.01</u>	
Total auxiliary enterprises		<u>1,797,183.22</u>
TOTAL CURRENT FUNDS		<u>\$ 54,733,654.17</u>
II. Loan Funds:		
Federal sponsored loan funds:		
Federal government	\$ 3,274,200.96	
University matching funds	329,062.70	
Accumulated interest income	<u>52,402.89</u>	
Total Federal sponsored loan funds		\$ 3,655,666.55
University loan funds:		
University student loan funds	17,812.33	
University special student loan funds	57,813.07	
United Student Aid loan fund	<u>2,000.00</u>	
Total University loan funds		<u>77,625.40</u>
TOTAL LOAN FUNDS		<u>\$ 3,733,291.95</u>
III. Endowment Funds:		
Funds balances	\$ 621,478.14	
TOTAL ENDOWMENT FUNDS		<u>\$ 621,478.14</u>

EXHIBIT A

University of Kentucky
Balance Sheet
January 31, 1968

ASSETS

IV. Plant Funds:

A. Unexpended plant funds:

Cash on deposit with State Treasurer	\$ 324,395.16
State capital construction funds	34,042,969.90
Due from Federal government	1,490,894.00
Construction authorized (Exhibit D)	44,194,604.60

Total unexpended plant funds	\$ 80,052,863.66
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B. Retirement of indebtedness funds:

Cash on deposit with State Treasurer	216,202.61
Cash on deposit with Trustee	279,642.00
Accounts receivable	10,449.50
Unrealized income (Exhibit E)	<u>1,604,632.16</u>

Total retirement of indebtedness funds	2,110,926.27
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C. Sinking funds:

Cash on deposit with Trustee	9,867.23
Investments held by Trustee	<u>8,343,148.24</u>

Total sinking funds	8,353,015.47
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D. Invested in plant:

Land	4,987,905.41
Buildings	121,371,593.00
Equipment	<u>24,083,528.00</u>

Total invested in plant	<u>150,443,026.41</u>
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TOTAL PLANT FUNDS	<u><u>\$ 240,959,831.81</u></u>
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V. Agency Funds:

Cash in bank	\$ 2,784,126.30
Investments	<u>1,035.96</u>

TOTAL AGENCY FUNDS	<u><u>\$ 2,785,162.26</u></u>
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University of Kentucky
Balance Sheet
January 31, 1968

EXHIBIT A

LIABILITIES

IV. Plant Funds:

A. Unexpended plant funds:

Outstanding encumbrances	\$11,655,630.02
Due to current general funds	656,540.00
Due to other governmental units	2,947,449.00
Notes payable	31,400,000.00
Appropriations-unencumbered balances	22,711,735.04
University equity in projects (Exhibit D)	<u>10,681,509.60</u>

Total unexpended plant funds \$ 80,052,863.66

B. Retirement of indebtedness funds:

Unexpended balances, debt service (Exhibit E)	2,003,237.15
Funds balances	107,689.12

Total retirement of indebtedness funds 2,110,926.27

C. Sinking funds:

Bonds payable	3,466,000.00
Funds balances (Exhibit F)	<u>4,887,015.47</u>

Total sinking funds 8,353,015.47

D. Invested in plant:

Bonds payable	51,263,966.25
Due to other funds	401,000.00
Net investment in plant	<u>98,778,060.16</u>

Total invested in plant 150,443,026.41

TOTAL PLANT FUNDS \$ 240,959,831.81

V. Agency Funds:

Agency funds balances	\$ 2,785,162.26
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TOTAL AGENCY FUNDS \$ 2,785,162.26

University of Kentucky
 Summary of Current Funds Income and Appropriated Balances
 For the Seven Months Ended January 31, 1968

EXHIBIT B

<u>Fund and Source:</u>	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
A. General:			
Student fees	\$ 6,809,850.00	\$ 4,927,880.59	\$ 1,881,969.41
State appropriations	37,557,100.00	29,540,900.00	8,016,200.00
Federal appropriations	4,756,200.00	2,715,508.57	2,040,691.43
County appropriations	566,200.00	341,648.65	224,551.35
Endowment income	46,700.00	47,750.77	(1,050.77)
Gifts and grants	1,568,500.00	49,887.41	1,518,612.59
Sales and services	1,581,400.00	1,094,566.47	486,833.53
Fund balances appropriated for current operations	500,000.00	500,000.00	
Prior year encumbrances appropriated	1,402,489.85	1,402,489.85	
Sub-total, current fund operations	<u>54,788,439.85</u>	<u>40,620,632.31</u>	<u>14,167,807.54</u>
Fund balances appropriated for plant construction and improvement	<u>1,800,000.00</u>	<u>1,800,000.00</u>	
Total general	<u>56,588,439.85</u>	<u>42,420,632.31</u>	<u>14,167,807.54</u>
B. Restricted:	<u>2,245,477.21</u>	<u>1,830,808.83</u>	<u>414,668.38</u>
C. Hospital and clinics:			
State appropriation	4,342,800.00	3,181,000.00	1,161,800.00
Hospital earned income- net	4,184,400.00	2,315,235.63	1,869,164.37
Prior year encumbrances appropriated	<u>66,303.14</u>	<u>66,303.14</u>	
Total hospital and clinics	<u>8,593,503.14</u>	<u>5,562,538.77</u>	<u>3,030,964.37</u>
D. Housing and dining system	<u>8,204,271.00</u>	<u>5,464,228.10</u>	<u>2,740,042.90</u>
E. Auxiliary enterprises	<u>2,138,452.61</u>	<u>1,676,216.66</u>	<u>462,235.95</u>
TOTAL CURRENT FUNDS INCOME AND APPROPRIATED BALANCES	<u>\$77,770,143.81</u>	<u>\$ 56,954,424.67</u>	<u>\$ 20,815,719.14</u>

(indicates negative amount)

University of Kentucky
 Summary of Current Funds Expenditures
 For the Seven Months Ended January 31, 1968

EXHIBIT C

<u>Fund and Function:</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balance</u>
A. General:				
Departments of instruction and research	\$ 21,678,873.02	\$11,553,966.48	\$ 379,143.16	\$ 9,745,763.38
Community colleges	3,528,026.90	1,948,293.34	83,000.14	1,496,733.42
Summer session	577,276.47	530,710.95	692.62	45,872.90
Organized activities	568,884.18	305,079.48	18,991.23	244,813.47
Organized research	5,498,309.29	3,023,446.55	478,848.11	1,996,014.63
Libraries	1,725,596.14	927,893.95	5,257.52	792,444.67
Extension and public services	6,599,270.12	3,712,592.28	99,348.15	2,787,329.69
Maintenance and operation of plant	3,413,071.32	2,013,447.49	315,027.44	1,084,596.39
Major improvements	200,000.00	224,672.53		(24,672.53)
Acquisition of equipment	338,713.72	143,610.43	62,796.63	132,306.66
General administration	1,844,077.08	1,053,594.65	39,408.81	751,073.62
Student services	2,053,850.24	1,152,166.64	61,865.79	839,817.81
Staff benefits	3,189,745.00	1,648,484.50		1,541,260.50
General institutional services	1,826,797.47	979,842.16	249,048.23	597,907.08
Service enterprises	75,184.90	43,979.86	68,657.55	(37,452.51)
Debt service cost	1,243,000.00	532,734.35		710,265.65
Student aid	7,500.00	3,872.76		3,627.24
Reserves	420,264.00			420,264.00
Sub-total, current fund operations	<u>54,788,439.85</u>	<u>29,798,388.40</u>	<u>1,862,085.38</u>	<u>23,127,966.07</u>
Plant construction and improvement	<u>1,800,000.00</u>	<u>13,700.00</u>		<u>1,786,300.00</u>
Total general	<u>56,588,439.85</u>	<u>29,812,088.40</u>	<u>1,862,085.38</u>	<u>24,914,266.07</u>

University of Kentucky
 Summary of Current Funds Expenditures
 For the Seven Months Ended January 31, 1968

EXHIBIT C

<u>Fund and Function:</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balance</u>
B. Restricted:				
Departments of instruction and research	\$ 84,922.36	\$ 40,926.70	\$ 18,410.84	\$ 25,584.82
Organized research	74,176.14	160,970.36	31,264.57	(118,058.79)
Libraries	4,429.37	333.80		4,095.57
Extension and public services	270,079.82	311,191.33	5,446.58	(46,558.09)
Haggin Fund	34,900.00	25,875.57		9,024.43
Student services	22,400.08	37,109.38		(14,709.30)
General institutional services	86,951.86	66,973.22	3,312.25	16,666.39
Student aid	680,414.45	980,681.13	105.15	(300,371.83)
Acquisition of real property	26,768.00	11,412.94	5,740.25	9,614.81
Construction	23,257.40	11,355.49	429.21	11,472.70
Maintenance and operations	71,232.00	36,462.02	4,088.05	30,681.93
Undistributed approved budgets	865,945.73			865,945.73
Total restricted	2,245,477.21	1,683,291.94	68,796.90	493,388.37
C. Hospital and clinics	8,593,503.14	4,690,963.95	31,139.24	3,871,399.95
D. Housing and dining system	8,204,271.00	3,987,418.87		4,216,852.13
E. Auxiliary enterprises	2,138,452.61	1,345,666.40	123,472.36	669,313.85
TOTAL CURRENT FUNDS EXPENDITURES	\$ 77,770,143.81	\$ 41,519,429.56	\$ 2,085,493.88	\$ 34,165,220.37

(indicates negative amount)

University of Kentucky
Statement of Unexpended Plant Funds
For the Seven Months Ended January 31, 1968

EXHIBIT D

Construction:	<u>Appropriation</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balance</u>
Main campus-				
Undergraduate housing complex \$	570,877.53		\$ 328,422.19	\$ 242,455.34
Classroom-office building	12,089,195.00	\$ 2,349,216.24	7,986,011.32	1,753,967.44
Completed projects-clearing	271,206.11		33,913.10	237,293.01
	<hr/>			
Total construction- main campus	12,931,278.64	2,349,216.24	8,348,346.61	2,233,715.79
	<hr/>			
Community colleges-				
Ashland	150,100.00	52,895.06	64,201.00	33,003.94
Elizabethtown	209,865.65	184,315.29	19,731.07	5,819.29
Hazard	64,250.00	8,547.04	4,250.00	51,452.96
Henderson	61,760.00	21,536.78	5,467.00	34,756.22
Hopkinsville	187,250.00	135,455.67	21,032.28	30,762.05
Jefferson	1,521,502.00	1,045,757.13	389,308.51	86,436.36
Maysville	1,720,054.00	175,238.01	1,444,789.20	100,026.79
Northern	101,417.18	80,092.46	17,163.56	4,161.16
Prestonsburg	227,007.24	195,689.67	20,289.21	11,028.36
Somerset	190,369.00	161,044.25	9,682.91	19,641.84
Southeast	15,565.00	8,313.58	3,251.00	4,000.42
Movable classroom-office building	435,647.00	63,268.80	370,132.82	2,245.38
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Total community colleges	4,884,787.07	2,132,153.74	2,369,298.56	383,334.77
	<hr/>			
Total construction	17,816,065.71	4,481,369.98	10,717,645.17	2,617,050.56
	<hr/>			
Major Improvements:				
Miscellaneous residence halls	4,500.00	3,176.79	1,323.21	
Housing for 50 foot centrifuge	90,071.00	79,351.64	9,801.03	918.33
Food storage building-refrigeration	28,839.50	26,152.04	606.42	2,081.04
Medical Center renovation	5,000.00	2,724.64		2,275.36
Animal care facilities for medical research	289,950.00	253,544.82	35,992.38	412.80
Coldstream Farm water system	199,732.00	196,274.60		3,457.40
Wood Utilization Center-student housing	17,250.00	6,062.92	8,025.17	3,161.91
Funkhouser Building-addition for telephone exchange and library	48,027.00	45,455.78	1,031.38	1,539.84
Student Center Cafeteria and Grill	75,000.00	64,197.00	7,676.00	3,127.00
University Drive-Phase I	168,181.00	167,157.53		1,023.47

University of Kentucky
Statement of Unexpended Plant Funds
For the Seven Months Ended January 31, 1968

EXHIBIT D

Major Improvements (continued)	<u>Appropriation</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balance</u>
Donovan Hall Cafeteria-refrigeration	\$ 48,325.00	\$ 36,213.76	\$ 10,388.77	\$ 1,722.47
Agricultural Engineering Building- renovation	95,545.00	77,016.32	13,824.35	4,704.33
Tobacco and health research equipment installation	165,690.00	116,298.12	43,514.13	5,877.75
Demolition of residential buildings for surface parking	13,066.00	9,066.00	2,399.00	1,601.00
Helen G. King Alumni House	45,124.00	44,106.02	664.90	353.08
Tennis courts-physical education and recreational area	263,576.00	243,361.79	9,398.10	10,816.11
Parking structures-1966	176,923.00	39,824.59		137,098.41
Temporary ETV production center Engineering Building-7th floor alterations for materials science program	148,147.00	77,440.88	61,078.32	9,627.80
	58,093.00	31,162.77	23,975.11	2,955.12
New serving lines-Donovan Hall Cafeteria	11,238.00	8,764.59	1.00	2,472.41
Agricultural Sciences laboratory Building # 2	2,500.00			2,500.00
Electrical substation # 2 central campus	21,300.00	4,856.25	9,713.50	6,730.25
Cooling plant # 2-central campus	61,800.00	14,634.75		47,165.25
Installation of auxiliary system- central heating plants	443,774.00	76,823.46	166,640.36	200,310.18
Anderson Hall-miscellaneous renovation	136,509.00	38,697.99	92,690.99	5,120.02
Modernization of lighting and lighting control systems-Guignol Theatre	2,500.00		1,750.00	750.00
Conversion of storage area to office space-third floor-Library Service Building	2,500.00	999.00	1.00	1,500.00
Office-laboratory-student quarters- swine research program-Coldstream Farm	58,541.00	5,174.87	49,097.00	4,269.13
Renovation of Reynolds # 3	8,140.00	2,185.00	4,716.00	1,239.00
Electrical renovation-Bowman and Breckinridge Halls	62,699.00	4,440.60	55,098.45	3,159.95
Agronomy seed laboratory-air conditioning	2,500.00			2,500.00
Renovation of Pharmacy Building	2,500.00			2,500.00
Memorial Hall renovation	24,500.00			24,500.00
Funkhouser mechanical and electrical renovation	2,500.00			2,500.00

University of Kentucky
Statement of Unexpended Plant Funds
For the Seven Months Ended January 31, 1968

EXHIBIT D

Major Improvements (continued)	<u>Appropriation</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balance</u>
Administration Building-remodeling- Phase II	\$ 13,000.00			\$ 13,000.00
Electrical outage-Euclid Avenue	15,088.51		\$ 15,088.51	
Aerial mapping	11,546.00	\$ 8,595.21	2,946.00	4.79
Total major improvements	<u>2,824,175.01</u>	<u>1,683,759.73</u>	<u>627,441.08</u>	<u>512,974.20</u>
Minor Construction	<u>640,768.14</u>	<u>314,308.10</u>	<u>293,954.53</u>	<u>32,505.43</u>
Property Acquisitions	<u>1,850,000.00</u>	<u>1,731,255.83</u>	<u>16,589.24</u>	<u>102,154.93</u>
Undistributed portion-Consolidated Educational Building Bonds- Anticipation Notes 1967	<u>20,818,936.00</u>	<u>1,616,545.82</u>		<u>19,202,390.18</u>
Clearing Account	<u>244,659.74</u>			<u>244,659.74</u>
 TOTAL UNEXPENDED PLANT FUNDS	 <u>\$ 44,194,604.60</u>	 <u>\$ 9,827,239.54</u>	 <u>\$ 11,655,630.02</u>	 <u>\$ 22,711,735.04</u>

University of Kentucky
Statement of Retirement of Indebtedness Funds
For the Seven Months Ended January 31, 1968

EXHIBIT E

<u>Income:</u>	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
Interest income	\$ 41,740.41	\$ 41,740.41	
Rental income	63,287.00	63,287.00	
Transfers from Auxiliary Enterprises	119,591.47	112,863.72	\$ 6,727.75
Transfers from General Fund	1,242,953.00	532,734.35	710,218.65
Transfers from Housing and Dining System	1,610,157.34	722,471.58	887,685.76
Transfers from Unexpended Plant Funds	67,142.00	67,142.00	
Fund balances appropriated	99,808.18	99,808.18	
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TOTAL RETIREMENT OF INDEBTEDNESS FUNDS (Exhibit A)	\$ 3,244,679.40	\$ 1,640,047.24	\$ 1,604,632.16

<u>Debt Service:</u>	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended Balance</u>
Auditorium Field House	\$ 47,292.00	\$ 46,856.25	\$ 435.75
Library Service Building	31,138.00	625.34	30,512.66
Stadium Addition	15,995.00	532.13	15,462.87
Chi Omega	3,496.90	3,015.70	481.20
Journalism Building	13,274.00	12,527.66	746.34
Alpha Delta Pi	4,215.00	3,630.00	585.00
Dorms A, B, C, D, E, and F.	39,625.00	8,312.50	31,312.50
Dorms G, H, I, J, K, and L.	51,450.00	18,225.00	33,225.00
Phi Delta Theta	7,630.00	2,815.00	4,815.00
Delta Delta Delta	6,735.00	5,410.00	1,325.00
Alpha Tau Omega	8,790.00	2,895.00	5,895.00
Consolidated Educational Buildings-Series A	501,632.00	128,217.60	373,414.40
Community Colleges Educational Buildings- Series A	88,196.00	35,330.00	52,866.00
Consolidated Educational Buildings-Series B	575,387.00	237,571.81	337,815.19
Alpha Gamma Rho and Sigma Chi	16,714.00	7,371.64	9,342.36
Community Colleges Educational Buildings- Series B	77,738.00	32,569.00	45,169.00
Student Housing Bonds of 1964	40,000.00	20,351.88	19,648.12
Housing and Dining System Revenue Bonds-A-I	1,715,371.50	675,185.74	1,040,185.76
<hr/>			
TOTAL RETIREMENT OF INDEBTEDNESS FUNDS (Exhibit A)	\$ 3,244,679.40	\$ 1,241,442.25	\$ 2,003,237.15

University of Kentucky
Statement of Sinking Funds
For the Seven Months Ended January 31, 1968

EXHIBIT F

Housing and Dining System Bond and Interest Fund	\$ 1, 697, 648. 50
Housing and Dining System Repair and Maintenance Reserve	550, 965. 92
Bowman, Keeneland, Cooperstown, Blazer and Student Union	1, 439, 838. 13
Second PWA Issue	10, 199. 37
Consolidated Educational Buildings-Series A	555, 791. 36
Consolidated Educational Buildings-Series B	465, 775. 03
Community Colleges Educational Buildings-Series A	55, 652. 45
Community Colleges Educational Buildings- Series B	33, 782. 34
Housing Bonds of 1960	36, 309. 34
Housing Bonds of 1960-Maintenance Reserve	9, 488. 63
Student Housing Bonds of 1964	<u>31, 564. 40</u>
 TOTAL SINKING FUNDS (Exhibit A)	 <u><u>\$ 4, 887, 015. 47</u></u>

University of Kentucky
 Summary of Other Funds Transactions
 For the Seven Months Ended January 31, 1968

EXHIBIT G

<u>Loan Funds:</u>	<u>Balances</u> July 1, 1967	<u>Receipts</u>	<u>Expenditures</u>	<u>Balances</u> January 31, 1968
<u>Federal sponsored loan funds:</u>				
Federal government	\$ 2,585,100.26	\$ 689,100.70		\$ 3,274,200.96
University of Kentucky	289,311.83	39,750.87		329,062.70
Accumulated interest income	44,412.11	7,990.78		52,402.89
<u>University loan funds:</u>				
University student loan funds	58,337.95	(40,525.62)		17,812.33
University special student loan fund	56,705.71	1,107.36		57,813.07
United Student Aid loan fund	2,000.00			2,000.00
TOTAL LOAN FUNDS	<u>\$ 3,035,867.86</u>	<u>\$ 697,424.09</u>		<u>\$ 3,733,291.95</u>
 <u>Endowment Funds:</u>				
TOTAL ENDOWMENT FUNDS	<u>\$ 478,085.34</u>	<u>\$ 143,392.80</u>		<u>\$ 621,478.14</u>
 <u>Agency Funds:</u>				
TOTAL AGENCY FUNDS	<u>\$ 3,111,245.48</u>	<u>\$ 8,224,372.10</u>	<u>\$ 8,550,455.32</u>	<u>\$ 2,785,162.26</u>

(indicates negative amount)

FCR 2

Members, Board of Trustees:

INVESTMENT POLICIES

Recommendation: that it be the policy of the Board of Trustees of the University of Kentucky:

With respect to investment of available current funds:

- a. That to the maximum practical extent, such funds be invested.
- b. That such funds be invested in fixed income securities.
- c. That the investment objective be to maximize yield consistent with security, liquidity and the period of investment.
- d. That such investments be limited to securities issued by the United States Treasury and other Federal Agencies (including the Federal National Mortgage Association and the Export-Import Bank), Certificates of Deposit issued by banks, prime Bankers Acceptances, high grade commercial paper and high grade corporate bonds.
- e. That the Vice President - Business Affairs and Treasurer be authorized to make investments under this policy, be directed to report each investment to the President and that the President be directed to transmit each such report to the Board.

Background: The proposed policy on investment of available current funds in most respects restates existing policies of the Board and codifies practices of the last four years. The above restatement of the policy is recommended after discussion with the Finance Committee and the University's Investment Counsellors.

Action: Approved Disapproved Other

Date: March 12, 1968

F C R 3

Members, Board of Trustees:

CONNECTION FEE, QUICKSAND SEWER DISTRICT

Recommendation:

1. that the Board of Trustees amend its resolution of November 10, 1967, relating to appropriations for construction and renovation projects by adding to the list of approved projects an item called "Sanitary Sewer System at Robinson Substation - Estimated Cost, \$35,000."
2. that the Board authorize the Vice President - Business Affairs and Treasurer to disburse up to \$35,000 to the Quicksand Water District as a connection fee.
3. that the Vice President - Business Affairs and Treasurer be authorized to convey to the Quicksand Water District the easements and rights of way necessary for the construction of the sewer line and laterals connecting existing University buildings to the said line.

Background: On November 10, 1967, the Board of Trustees authorized several construction and renovation projects and authorized the Officers of the University to appropriate and expend \$1,800,000 of the general funds of the University to finance them. This action would add the sewer project to the approved list and authorize the expenditure necessary to carry it out. In addition, this action would authorize the granting of the necessary easements when the final locations of the sewer lines are determined.

Action: Approved X Disapproved Other

Date: March 12 , 1968

F C R 4

Members, Board of Trustees:

REAL PROPERTY MATTERS

I. Easements, Henderson Community College

Recommendation: that the Board of Trustees authorize the Vice President - Business Affairs and Treasurer, to execute easements to the City of Henderson, Kentucky, for the installation of water and sewer facilities, including an elevated water storage tank, on the grounds of Henderson Community College.

Background: The City of Henderson desires to improve its services in the area by installing water and sewer facilities, including a water storage tank, on the grounds of Henderson Community College. The University has requested the City of Henderson to submit a plat of each of the easements which they are requesting.

The easements provide the usual clauses to protect Henderson Community College from any and all damage and also to restore the property to the same good condition as it was when construction work began. In addition, the easements require written notice from the City of Henderson prior to entering upon the property to construct, operate, maintain, etc., the water and sewer facilities.

II. Revision of Leases

Recommendation: that the Board of Trustees authorize the Vice President - Business Affairs and Treasurer, to execute the necessary documents to update arrangements for the leasing of housing facilities to Delta Gamma Sorority, Sigma Alpha Epsilon Fraternity, and Sigma Nu Fraternity.

Background: Present lease arrangements with Delta Gamma, Sigma Alpha Epsilon, and Sigma Nu need to be revised so as to include rental payments to be made in accordance with the schedule of payments necessary to retire the bonded indebtedness of the dormitory residences.

III. Sale of Property, Upper Street

Recommendation: that the following resolution be adopted:

1. The Board finds that the property located in Lexington, Kentucky and known as 504 South Upper Street is not needed for the purpose of expanding the plant or extending the usefulness of the University.

2. The Board hereby requests the Commissioner of Finance to dispose of the property in accordance with the provisions of KRS 45.360 at a price not less than eighteen thousand dollars (\$18,000.00)

Background: This property was acquired by the University in June, 1965. It has become apparent that the property will not be needed in the foreseeable future for expansion of the University. Therefore, it seems advisable to dispose of the land.

Action: Approved X Disapproved _____ Other _____

Date: March 12 , 1968

FCR 5

Members, Board of Trustees:

SPECIAL FEE, EXTERNAL AUDITOR

Recommendation: that the Board of Trustees authorize the additional payment of \$3,000 to Haskins & Sells, Certified Public Accountants, for the performance of an examination of the College Work Study Program and the National Defense Student Loan Fund under guidelines established by the Department of Health, Education, and Welfare.

Background: The Board approved the engagement of the firm of Haskins & Sells to perform the audit for the University and affiliated corporations for fiscal year 1966-67 at a fee in the amount of \$25,000. At the time the fee of \$25,000 was quoted by Haskins & Sells for the audit, it was not contemplated that the College Work Study Program and the National Defense Student Loan Fund would be included in the audit. It was at a later date that the Department of Health, Education, and Welfare requested and the University agreed to have the firm doing its regular audit include the above programs in accordance with guidelines established by the Department.

Action: Approved X Disapproved _____ Other _____

Date: March 12 , 1968

Finance Committee Report
March 12, 1968

FCR 6

Members, Board of Trustees:

ACCEPTANCE OF "MANAGEMENT LETTER"
FROM EXTERNAL AUDITORS FOR 1966-67

Recommendation: that the Board of Trustees accept the management letter, dated November 9, 1967 from the firm of Haskins & Sells, Certified Public Accountants for the fiscal year ended June 30, 1967.

Background: During the examination of the financial statements of the University of Kentucky and its affiliated corporations for the year ended June 30, 1967, Haskins & Sells made certain observations and recommendations relating to internal and administrative controls and fiscal procedures.

Note: The Management Letter is not duplicated in the Minutes but is available in the files of the March 12, 1968 meeting.

Action: Approved X Disapproved Other

Date: March 12 , 1968

FCR 7

Members, Board of Trustees:

RECOVERY OF WORKMEN'S COMPENSATION PAYMENTS

Recommendation: that the Board of Trustees authorize the Vice President - Business Affairs and Treasurer, to take the steps necessary to provide for the recovery of Workmen's Compensation payments made by the University as a result of the negligent acts of third parties.

Background: The University of Kentucky, being self-insured, is permitted by law to recover from negligent third parties Workmen's Compensation payments made to employees or the families of deceased employees as a result of negligent acts committed by third parties. This routine action is necessary to empower the office of Business Affairs to do all acts required to effect recoveries.

Action: Approved X Disapproved Other

Date: March 12 , 1968

FCR 8

Members, Board of Trustees:

CONTRACT FOR HEATING AND COOLING SERVICES,
JEFFERSON COMMUNITY COLLEGE

Recommendation: that the Vice Chairman be authorized to execute a contract between the Board of Trustees of the University of Kentucky and Louisville and Jefferson County Board of Health; The County of Jefferson, Kentucky; The Jewish Hospital Association of Louisville, Kentucky; The Children's Hospital; Methodist-Evangelical Hospital, Inc.; University of Louisville; Rehabilitation Center, Inc., and University of Louisville Medical Center, Inc., providing for the purchase of the steam and chilled water requirements of the Jefferson Community College from a central steam plant serving several hospitals and other facilities of the aforementioned parties which are located near the Community College site.

Background: For several years Jefferson County has owned and operated a steam plant which supplies the requirements of the Board of Health, Jewish Hospital, Children's Hospital, and certain facilities of the University of Louisville. The construction of the plant was financed by Jefferson County through the issuance of revenue bonds secured by a first lien on the income realized from the sale of steam. The steam plant is now to be expanded to supply the increased needs of the other parties and the needs of the Community College. Prior to the issuance of revenue bonds for this purpose by Jefferson County, the users of the steam and chilled water must sign the aforementioned contract agreeing to purchase all their requirements from the central steam plant. The price to be paid for steam and chilled water is determined by the sum necessary to maintain and operate the plant, pay interest and retire the revenue bonds as they mature.

Action: Approved X Disapproved Other

Date: March 12 , 1968

F C D 1

Members, Board of Trustees:

REPORT ON CASH FLOW MANAGEMENT

The following techniques are used in determining the amount of idle funds available from Current Funds income for investment:

1. A comprehensive review and analysis of the previous year's financial operations.
2. A review of the current year's anticipated income and expenditures.
3. Review of prior year fund balances and the use of these balances for the ensuing periods.
4. Determining the level of estimated monthly receipts and expenditures.
5. Pinpointing the dates and availability of seasonal income and expenditures.
6. Use of daily reports on changes in cash position.
7. Use of monthly interim financial reports.
8. Current review of investment maturity dates.