

Minutes of the Meeting of the Executive Committee of the University of Kentucky, Tuesday, December 31, 1935.

The Executive Committee of the Board of Trustees of the University of Kentucky met in President McVey's office at 11:00 a.m., on December 31, 1935. The members of the Committee present were Judge Richard C. Stoll, Chairman; Judge Robert G. Gordon, and J. B. Andrews. President Frank L. McVey and Secretary D. H. Peak were also present.

1. Minutes Approved.

The minutes of the meeting of the Executive Committee of October 31, 1935, were approved as published.

2. Bids on Bonds

President McVey stated that in accordance with Resolution No. 3, Section 12, passed by the Board of Trustees on November 7, 1935, the bonds of the University had been offered for private sale in the sum of \$600,000 par value and that three bids for the bonds had been received in due course.

a. These three bids were:

1. J. J. B. Hilliard & Son of Louisville, Kentucky, jointly with Almstedt Brothers, Fidelity and Columbia Trust Company (Bond Department), Stein Brothers & Boyce, The Bankers Bond Company and the Security Trust Company of Lexington, Kentucky.

Price offered for the bonds - par.

Coupon interest rate 3.75% per annum.

Bonds to be annual serial.

Purchase to be subject to the approval of the law firm of Chapman and Cutler of Chicago, Illinois, as to form and legality.

Transaction to be completed by February 1, 1936.

2. Charles A. Hinsch & Company and the Weil, Roth and Irving Company, both of Cincinnati, Ohio.

Price offered for the bonds - par.

Coupon interest rate 3.50% per annum.

Bonds to be annual serial.

Purchase to be subject to the approval of the law firm of Chapman and Cutler of Chicago, Illinois, as to form and legality.

Transaction to be completed by February 1, 1936.

3. W. E. Hutton & Company of Louisville, Kentucky, and J. D. Van Hooser & Company of Lexington, Kentucky,

Price offered for the bonds to be "a sum equal to an interest rate of 3.40% computed on the average maturity of the bonds according to the standard tables of bond values."

Coupon interest rate 3% per annum.

Bonds to be annual serial.

Purchase to be subject to the approval of the law firm of Chapman and Cutler, Chicago, Illinois, as to form and legality.

Transaction to be completed by February 1, 1936.

After the reading of these three bids, there was a general discussion of the matter and the representatives of Groups No. 2 and No. 3 were called separately before the meeting. Group No. 1 was not represented.

It was the opinion of the Committee that probably the transaction could not be completed by February 1, and the representatives of Groups No. 2 and No. 3 were asked if they would extend the time to February 15 and both consented to such extension.

b. Resolution:

Thereupon Mr. Robert G. Gordon, seconded by Mr. J. B. Andrews, offered the following resolution:

Resolved, that the bid of W. E. Hutton & Company and J. D. Van Hooser & Company be made a part of these Minutes and that said bid with the date of the completion of the transaction changed to February 15, 1936, be and is accepted by this Committee, subject to the approval of the Board of Trustees of the University; that representatives of the bankers, whose bid is hereby designated as the lowest and best bid submitted to this meeting, together with their legal advisers, shall confer with Dean James H. Graham and that they jointly prepare a resolution, or resolutions, wherein the terms and conditions of the sale of the bonds are set forth in accordance with bid herein made by the bankers and accepted by this Committee and that said resolutions shall be presented to the Board of Trustees, at its next meeting, for approval as to the action of this Committee, for the consideration of said resolutions and for authorizing the sale of said bonds.

c. Bid Accepted:

Following is a copy of the bid accepted:

Cincinnati, Ohio

December 31, 1935

To the Honorable Board of Trustees,
University of Kentucky
Lexington, Kentucky.

Gentlemen:

We are informed that you have taken action preliminary to the issuance of Building Revenue Bonds under authority of Chapter of the Acts of the General Assembly of Kentucky 1934 to aid in financing the cost of constructing and equipping three additional University buildings and a central heating plant.

We propose that such bonds bear date of January 1, 1936, or such other date as may be preferred by you, mature serially on an equalized amortization basis, commencing three years from the date of the bonds and ending not more than thirty years from such date; be of the denomination of \$1,000 each with both principal and interest payable at the office of the Treasurer of the Board of Trustees of the University, or at the option of the holder at some bank in the City of New York as may be designated by you in the bonds. For such bonds bearing interest at the rate of 3% per annum, payable semi-annually, when delivered to us at a bank of your selection in the city of Cincinnati, Ohio, we hereby propose and agree to pay you a sum equal to an interest cost basis of 3.40% computed on the average maturity of the bonds according to the standard tables of bond values.

We are informed that present plans contemplate the issuance of bonds in the principal amount of six hundred thousand dollars (\$600,000), bearing interest at the rate of four per cent (4%) per annum, and that amount of bonds maturing as aforesaid would require an annual payment for principal and interest of more than thirty-six thousand dollars (\$36,000). Under this proposal bonds in the principal amount of approximately \$705,000 can be issued with an annual principal and interest charge of the same amount, namely, thirty-six thousand dollars (\$36,000). This bid is for any part of \$705,000.

Upon the acceptance of this proposal, as hereinafter provided, we agree to retain at our own expense, the firm of Chapman and Cutler, of Chicago, Illinois, as bond counsel, to cooperate with your counsel in working out the procedure for the issuance of said bonds, it being understood, however, that we shall not be obligated to take up and pay for said bonds until a mutually satisfactory basis shall have been agreed upon for the

security of the payment of principal and interest of the bonds and also unless we have procured at or before the time of such delivery of bonds to us the unqualified approving opinion of said Chapman and Cutler as to the validity of said bonds and the enforceability of the security for their payment.

It is contemplated that this transaction should be fully carried out by February 15, 1936, and by reason of the uncertainty of economic and financial conditions, which may seriously affect the marketability of these bonds, we reserve the right to withdraw from our commitment hereunder on notice to you at any time after that date.

Acceptance of this proposal will be evidenced by execution of a copy hereof by the authorized officers of the Board of Trustees, pursuant to resolution, whereupon this proposal shall constitute a contract for the sale of said bonds to us as aforesaid.

Respectfully submitted,

(Signed) W. E. Hutton & Company,
by S. A. Fetter, Manager,
Louisville, Kentucky, Office.

(Signed) J. D. Van Hooser & Company
by J. D. Van Hooser, President

3. Members of the Staff -- Out of State Fees.

By unanimous vote the following resolution was passed;

Resolved -- That members of the University staff who come from other states will not be required to pay out-of-state fees for tuition of their children who may attend the University or training school of the College of Education.

4. Bill for Interest of Warehouse Lease.

The request for payment of \$1250.00 interest due on warehouse property lease was approved and ordered certified to Auditor of Public Accounts in usual form.

5. Alumni Trustee.

The secretary of the Board reported that he had notified Governor A. B. Chandler of the selection of nominees for Alumni Trustee.

Notice

December
Nineteenth
1935

Hon. A. B. Chandler
Governor of Kentucky
Frankfort, Kentucky

Dear Governor Chandler:

At meeting of the Board of Trustees held on December 17th, count of the votes in the alumni election was made to determine the name to be submitted to you for appointment as alumni member of the Board of Trustees to succeed Louis Hillenmeyer whose term of office expires December 31, 1935. The count of the vote showed the three highest numbers of votes to be cast for the following parties:

Louis Hillenmeyer, Lexington
Arthur Bryson, Ashland
Mrs. Thomas Underwood, Lexington.

Report of the count was made to open session of the Board and order was thereupon made that the Secretary of the Board certify to Your Honor the result of the election.

Very truly yours,

D. H. Peak,
Secretary of Board of Trustees.

President McVey then stated that he had been informed by Governor Chandler of the receipt of the notice above reported, and that the Governor stated that he expected to reappoint Mr. Hillenmeyer.

6.

6. Municipal League Rooms.

The President suggested that the Municipal League had asked for a room or rooms at the University of Kentucky for offices. The Executive Committee deemed it inadvisable to permit organizations not connected with University work to be housed on the campus and suggested that the President notify the Secretary of the Municipal League that rooms are not available.

On motion the meeting adjourned.

D. H. Peak
Secretary of the Board of
Trustees