

**MINUTES**  
**OF THE SPECIAL MEETING**  
**OF THE BOARD OF REGENTS**  
**WESTERN KENTUCKY UNIVERSITY**

December 3, 1993

**AGENDA ITEM 1 - Call to Order**

Required statutory notice having been given, a special meeting of the Board of Regents of Western Kentucky University was held in the Regents Conference Room of the Wetherby Administration Building. The meeting was called to order by Mr. Burns Mercer, Chair, at approximately 4:30 p.m., CST.

**AGENDA ITEM 2 - Invocation**

The meeting opened with an invocation by Dr. Thomas C. Meredith, President.

**AGENDA ITEM 3 - Roll call**

The following members were present:

Mrs. Kristen Bale  
Mr. Robert Earl Fischer

Mr. Monnie Hankins  
Mrs. Peggy Loafman  
Dr. Raymond M. Mendel  
Mr. Fred N. Mudge  
Mr. Burns Mercer  
Mr. Raymond B. Preston  
Mr. Donald Smith

Mr. Howard Gray was absent.

Also present were Dr. Thomas C. Meredith, President; Mrs. Liz Esters, Staff Assistant for Special Projects and Secretary to the Board of Regents; Dr. Jim Ramsey, Vice President for Finance and Administration; Dr. Robert Haynes, Vice President for Academic Affairs; Mr. Robert M. Rutledge, Vice President for Institutional Advancement; Dr. Jerry Wilder, Vice President for Student Affairs; and Mr. Fred

Hensley, Director of University Relations.

**In keeping with the policy of the Board, the agenda for the meeting and information and materials pertinent to items thereon had been mailed in advance of the meeting by the President to members of the Board.**

**AGENDA ITEM 4 - Recommendation for approval of a bond  
resolution authorizing the refunding of Western Kentucky University  
Consolidated Educational Buildings Revenue Bonds, Series H and J**

**RECOMMENDATION:**

Dr. Thomas C. Meredith recommends the adoption of the \*attached bond resolution authorizing the refunding of the Western Kentucky University Consolidated Educational Buildings Revenue Bonds, Series H and J. \*Attached to the minutes as **Exhibit I.**

**Background:**

At the October 22, 1993, meeting of the Western Kentucky University Board of Regents, the Board authorized the issuance of the Western Kentucky University Consolidated Educational Buildings Revenue Bonds, Series H and J and delegated to the Executive Committee the adoption of the bond resolution and the acceptance of the interest rate on the bonds. An Executive Committee meeting was scheduled for November 17 to authorize the issuance of the bonds and to accept the interest rate on the bonds.

The Executive Committee meeting and the sale of the bonds was postponed. Interest rates had increased from the original time the bond sale was scheduled to the week of November 17. For example, the thirty year government bond was trading at a 5.70 percent a month ago; the week of November 17 it was trading at a 6.15 percent. The rating agencies requested additional financial data, enrollment data, and other management data from Western on November 12 and 15. Additional time was needed to compile this information and give the rating agencies adequate time to review it. As a result, representatives from Hilliard and Lyons, the

Commonwealth of Kentucky, and Western believed it was prudent to postpone the sale scheduled for November 17.

Given the postponement of the refunding, Bond Counsel for the Commonwealth of Kentucky, Carl Fust, has requested that the full Board of Regents authorize the bond resolution. Mr. Fust believes that it is the Executive Committee can still be authorized to accept the interest rate on the bonds.

Assuming a favorable interest rate environment, Hilliard and Lyons would like to propose a sale the week of December 13-17.

Motion for approval of the bond resolution authorizing the refunding of Western Kentucky University Consolidated Educational Buildings Revenue Bonds, Series H and J, was made by Mr. Preston and seconded by Mr. Fischer.

The motion carried.

**AGENDA ITEM 5 - Recommendation for approval of the maintenance and infrastructure-related projects.**

**RECOMMENDATION:**

President Thomas C. Meredith recommends the approval of the maintenance and infrastructure related projects identified below.

**Background:**

At the October 22, 1993, meeting of the Western Kentucky University Board of Regents, a commitment was made by the Board to include maintenance at Western Kentucky University as a budget priority. As discussed at prior Board meetings, attempts have been ongoing to identify funding sources for needed maintenance and infrastructure projects from unutilized capital construction funds with the state.

In 1986 the General Assembly authorized funding for the "Coal Boiler Project." This project involved the renovation and reconstruction of the coal boilers utilized to provide heat to the main campus. At the advice of the Finance and Administration Cabinet, additional funding authorization was sought for this project in 1990. The project was completed in 1992. At the completion of the project, approximately \$900,000 in unutilized construction funds became available for other uses. After consultation with the Finance and Administration Cabinet, it is recommended that these funds be utilized for maintenance and infrastructure projects that will begin to address the recent maintenance concerns expressed by the Board of Regents.

**MAINTENANCE AND INFRASTRUCTURE PROJECTS**

Western Kentucky University has a project balance of \$914,000 from the Heat Plant Renovation project that was originally funded in 1986 and additionally funded in 1992. The project was completed about this time last fall. Both GOPM and the Finance Cabinet have advised us that we should spend these funds on infrastructure related projects on campus. We have reviewed many of our needs and would like to suggest that the following projects be considered for funding from this source.

I. Heat Plant

A. **Emergency Generator (175KW)** \$32,000

The existing inside generator is obsolete and no repair parts are available.

- B. Electrical** \$25,000
- Replace the existing inefficient incandescent lights with safer and better explosion proof fixtures.
- C. Blowdown Valves #2 and #3** \$8,500
- The valves are leaking and are wasting energy. They are not worth rebuilding and need to be replaced.
- D. Blowdown Lines** \$10,000
- The lines have recently been patched and small sections replaced. They are leaking and allow steam to escape within the Heat Plant.
- E. De-scaling and Paint #3** \$20,000
- The boiler "skin" needs to be preserved by scaling off all old paint, rust, and being repainted.
- F. Water Softeners** \$20,000
- The existing softener capacity is too small for the needs of today. As a result, a considerable amount of energy is wasted in regeneration processes.
- G. Entry Doors (2 sets)** \$3,000
- Both entry doors and jambs to the Heat Plant are deteriorated to the extent they are going to fall down and are a safety hazard.
- H. #2 and #3 Overfire Fans** \$5,000
- The fans need to be balanced to eliminate existing vibrations. If not corrected, the fans will self destruct.
- I. #3 F.D. Ductwork** \$10,000
- The ductwork is deteriorated, leaking, and thereby making it difficult to maintain proper air for maximum combustion efficiency.
- J. #2 Soot Blower** \$9,000
- The valves are old, leaking and sometimes very difficult to activate.
- K. Alternate Water Main** \$18,000
- There is now only one water source to the Heating Plant. It would be an advantage to have a second supply due to the existing nature of water line problems within the city.
- L. #4 and #5 Chemical Feed** \$8,000
- The existing pumps are obsolete and the ventilation system over the pumps is

marginal. No repair parts are available.

II. Steam Lines

A. **4/Way Manhole - Grise Hall** \$174,900

The existing line is in a tunnel and has deteriorated to the point it will not hold a satisfactory air test. The line serves McLean, Grise, North, South, and West Halls. (583 ft. @ \$300/ft.)

B. **Garrett Conference Center/Faculty House** \$ 68,160

The line is over 30 years old and is worn out. It will not pass a hydrostatic test due to leaks. The pipe has been examined and has severe rust pitting. (213 ft. @ \$320/ft.)

C. **Diddle Dorm/Thompson Complex Center Wing** \$112,640

The line is over 30 years and is worn out. It will not pass a hydrostatic test due to leaks. The pipe has been examined and has severe rust pitting. (352 ft. @ \$320/ft.)

D. **Main Line - Downing University Center** \$150,000

The condensate line failed three years ago and all return water is going to the sanitary sewer. This is an extreme waste of energy, chemicals, and water. A very inefficient operation. The lines need to be totally replaced.

E. **Thompson Complex North Wing** \$145,000

The extension of a steam line to TCNW and the conversion from gas to steam heat is desirable from an economic viewpoint. Also, gas heat could be maintained for backup making it the only building on campus with a redundant heat system.

III. Lights for walkway from Pearce-Ford Tower to Downing University Center  
\$60,000

The suggested schedule for work would be as follows:

Summer of 1994 - Items I, IIA, and IID

Summer of 1995 - Projects IIB, IIC, and IIE

Grand Total \$879,200\*

\*This grand total estimate does not include engineering fees.

**Western Kentucky University  
Capital Construction Projects  
Submitted to Board of Regents (12/3/93)**

**Con Ed Projects**

\$\$\$

**I. Heat Plant**

|                           |         |
|---------------------------|---------|
| Emergency Generator       | 32,000  |
| Electrical                | 25,000  |
| Blowdown Valves #2 and #3 | 8,500   |
| Blowdown Lines            | 10,000  |
| De-scaling and Paint #3   | 20,000  |
| Water Softeners           | 20,000  |
| Entry Doors (2 sets)      | 3,000   |
| #2 and #3 Overfire Fans   | 5,000   |
| #3 F.D. Ductwork          | 10,000  |
| #2 Soot Blower            | 9,000   |
| Alternate Water Main      | 18,000  |
| #4 and #5 Chemical Feed   | 8,000   |
| Subtotal                  | 168,500 |

**II. Steam Lines**

|  |                |
|--|----------------|
| 4/Way Manhole - Grise Hall               | 174,900        |
| Garrett Conference Center/Faculty House  | 68,160         |
| Diddle Dorm/Thompson Complex Center Wing | 112,640        |
| Main Line - Downing University Center    | 150,000        |
| Thompson Complex North Wing              | <u>145,000</u> |
| Subtotal                                 | 650,700        |

**III. Lights for Walkway from Preston Center to Downing University Center**

60,000

**IV. Total**

879,200

**Western Kentucky University  
Capital Construction Projects  
Approved by Board of Regents (6/29/93)**

**Con Ed Projects**

**\$\$\$**

**H&D Projects**

**\$\$\$**

Johnson Control Energy Project

150,000

Pearce-Ford  
-Ventilation  
-Shower Partitions  
Water Meters  
-Elevators

150,000  
94,000  
5,000  
340,000  
-Painting 200,000

|                    |          |                         |           |
|--------------------|----------|-------------------------|-----------|
| Electric Meters    | 15,000   | Furnishings             | 50,000    |
|                    |          |                         | -D78,400  |
| Carpet             |          |                         |           |
| -Fine Arts         | 45,000   | Other Residence Halls   | -D75,000  |
|                    | -125,000 |                         |           |
| Clean, Tuckpoint,  |          | Paul Garrett Conference |           |
| Waterproof & Paint |          | Center                  | 91,600    |
| -Van Meter         | 65,000   |                         |           |
| -Helm              | 80,000   |                         |           |
| -AA#1              | 100,000  |                         |           |
| -Wetherby          | 38,000   |                         |           |
| Roof Replacements  |          |                         |           |
| -Van Meter         | 15,000   |                         |           |
| -Helm              | 20,000   |                         |           |
| Other              | 15,000   |                         |           |
| Total              | 673,000  | Total                   | 1,079,000 |

**Western Kentucky University  
Capital Construction Projects**

**WKU Request to CHE as of November 15, 1993  
And as Approved by Board of Regents on October 22, 1993**

| <b><u>Con Ed Projects Recommended for State Funding</u></b> | <b><u>1994/95</u></b> | <b><u>1995/96</u></b> |
|---|-----------------------|-----------------------|
| E&G Accessibility Projects                                  | 3,950,000             | 0                     |
| Ag. Expo Center-HVAC  | 350,000               | 0                     |
| Thompson Complex Fume Hood                                  | 0                     | 957,000               |
| Life and Safety Improvements                                | 530,000               | 0                     |
| Academic-Athletic Bldg #1 Ren., Phase 1 *                   | 0                     | 1,250,000             |
| Steam Line Replacement                                      | 415,000               | 0                     |
| High Voltage Underground Distribution                       | 0                     | 608,000               |
| Electronic Classroom  | 125,000               | 0                     |
| Health & Technology Building                                | 29,500,000            | 0                     |
| Satellite Video Uplink**                                    | 350,000               | 0                     |

\*Phase 1 is the HVAC unit consisting of \$1,250,000 requested for general fund and \$250,000 from private funds.

\*\*CHE added project not on WKU's state operating request.

| <b><u>Con Ed Projects Recommended for University Funding</u></b> |         |         |
|--|---------|---------|
| Campus Facilities Audit (E&G Portion)                            | 0       | 133,100 |
| Exterior Renovations - E&G Buildings                             | 575,000 | 217,000 |
| Window Replacement - Cherry Hall                                 | 580,000 |         |
| Repair/Replacement of Walks, Parking Lots, Etc.                  | 0       | 312,000 |
| High Voltage Underground Distribution                            | 0       | 68,000  |
| Steam Line Replacement   | 205,000 | 0       |
| Renovation of Academic-Athletic Building #1                      |         | 250,000 |

**Con Ed Equipment to be University Funding**



|  |         |         |
|--|---------|---------|
| Telecommunication Equipment - Networking       | 750,000 | 850,000 |
| Electronic Photography Lab                     | 100,000 | 198,000 |
| IBM Mainframe Model Upgrade                    | 0       | 350,000 |
| Additional Processors for VAX 6400             | 50,000  | 75,000  |
| Memory & Channels Upgrade for IBM Mainframe    | 75,000  | 0       |
| Laser Printer                                  | 0       | 115,000 |
| Voice Messaging/Upgrade VAX 6400 to Alpha Tech | 300,000 | 450,000 |
| Disk Drive for IBM Mainframe                   | 230,000 | 230,000 |
| Molecular Biology Purification System          | 50,000  | 0       |
| Sealed Tube Neutron Generator                  | 0       | 150,000 |
| Scanning Electron Microscope                   | 0       | 100,000 |
| X-ray Photoelectron Spectroscopy               | 0       | 180,000 |
| Shuttle Bus                                    | 150,000 | 0       |
| Property Acquisition                           | 400,000 | 0       |
| Street Cleaner                                 | 125,000 | 0       |

**Auxiliary Projects Recommended for University Funding**

|   |           |           |
|---|-----------|-----------|
| Campus Facilities Audit (Auxiliary Portion) |           | 74,900    |
| Roof Replacement Projects                   |           | 184,000   |
| Aux. Accessibility Projects                 | 1,000,000 | 1,525,000 |
| Exterior Renovations - Aux. Bldgs.          |           | 416,000   |
| Residence Halls - Misc. Renovations         |           | 4,193,000 |

**Con Ed Projects NOT Recommended for Any Type of Funding**

|  |         |           |
|--|---------|-----------|
| Milking Parlor                           | 200,000 | 268,000   |
| Renovation of Biology Lab and Classrooms | 300,000 | 460,000   |
| Kentucky Museum                          | 615,000 | 0         |
| Inst. for Econ. Development              | 0       | 2,750,000 |
| Renovation of Glasgow Campus             | 0       | 9,360,000 |
| Journalism Building                      | 0       | 7,656,000 |
| Property Acquisition                     | 400,000 | 0         |

NOTE: Proposed university funded projects exceed amount of funding available. Request will be presented to the Board of Regents for specific projects to equal funding amount.

Motion for approval of the maintenance and infrastructure-related projects was made by Mrs. Bale, seconded by Mr. Smith and carried.

**AGENDA ITEM 6 - Recommendation for approval of the utilization of a portion of the \$80,000 set aside from the fund balance by the Board of Regents on October 22, 1993, to increase single individual health insurance premium by \$4.60 per month.**

**RECOMMENDATION:**

President Thomas C. Meredith recommends that the University utilize a portion of the \$80,000 set aside from the fund balance by the Board of Regents at its October 22, 1993, meeting to increase the single individual health insurance premium by \$4.60 per month.

**Background:**

Western Kentucky University's health insurance contract with Blue Cross-Blue Shield expires on December 31, 1993. The University Benefits Committee recommended to Dr. Meredith that a rebidding of the university's health insurance take place prior to the award of a contract on January 1, 1994. The University Benefits Committee structured the health insurance bid to solicit bids for three separate insurance programs: 1) a fully insured program; 2) a self-insured program; and 3) a health maintenance organization ("HMO") program. Bids were received from companies for each of the three programs. A subcommittee of the University Benefits Committee reviewed the bids for each of the bid options. The sub-committee of the University Benefits Committee made a recommendation to the full University Benefits Committee which then made its recommendation to President Meredith. A review of the bid responses was made by WF Corroon Corporation of Nashville. WF Corroon Corporation concurred with the recommendations of the University Benefits Committee.

These recommendations were: 1) that the University continue to offer a fully insured health insurance program and that the bid be awarded to Blue Cross/Blue Shield; 2) that an HMO option be offered to employees and that the bid be awarded to Healthwise of Kentucky, LTD; and 3) that the University continue to pay the single premium for a fully insured health insurance plan. The monthly premium bid by Blue Cross/Blue Shield for the lowest cost fully insured plan was \$112.25; an increase of \$4.60 per month from the prior year. The total estimated cost to be utilized from the fund balance allocation for the current fiscal year is \$49,000. It should be noted that this action will dictate a recurring increased expense from University resources in future budget years.

Motion for approval of the utilization of a portion of the \$80,000 set aside from the fund balance by the Board of Regents on October 22, 1993, to increase the single individual health insurance premium by \$4.60 per month was made by Mrs. Loafman, seconded by Mrs. Bale and passed.

**AGENDA ITEM 7 - Review of the Governor's Higher Education Commission**

President Meredith reported that he, Dr. Haynes, Dr. Ramsey, and Dr. Garmon along with Chairman Mercer have been attending meetings of the Commission. A presentation was made by David Adkisson, Mayor of Owensboro, on the Owensboro Compact; the report was received today by the Commission. The Commission, however, took no action on it with no discussion in either committee. President Meredith, Drs. Ramsey and Garmon, and Chairman Mercer updated the

Board on the other areas under discussion by the Commission. They are: student assessment; Missions Program Committee; program duplication; engineering, and the Jefferson Community College.

Following a lengthy discussion regarding the work of the Governor's Higher Education Review Commission, Dr. Mendel moved that the Board meet prior to the submission of the final proposals to the Review Commission to discuss the proposals and give the Board a better understanding of what is being submitted and to get any input the Board might have into the process. The motion was seconded by Mr. Mudge.

Upon a suggestion by Mr. Preston, final recommendations will be faxed to the Board for their review prior to a discussion.

Dr. Mendel amended his motion to request a telephone conference call for the purpose of discussing the proposals prior to submission to the Commission. Mr. Mudge also amended his second. The motion carried. The telephone conference call was scheduled for December 13, 1993, at 7:30 a.m.

#### **AGENDA ITEM 8 - Report by the President**

The President had nothing to report.

#### **AGENDA ITEM 9 - Other Business**

Regent Smith moved that a resolution of commendation be prepared on behalf of the Board of Regents to Coach Jack Harbaugh and the football staff and team on the successful 1993 season. The motion was seconded by Mr. Fischer and carried.

Regent Mendel commended Regent Smith and the Student Government Association for funding a set of scholarships to enable WKU students with children to attend the campus child care facility.

#### **AGENDA ITEM 10 - Adjournment**

With a motion by Mrs. Bale, seconded by Mrs. Loafman, the meeting adjourned at approximately 5:45 p.m.

### **CERTIFICATION OF SECRETARY**

I hereby certify that the minutes herein above set forth an accurate record of votes and actions taken by the Board of Regents of Western Kentucky University in a special meeting held on December 3, 1993, in the Regents Conference Room of the Wetherby Administration Building on the Western campus, and further certify that the meeting was held in compliance with KRS 61.810, 61.815, 61.820, and 61.825 (enacted as Sections 2, 3, 4 and 5 of House

Bill 100, 1974 Regular Session, General Assembly).

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Elizabeth W. Esters  
Secretary

\_\_\_\_\_  
Burns E. Mercer  
Chairman  
February 25, 1994

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Elizabeth W. Esters  
Secretary  
February 25, 1994