

There being no further business the Committee adjourned to meet in the President's office at 9:30 A. M., November 25, 1939.

B. J. Borrone
Chairman

Sterett Cuthbertson
Secretary

Minutes of Executive Committee
November 25, 1939

The Executive Committee of the Board of Regents of the Western Kentucky State Teachers College met in the President's office on the morning of November 25, 1939. Present--Mrs. Drake, President Garrett, and Mr. Borrone. Mr. Borrone presided and Sterett Cuthbertson acted as Secretary.

Mr. Thomas Graham, representing the Bankers Bond Company of Louisville, Kentucky, met with the Board. He presented a copy of a proposed contract from the Bankers Bond Company, J. J. E. Hilliard and Son and their Associates, in which they agree to re-finance the bonds issued for the construction of the Henry Hardin Cherry Hall at a rate of 3 per cent per annum and set forth certain conditions. A copy of the said proposed contract follows and is made a part of the minutes of this meeting.

Contract

Louisville, Kentucky
November 24, 1939.

Hon. Paul L. Garrett and Members of the Executive Committee,
Western Kentucky State Teachers College,
Forking Branch, Ky.

Gentlemen:

We submit briefly herewith a tentative refunding plan and proposal for refunding \$280,000.00 principal amount of Western Kentucky State Teachers College 4 1/2 Building Revenue bonds maturing serially from Jan. 1, 1940 to Jan. 1, 1966, optional on any interest payment date on 30 days' notice as follows:

1. The refunding bonds to be dated Jan. 1, 1940, bearing interest at the rate of 3 1/2 per annum with

interest payable semi-annually, Jan. 1 and July 1, and to mature \$10,000 in each of the years 1941 to 1942, inclusive, \$11,000 in each of the years 1943 to 1945 inclusive, \$12,000 in each of the years 1946 to 1948 inclusive, \$13,000 in each of the years 1949 to 1951 inclusive, \$14,000 in each of the years 1952 to 1954 inclusive, \$15,000 in each of the years 1955 to 1957 inclusive, \$16,000 in each of the years 1958 to 1960 inclusive, and \$17,000 due in 1961.

2. That the presently outstanding 4 $\frac{1}{2}$ bonds be called on or prior to December 1, 1939 for payment on Jan. 1, 1940, in accordance with the terms and conditions as set forth in bond ordinance.

3. We would propose to have our attorneys draft at our expense, all the ordinances, resolutions and notices necessary to the refunding of the 4 $\frac{1}{2}$ bonds and to the issuance of the refunding bonds. We would further agree to pay for the legal opinion and for the printing of the blank bonds.

4. Due to the fact that the bonds to be refunded must be called on or before December 1st, it is essential now that the College will have completed its financial arrangements for the accomplishment of the refunding prior to that date. We would therefore agree to guarantee to the College a bid on a date to be set for the purpose of receiving public bids around Dec. 10th, of \$990.00 per \$1000.00 bond, for bonds bearing interest at the rate of 3 $\frac{1}{2}$ per annum. It being understood that the College, in consideration of our expenses, service and risk would compensate us therefor in an amount equal to the difference between our guaranteed price of 99 and the actual price received at public sale but, in no event, shall such compensation exceed 2 $\frac{1}{2}$ %. To illustrate - if the bonds bring only 101 at public sale, regardless of who purchases them, our compensation would be 2%; if the bonds bring 102 at public sale, our compensation would then be 2 $\frac{1}{2}$ % and the additional $\frac{1}{2}$ of 1% would go to the College. In other words, 2 $\frac{1}{2}$ % is our ceiling and if the winning bid at public sale is less than 101 $\frac{1}{2}$ then our compensation is reduced accordingly.

5. We would make our proposal of sufficient duration of time to cover the period required for the refunding.

6. As stated above, this plan and proposal is purely tentative and informative but, in the event the Board

of Regents decided to go ahead, we would then expect to meet with them on Monday or Tuesday of next week at the latest with a signed proposal and the proceedings necessary to set the refunding in motion.

Respectfully submitted,

Almstedt Bros.
Bankers Bond Co.
Fidelity & Columbia Trust Co. (Bond Dept.)
Security & Bond Co. (Lexington, Ky.)
Stein Bros. & Boyce
O'Neal, Alden & Co.
J. J. B. Hilliard & Son

By Marion H. Cardwell

Mr. Graham also submitted a schedule prepared by Cotton and Eskew of Louisville, Kentucky. This schedule sets forth a proposed scale of bond redemptions covering period of January 1, 1941, to January 1, 1961, inclusive and computing the savings to be gained by refinancing at a lower rate. However after examining and discussing this report, the Committee suggested that a new schedule be prepared following the payment schedule as set out in the original bond issue, that is from January 1, 1941, to January 1, 1965. This suggestion was agreed to by Mr. Graham and he stated he would immediately have the schedule prepared.

After discussing the report as made by Mr. Graham, the Committee decided to request the Superintendent of Public Instruction to call a meeting of the Board of Regents to meet at the Owensboro Hotel in the City of Owensboro, Kentucky, at 8:00 P.M., Tuesday, November 20, 1939. The meeting was called to meet at Owensboro for the convenience of Judge Dawson and Judge Pentecost. There being no further business the Committee adjourned.

B. J. Borrone
Chairman

Storrett Duthbertson
Secretary

President Barrett stated that he had prepared his budget request for the bi-annual period (July 1, 1940 to July 1, 1942) and would file same with the Budget Commission. That he was requesting an appropriation of \$380,000.00 per annum for general expenses and an appropriation of \$20,000.00 for capital outlay. This report met with the approval of the members.