

MINUTES OF AN ADJOURNED MEETING OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY

October 9, 1968

A meeting of the Board of Regents of Western Kentucky University was held at the regular meeting place of the Board of Regents in Lawrence W. Wetherby Administration Building on the Campus of the University in Bowling Green, Kentucky, on October 9, 1968, at 11 A. M., C. D. S. T., by adjournment from the regular statutory meeting of said Board which was held on September 21, 1968. The meeting was called to order by Mr. Douglas Keen, the Vice Chairman. The meeting opened with a prayer of invocation by Dr. Raymond L. Cravens, Vice President for Academic Affairs and Dean of the Faculties.

The roll call showed the following members present:

Mr. Douglas Keen, Vice Chairman
Mr. Hugh Poland
Dr. J. T. Gilbert
Dr. Chalmer P. Embry
Dr. William R. McCormack
Mr. Albert G. Ross
Dr. H. E. Shadowen
Mr. Paul E. Gerard, III

Absent was Mr. Wendell P. Butler, Chairman.

Also present, in addition to Dean Cravens, were Dr. Kelly Thompson, President of the University; Mr. Dero G. Downing, Vice President for Administrative Affairs and Treasurer; Mr. Harry K. Largen, Business Manager; and Miss Georgia Bates, Assistant to the President and Secretary of the Board.

The minutes of the meeting of the Board held on September 21, 1968, were presented by Vice Chairman Keen. Mr. Ross moved that the minutes be adopted without a reading inasmuch as each member had previously been provided with a copy, and they were found to be in order. The motion was seconded by Dr. Gilbert and carried unanimously.

President Thompson reported that notices soliciting the submission of sealed, competitive bids for the purchase of the Board's \$3,000,000 "Western Kentucky University (formerly Western Kentucky State College) Housing and Dining System Revenue Bonds, Series J," dated December 1,

1966, and for the purchase of the Board's \$8,200,000 "Western Kentucky University (formerly Western Kentucky State College) Housing and Dining System Revenue Bonds, Series K," dated September 1, 1968, had been duly published in The Daily Bond Buyer, New York, New York, and in The Courier-Journal, Louisville, Kentucky, and that pursuant thereto certain purchase bids had been received at this time and place and were available for opening and consideration by the Board.

The President was then called upon to present for opening and consideration by the Board all purchase bids received in his office at or prior to 11 A. M., C.D.S.T., on the day of the meeting. President Thompson stated that before doing so, he felt he should tender to the Board a copy of the "Official Statement," prepared by the Business Staff of the University, and disseminated to interested parties upon request. Such instrument was received and ordered preserved by the Secretary as a permanent record of the Board, but not to be copied in the Minutes.

President Thompson then handed to the Vice Chairman the sealed bids received in his office prior to 11 A.M., C.D.S.T., on the day of the meeting, and said bids were publicly opened and read.

It was noted that in conformity with the University's Loan Agreement, a bid was received from the Department of Housing and Urban Development of the United States Government, offering to purchase all of said Series J Bonds, or such lesser amount of the Bonds as might be awarded to it if equal or better bids should be received in conformity with the prescribed terms and conditions, such bid being at a price of par or face value, plus accrued interest upon condition that the Bonds awarded to Department of Housing and Urban Development of the United States Government, be caused to bear interest at the rate of three per cent (3%) per annum. No other bid was received for any of such Series J Bonds.

The bid was examined for compliance with the prescribed terms and conditions. Thereupon, Board Member McCormack introduced, caused to be read in full by the Secretary, and moved immediate adoption of a Resolution, as follows:

A RESOLUTION ACCEPTING THE BEST BID RECEIVED FOR THE PURCHASE OF \$3,000,000.00 "WESTERN KENTUCKY UNIVERSITY (FORMERLY WESTERN KENTUCKY STATE COLLEGE) HOUSING SYSTEM REVENUE BONDS, SERIES J," AS AUTHORIZED BY A RESOLUTION ADOPTED ON SEPTEMBER 21, 1968, AND ESTABLISHING THE INTEREST RATE TO BE MADE APPLICABLE THERETO.

THE BOARD OF REGENTS OF WESTERN KENTUCKY UNIVERSITY HEREBY RESOLVES AS FOLLOWS:

Section 1. The public advertising in The Bond Buyer, New York, New York, and in The Courier-Journal, Louisville, Kentucky, of the sale of and the use of such Official Statement in connection with the sale of \$3,000,000 of "Western Kentucky University (formerly Western Kentucky State College) Housing System Revenue Bonds, Series J," dated December 1, 1966, are hereby authorized, ratified, and approved.

Section 2. It is hereby determined and declared that the best bid received in the office of the President of the University on the Campus of the University at Bowling Green, Kentucky, prior to 11 A. M., C. D. S. T., on October 9, 1968, for the purchase of \$3,000,000 "Western Kentucky University (formerly Western Kentucky State College) Housing System Revenue Bonds, Series J," dated December 1, 1966, is the following:

BID OF	PRINCIPAL AMOUNT	PREMIUM (If any)	YEARS OF MATURITY	INTEREST RATES (Per Annum)
Department of Housing and Urban Development of The United States Government	\$3,000,000	None	1969 through 2004	3% <u>Series J</u>

It is determined that said bid conforms in all respects to the prescribed terms and conditions of the sale offering and is acceptable as to both price and interest coupon rate. Said bid is hereby accepted in the name of and on behalf of the Board of Regents of Western Kentucky University and, together with this Resolution of Acceptance, shall constitute a firm contract for the purchase and sale of said identified Bonds. It is noted that as permitted in the published "Notice of Sale of Bonds," no good faith check was attached to the bid of the United States of America, Department of Housing and Urban Development.

Section 3. Said Series J Bonds shall bear interest from until paid at the single rate set forth in Section 2 hereof, and the printer may be instructed to proceed with the preparation of a single Registered Bond in accordance therewith, the first interest to be payable December 1, 1968, for the period beginning June 1, 1968.

Section 4. This Resolution shall be in full force and effect from and after its adoption.

The motion for the adoption of the foregoing Resolution was seconded by Board Member Poland. After full discussion, the Vice Chairman put the question; and upon call of the roll, the following voted:

Aye: Keen, Poland, Gilbert, Embry, McCormack, Ross

Nay: None

The Vice Chairman then declared that said Resolution had been unanimously adopted and was in full force and effect.

Thereupon, Board Member Poland introduced, caused to be read in full by the Secretary, and moved immediate adoption of a Resolution, as follows:

A RESOLUTION ACCEPTING THE BEST BID RECEIVED FOR THE PURCHASE OF \$8,200,000.00 "WESTERN KENTUCKY UNIVERSITY (FORMERLY WESTERN KENTUCKY STATE COLLEGE) HOUSING SYSTEM REVENUE BONDS, SERIES K," AS AUTHORIZED BY A RESOLUTION ADOPTED ON SEPTEMBER 21, 1968, AND ESTABLISHING THE INTEREST RATES TO BE MADE APPLICABLE THERÉTO.

WHEREAS, all bids received for "Western Kentucky University (formerly Western Kentucky State College) Housing and Dining System Revenue Bonds, Series K," dated September 1, 1968, have been opened and duly considered and are as follows:

<u>Bidder</u>	<u>Interest Rate (s)</u>	<u>Amount of Bid for \$8,200,000 of Bonds Plus Accrued Interest From Sept. 1, 1968</u>
1. John Nuveen & Co. (Inc.)	1971-1978 6.00%	\$8,080,280.00
Morgan Guaranty Trust Co.	1979-1986 5-1/2%	
Kidder, Peabody & Co., Inc.	1987-1997 5-5/8%	
	1998-2002 5-1/2%	
	2003-2007 5.60%	
	2008 5.00%	
2. Halsey Stuart & Co., Inc.	1971-1987 6.00%	\$8,078,476.00
Lehman Brothers	1988 5-1/4%	
Bear, Stearns & Co.	1989-1994 5-1/2%	
Managers & Associates	1995-1998 5.60%	
	1999-2003 5.70%	
	2004 5.00%	
	2005-2008 5.70%	
3. Blyth & Co., Inc.	1971-1976 6.00%	\$8,080,353.80
F. S. Smithers & Co.	1977-1981 5.00%	
and Associates	1982-1987 5-1/4%	
	1988-1992 5-1/2%	
	1993-1995 5.60%	
	1996-2008 5.70%	

and

WHEREAS, the matter of which bid is the most advantageous to the Board of Regents of such University has been sufficiently considered.

NOW, THEREFORE, THE BOARD OF REGENTS OF WESTERN KENTUCKY UNIVERSITY HEREBY RESOLVES AS FOLLOWS:

Section 1. The public advertising in The Bond Buyer, New York, New York, and in The Courier-Journal, Louisville, Kentucky, of the sale of and the use of the Official Statement in connection with the sale of \$8,200,000 of Western Kentucky University (formerly Western Kentucky State College) Housing and Dining System Revenue Bonds, Series K, dated September 1, 1968, are hereby authorized, ratified, and approved.

Section 2. That the bid of John Nuveen & Co. (Inc.), Morgan Guaranty Trust Co., Kidder, Peabody & Co., Inc., for the sale of said \$8,200,000 of said Series K Bonds is hereby determined to be the highest and best bid at the lowest average net interest cost and said bid is hereby accepted, such bid being at the price of \$8,080,280.00, plus accrued interest from September 1, 1968, with interest rates as follows: 1971-78, 6.00%; 1979-86, 5-1/2%; 1987-97, 5-5/8%; 1998-2002, 5-1/2% 2003=2007, 5.60%; 2008, 5.00%. Average net interest cost 5.5418%.

Section 3. That it is hereby determined that said bonds shall bear interest from September 1, 1968, until paid at the respective rates set forth and stipulated in said successful bid as set out above.

Section 4. That the certified or bank cashier's check in the sum equal to one percent (1%) of the principal amount of the Bonds offered submitted with the bid of the above-identified purchaser, payable to the order of the Treasurer of Western Kentucky University, shall be delivered into the custody of the Treasurer of the University and the same shall be held uncashed until the bonds have been received from the printer, have been executed, and are tendered for delivery to the purchaser. When the purchaser accepts the said bonds and makes payment therefor, together with accrued interest in conformity with the accepted bid, the Treasurer is authorized and directed to deposit said check and credit same upon the accepted bid unless at the election of the purchaser such check is returned by the University to such purchaser upon payment in full of the purchase price with accrued interest to delivery.

Section 5. That the checks submitted with unsuccessful bids shall immediately be returned to the respective bidders.

Section 6. This resolution shall be in full force and effect from and after its adoption.

The motion for the adoption of the foregoing Resolution was seconded by Board Member Ross. After full discussion, the Vice Chairman put the question; and upon call of the roll, the following voted:

Aye: Keen, Poland, Gilbert, Embry, McCormack, Ross

Nay: None

The Vice Chairman then declared that said Resolution had been unanimously adopted and was in full force and effect.

The Board heard a recommendation from the President regarding Western's participation in the University Press of Kentucky, a cooperative, scholarly publishing program among Kentucky colleges and universities.

He stated the purpose and organization of the program and its relationship to the University of Kentucky Press. The Board members were also given an exhibit which outlined the objectives that served as guidelines in the preparation of the manuscript venture. Following full discussion, Dr. Gilbert made the motion that Western participate in the University Press of Kentucky. The motion was seconded by Mr. Ross; and upon a call of the roll, the vote was as follows:

Aye: Keen, Poland, Gilbert, Embry, McCormack, Ross

Nay: None

A Resolution was presented by the Vice Chairman relative to the purchase by the University of real estate. Following discussion, Dr. Embry moved the adoption of the following Resolution:

RESOLUTION

WHEREAS, it has been determined that additional land purchases are desirable for the orderly expansion, development, and operation of Western Kentucky University; and

WHEREAS, a certain tract of land with improvements, located at 1580 Normal Drive, Bowling Green, Kentucky, and owned by Dr. Earl A. Moore, has special significance for academic purposes in relation to the continuing development and operation of Western Kentucky University; and

WHEREAS, said land should, in the judgment of this Board of Regents pursuant to its duties and functions set out in KRS Chapter 164, be acquired, developed, and maintained for University purposes;

NOW THEREFORE, it is hereby determined that the subject land is needed and should be acquired for University purposes; and President Kelly Thompson and his delegated representatives are authorized to submit to the Commissioner of Finance a request to purchase said land for the use and benefit of Western Kentucky University, provided it can be purchased at a price agreeable to the University and within the scope of such appraisals as are required by the Commissioner of Finance.

This the 9th day of October, 1968.

The motion was seconded by Dr. Gilbert, and the roll call vote was as follows:

Aye: Keen, Poland, Gilbert, Embry, McCormack, Ross

Nay: None

In other business the President reported to the Board on the decision of the Court in the interpretation of the will of Mrs. Sarah Gilbert Garris. He stated that it was the judgment of the Court that the proceeds of the

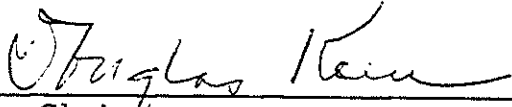
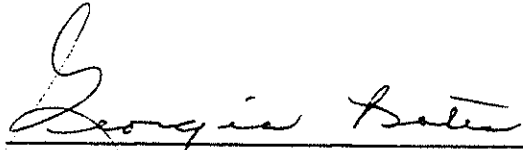
Garris estate, totaling approximately \$40,000, should go to Western Kentucky University for the establishment of a scholarship fund. Mr. Keen, who was commended by the President for the excellent manner in which he represented the University in the litigation, reminded the Board of the possibility of an appeal insofar as the time element was concerned.

Dr. Thompson expressed the desire that the Board could be represented, along with the President of Western, at the annual meeting of the American Association of State Colleges and Universities to be held in Washington, D. C., November 11-13. He described the meeting as a most important one, which would provide a unique opportunity for the presidents and governing board members of state colleges and universities to discuss problems that confront higher education today.

President Thompson reported to the Board on the status of the agreement between Western and Kentucky Southern College. Reference was made to the October 7 meeting of the Council on Public Higher Education, in which it was indicated that the Attorney General would be asked to render an opinion as to the legality of Western's plan to underwrite a new \$4.2 million K. S. C. Bond Issue. Dr. Thompson stated that he did not question the right of anyone to challenge the legality of the arrangement but hoped that such a challenge would not defeat the purpose set out to be accomplished--that of helping a private college in extreme difficulty. He noted that much concern has been voiced about Western's underwriting the bond issue and expressed the desire that such concern would instead be for Kentucky Southern's plight. He spoke of the innumerable expressions indicating approval of Western's action, while not a single message from an individual expressing disapproval had been received, and said that he hoped voices would be raised in concert in favor of a state agency that came to the rescue of a floundering school. He further stated that Western's position, which was simply an effort to help a private college in financial distress, had been misconstrued by some persons in the state, especially as evidenced in newspaper editorials. He emphasized that Kentucky Southern officials proposed the financial arrangement and not Western

officials. "Western will not go on the defensive," he added. "The record is clear, and the proposal was written out for anyone to see." He said that it would be Kentucky Southern's decision to determine whether the two schools will await an attorney general's opinion before signing the agreement.

There being no further business before the Board, on motion of Board Member Ross, seconded by Board Member Gilbert, and unanimously carried, the meeting was adjourned.

	
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Vice Chairman	Secretary