

MINUTES OF EXECUTIVE COMMITTEE OF BOARD OF REGENTS

WESTERN KENTUCKY UNIVERSITY

June 29, 1987

Required statutory notice having been given, the meeting of the Executive Committee of the Board of Regents of Western Kentucky University was held on Monday, June 29, 1987, in the Regents Conference Room of the Wetherby Administration Building on the Western campus. The meeting was called to order at 2 p.m., CDT. Mr. Joseph Iracane, Chairman, presided.

Mr. Iracane announced that Mrs. Liz Esters, Staff Assistant for Special Projects in the Office of the President and Secretary to the Board of Regents, was in the hospital and that Mrs. Marcella Brashear, Secretary to the President, would serve as acting secretary for the meeting.

AGENDA ITEM 1 - Roll call. The following members were present:

Mr. Danny Butler
Mr. Ronald W. Clark
Mr. Joseph A. Cook II
Mr. Joseph Iracane

Board members Patsy Judd and Denny Wedge were in attendance.

Also present were Dr. Kern Alexander, President; Dr. Robert V. Haynes, Vice President for Academic Affairs; Mr. Harry K. Largen, Vice President for Business Affairs and Treasurer; Dr. Jerry R. Wilder, Vice President for Student Affairs; Mr. William E. Bivin, University Attorney and Parliamentarian; and Mr. Fred Hensley, Director of Public Information.

AGENDA ITEM 2- Recommendation to authorize the exchange of
Real Property

RECOMMENDATION:

President Alexander recommends adoption of the following resolution authorizing the exchange of Real Property.

RESOLUTION

WHEREAS, the Board of Regents in a meeting on August 20, 1983, adopted a resolution authorizing the sale of seven parcels of real property at 1558, 1566, 1572, 1574, 1576, 1580, and 1582 Normal Drive to sorority organizations for development of sorority housing, and

WHEREAS, property at 1566 Normal Drive was purchased by the Alpha Omicron Pi Housing Corporation and property at 1580 and 1582 Normal Drive was purchased by the Chi Omega Housing Corporation, and

WHEREAS, the Kentucky Baptist Convention has an interest in university property at 1572, 1574, and 1576 Normal Drive for location of a new student center building, to replace a student center building at 1586 Normal Drive, and

WHEREAS, the University has an interest in property at 450 Fifteenth Street which is suitable for student housing or office space, and

WHEREAS, the exchange of university property at 1572, 1574, and 1576 Normal Drive for Kentucky Baptist Convention property at 450 Fifteenth Street serves the public and university interest,

NOW, THEREFORE, be it resolved that: (1) the Executive Committee of the Board of Regents authorizes President Alexander and his designated representatives to request the Council on Higher Education staff to approve the property exchange; request the Finance and Administration Cabinet, Division of Real Property, to secure an appraisal of the property at 450 Fifteenth Street and to update the appraisal of property at 1572, 1574, and 1576 Normal Drive; and request the Finance and Administration Cabinet to negotiate an exchange of the properties based on appraised values in the manner prescribed by KRS 45.360(7) and (2) this resolution be placed on the agenda at the next meeting of the Board of Regents with a recommendation that it be ratified and approved.

Background

Representatives of the Kentucky Baptist Convention have proposed the exchange of property at 450 Fifteenth Street for University property at 1572, 1574, and 1576 Normal Drive. The Board of Regents designated the Normal Drive property for development of sorority housing. This resolution modifies previous Board action by permitting the Kentucky Baptist Convention to purchase three of the seven designated parcels of property. The Kentucky Baptist Convention property at 450 Fifteenth Street can be immediately used for university programs and activities.

The small size and general condition of the houses at 1572 and 1576 Normal Drive make them unattractive for purchase by sororities.

The following discussion was had concerning the resolution.

President Alexander: "Mr. Chairman, the Kentucky Baptist Convention has proposed an exchange of property at 450 Fifteenth Street. They want to exchange their property for University property on Normal Drive. The Board of Regents earlier designated Normal Drive for development of sorority housing. This resolution, which is proposed here, would modify the previous Board action to trade property in order that the Kentucky Baptist Convention could construct a student facility on the site of 1572, 1574, and 1576. This would move their property up the street about three lots. It would, in exchange, give us the corner lot on Fifteenth Street, which is a very nice facility--one that we could use for office space or sorority or fraternity housing. If you recall where that is, that is the one-story house that sits across the street from Science and Technology building--the old training school. We think that that is an advantageous exchange of property for Western because of the utilization that we can have of that Fifteenth Street site. Also, they will give us a prior claim or an option to construct sororities or fraternities on the site on which they now have a Baptist Student Center. We have studied this at some length, and we feel that it certainly gives us an option that we have not had

heretofore, and the facility which we will trade for is better for our purposes, and they believe that the facility or the property which they are trading for is more advantageous to them. Now, bear in mind that all of this has to be appraised by the state. The value of this property must be appraised, and if either side has to come up with any money to boot, then that would be determined by the appraisal. Mr. Largen, I would like for you to comment if you would like in a way of explanation, also."

Mr. Largen: "There are three lots there, but there are only two houses on those three lots, and the AOP purchased the Guest House, which is on one side of those lots; Chi Omega purchased the house and lot and an adjacent lot on the other side, and because of the quality and condition of those houses and also because of the size of them, the other sororities have not made us an offer for those properties. We feel that value for value we would certainly come out very well in exchange with the Kentucky Baptist Convention because of the property which they have on the corner of Fifteenth and State Streets."

Mr. Iracane: "But the sororities have had an opportunity to look at the properties in which the Baptist group is interested?"

Mr. Largen: "Yes, they have. There are at least two sororities that are very interested in finding houses presently; however, as I indicated, they have not indicated to us that they would make an offer on either of those two properties."

Mr. Iracane: "Have they expressed any interest in the exchange?"

Mr. Largen: "There is at least one of the two that has indicated an interest in the property at the corner of Fifteenth and State."

Dr. Alexander: "We have not decided what we should do with that. We also badly need that property as an evening-night community college office facility as well; so there are several purposes for which we could use that building, none of which fit the properties we will exchange."

Mr. Iracane: "Denny or Patsy, do you have any comment or remark or interest in any of that?"

Mr. Wedge (at far end of table): "I would like to be clear as to where the property is." (Mr. Largen walked over to Mr. Wedge, showing him the location on a map.) They had a brief discussion concerning this.

Mr. Bivin: "Mr. Chairman, could I, too, speak to the resolution at this time? One, the main purpose of the resolution of the executive committee is simply to give the president direction and guidance so that he can ask the departments in Frankfort to appoint and designate appraisers. The exchange has to be done upon the basis of an appraisal made by the Department of Revenue at Frankfort. The last appraisals are very old, and so there needs to be a current appraisal. And all this does is that the Executive Committee adopts this resolution to say to the president, 'Go ahead and start the process and see what the dollar amounts are; see what the values of the property are at first.' This resolution will lay over to the agenda of the next full board meeting for their action and approval, and it simply gives the president your approval to go ahead with the bureaucracy and red tape."

Motion for approval of Dr. Alexander's recommendation as submitted was made by Mr. Cook, seconded by Mr. Butler, and the roll call vote follows:

Aye: Butler, Clark, Cook, Iracane

Nay: None

AGENDA ITEM 3- Recommendation to approve the 1988/90 Capital
Construction and Capital Equipment Request

RECOMMENDATION:

President Alexander recommends approval of the 1988/90 Capital Construction and Capital Equipment Request per the attached list of twenty-six projects and items of equipment.

Background:

Capital construction projects with an estimated cost of \$200,000 or more and any piece of equipment costing \$50,000 or more must be submitted to the Council on Higher Education as a part of Western's 1988/90 budget request. The projects and equipment are listed in priority order.

Western Kentucky University
1988/90 Capital Construction and Capital Equipment Request
June 29, 1987

	<u>1988/99</u>	<u>1989/90</u>
1. Student Health and Activities Center	\$16,000,000	
2. Coal Boilers Nos. 1 and 2 Replacement	1,272,000 (1)	
3. Life Safety Improvements	800,000 (2)	
4. Asbestos Abatement	579,000 (3)	
5. Hazardous Materials Storage	197,000 (4)	
6. Center for Computing and Telecommunications		\$11,271,000
7. Remodel and Renovate Various Buildings	3,550,000	
8. Kentucky Building Addition		3,718,000
9. New Main Library and Cravens Renovation		19,100,000
10. Band Rehearsal Annex		850,000
11. Various Buildings/Treat Exterior Surfaces	485,000	
12. Alteration of Dairy Barn	210,000 (5)	
13. Snell Hall Renovation	1,263,000 (6)	
14. Continuing Education/Hotel Facility		10,193,000
15. Residence Hall Improvements	5,000,000	
16. New Residence Halls	13,500,000	
17. Student Housing Development, 15th Street	3,380,000	
18. Television Cameras	110,000	
19. Cluster Controller (Academic Computing)	54,600	
20. Central Processor (Reauth. Admin. Comp.)	540,000	
Controller and Disk Drives	239,000	
21. Upgrade VAX 8650 (Acad. Comp.)	400,000	
22. Central Processor (Acad. Comp.)	721,000	
23. Disk Drives (Admin./Acad. Comp.)	89,000	
24. Tape Controller (Admin./Acad. Comp.)	51,500	
25. Electron Microscope	70,000	
26. Garbage Truck	60,000	

The fund source for all capital construction projects is bond financing except the Continuing Education/Hotel Facility which is private development. The fund source for all capital equipment is the University Operating Budget.

- (1) The amount of bond fund support is in addition to \$978,000 available from Series I bond proceeds.
- (2) The amount of bond fund support is in addition to \$500,000 available from Series I bond proceeds.
- (3) The amount of bond fund support is in addition to \$360,000 available from Series I bond proceeds and \$40,000 from fund balances for asbestos abatement.
- (4,5,6) These projects are currently authorized with University funds as the financing source.

President Alexander: "Mr. Chairman, we are required to submit a list of our capital construction/capital equipment requests to the Council on Higher Education. It is necessary to have our executive committee examine this and approve it in order for us to go ahead and get this submitted to the Council on Higher Education. As you can see in your attachment, we have arranged our requests in terms of our needs and priorities. Our first and foremost need, we feel, is a student health and activities center, which we estimate to be approximately \$16 million. We have some urgent needs with our boilers, coal boilers, life safety improvements, asbestos abatement, hazardous materials

storage which have become necessary. These are catchup requests and things we must attend to here at Western.

"We have also a Center for Computing and Telecommunications that we would request for the 1989-90 fiscal year, and we would request also remodeling and renovation of various buildings at \$3.5 million for the 1988-89 year. We feel that it is necessary at this point to also enter our request for an addition to the Kentucky Building Library and Museum, a new main library which would include a new main library and renovation of the Cravens building, which we estimate to be in the neighborhood of \$20 million--that would be for the 1989-90 fiscal year. We need a band rehearsal annex--a place where the band can meet and play and store their equipment. Several buildings need external treatment, some of which is already going on on campus--about a half million dollars--and we need an alteration to our dairy barn. We have had Snell Hall, as you know, on our list for some time, and we are going back to request funds for Snell Hall. We also are requesting a continuing education and hotel facility--continuing education facility that would include conference facilities. This is about a \$10 million facility that we would finance not out of state appropriation, but out of revenues from the facility itself.

"Because of our student growth, we feel that we are going to need two types of residence halls. We are going to need five or six fraternity/sorority facilities to help house our students and also to bring our fraternities and sororities back near campus and new residence halls to accommodate about 800 students. The fraternity/sorority facilities that we would be requesting and the new residence halls would total an increase in residence facilities of about 1,000 students. In addition to that we have various requests for equipment, television cameras, academic computing facilities, electron microscope, and finally a garbage truck. These are our needs as we see them for the next two years--the main projects being the student health and activities center, number 1, and then our life-safety asbestos abatement and coal boilers, number 2; we would also feel that the renovation, remodeling, and repair are essential.

"We want to be sure that we get our computer and telecommunications center on the drawing board and our new library on the drawing board, as well as the hotel or the continuing education/hotel facility. These are major construction items; and, of course, as we move along with our enrollment increase, we will have the needs of additional student housing. It is a

fairly complex list. It covers many needs that have been backlogged here at Western for years. We have not had a major bond issue for construction since 1971. You know that this year you approved a bond issue for renovation and repairs of facilities. We have not constructed anything from a bond issue for many years. And we would request in our budget which we take to the Council on Higher Education that the Legislature appropriate funds for debt service of these facilities."

Motion for approval of Dr. Alexander's recommendation as submitted was made by Mr. Clark, seconded by Mr. Butler, and the roll call vote follows:

Aye: Butler, Clark, Cook, Iracane

Nay: None

Mr. Iracane called for other business.

President Alexander: "Just as a matter of information, we will submit our budget request, which we will have for you later at our regular meeting--a budget request based on student enrollment for 1987-88-89. Now this is fall enrollment for '87, '88, and '89. We have estimated for '87 that we will have 13,400 students. Our 1988 fall estimate is 14,510, and our estimate for 1989, fall of '89, would be 15,660 students. We believe these are realistic estimates; that is, these are the enrollment projections that we are making based on our current growth and what we believe to be a reasonable expectation. It is reasonably conservative, and we believe that that's about what we will have for 1989, and we are asking the Council on Higher Education to approve a budget on that basis.

"Mr. Clark, we gave you some enrollment estimates a couple of years ago, and you said you thought that maybe we were sandbagging it a little bit, that we estimated low; but we think that these are pretty accurate estimates of where we will be in 1989.

"The important thing about this is that we have met with members of the staff of the Council on Higher Education and asked them to use projected enrollment data. This was very important to us, and we have raised this issue with the Council and with Legislators to use a projected year rather than an average of actual numbers for three years back. By using three years back, it encouraged declines in enrollment. By using projections, it encourages

increased enrollment; gives incentive to increase enrollment. So we expect to increase our enrollment, and we are asking the Council to approve and the Legislature to fund it, based on our new estimates of having a larger increase."

Mr. Cook: "I assume this '86 total is not a projection. That is probably an actual figure."

President Alexander: "Yes sir. Then this is our estimate for '87. You see the total there of 13,410. That's what we hope to have this fall."


Mr. Iracane: "Well, the increased enrollment has been our salvation through the last budget area period; so hopefully this increase will be this or better."

President Alexander: "I would like to say that several factors go into this-- the student graduation rate and the total growth in the age group. Our research office has made these estimates based on the work our faculty and Dr. Wilder's office are doing in the field of working with the high schools. We hope and we expect to get a larger share of the high school enrollment in the next two years. That's all I have, Mr. Chairman."


There being no further business, the motion to adjourn was made by Mr. Clark, seconded by Mr. Butler, and the meeting was adjourned.

CERTIFICATION OF SECRETARY

I hereby certify that the minutes herein set forth an accurate record of votes and actions taken by the Executive Committee of the Board of Regents of Western Kentucky University in a meeting held June 29, 1987, 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, 61.820, and 61.825 (enacted as Sections 2,3,4, and 5 of House Bill 100, 1974 Regular Sessions, General Assembly).



Marcella C. Brashear, Recording Secretary



Joseph Iracane, Chairman



Elizabeth W. Esters, Secretary

September 10, 1987

September 10, 1987