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

R. 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. B. 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 25, 1939.

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

Gentlemen:

We submit herewith a tentative refunding plan and proposal for refunding $300,000.00 principal amount of Western Kentucky State Teachers College 4½ 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 3½ 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, $13,000 in each of the years 1946 to 1948
inclusive, $15,000 in each of the years 1949 to 1951
inclusive, $14,000 in each of the years 1952 to 1954
inclusive, $13,000 in each of the years 1955 to 1957
inclusive, $12,000 in each of the years 1958 to 1960
inclusive, and $17,000 due in 1961.

8. That the presently outstanding 4½% 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.

9. We would propose to have our attorneys draft
at our expense, all the ordinances, resolutions
and notices necessary to the refunding of the 4½ 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 3½ 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 39 and the actual price received at public
sale but, in no event, shall such compensation
exceed 2 1/2. To illustrate: if the bonds bring
only 101 at public sale, regardless of the purchase
then, our compensation would be 2½; if the bonds
bring 102 at public sale, our compensation would
then be 2 1/2 and the additional 1/2 of 1½ would
go to the College. In other words, 2 1/2 is our
calling and if the winning bid at public sale is
less than 101 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 & Co.

By Marion H. Cardwell

Mr. Graham also submitted a schedule prepared by Cotton and Baskew of Louisville, Kentucky. This schedule sets forth a proposed scale of bond redemptions covering period of January 1, 1941, to January 1, 1981, 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, 1982. 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 Evansboro Hotel in the City of Evansboro, Kentucky, at 6:00 P.M. Tuesday, November 28, 1939. The meeting was called to meet at Evansboro for the convenience of Judge Lawson and Judge Parton. There being no further business the Committee adjourned.

E. J. Borromeo
Chairman

B. Forrest Duthborosn
Secretary

President Forrest 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 $360,000.00 per annum for general expenses and an appropriation of $20,000.00 for capital outlay. This report met with the approval of the members.