

Minutes of called meeting of the Board of Trustees, University of Kentucky, Friday, October 6, 1933.

The Board of Trustees of the University of Kentucky met in called session in the President's office at the University of Kentucky on Friday, October 6, 1933, at 10:30 a. m. The following members were present: Governor Ruby Laffoon, Judge Richard C. Stoll, Louis E. Hillenmeyer, Miller Holland, G. C. Wells, James Park, Dr. George Wilson, Dr. W. W. Wash, Eugene T. Flowers and E. O. Robinson. Meeting with the Board were Frank L. McVey, President of the University, and D. H. Peak, Secretary of the Board.

1. President's Report.

President McVey stated the object of the meeting and a memorandum thereof was ordered to be incorporated in the minutes. Copy follows:

MEMORANDUM

ON PROPOSAL TO BORROW MONEY FROM THE FEDERAL GOVERNMENT

Under the provisions of the National Industrial Recovery Act money can be borrowed from the Federal Government to construct buildings and make repairs, providing such buildings and repairs are used for community purposes.

Conditions

The Act provides that the Federal Government will advance money for construction or repairs on the basis of .385% on the total amount used. The institution must make application, indicating by resolution its need and right to make such application. It must show that the construction can be self-liquidated by the earnings from the operations of the buildings. The steps provided in the Act indicate the filing of resolutions, of plans, sketches of buildings, and indication that the earnings set forth will be sufficient and continuous, so that payments can be made in accordance with the conditions of the Act.

Specific Construction at the University of Kentucky

1. It is proposed under the conditions of the Act to erect:

A central heating plant, which would produce economies in operation in sufficient amount below the present cost of operation to meet the interest and amortization provisions.

2. It is also proposed to erect a student union building to house student activities, cafeteria, offices for student organizations, etc. This building would be expected to earn enough to cover the cost of its erection. These earnings would be in the form of rents and the operation of a store. Other institutions find that the returns from such a building go a considerable way in maintaining it.

3. There are some buildings on the University farm that should be constructed, such as an abattoir, a sheep barn, green-house and a dairy barn.

The repairs apply to certain changes that should be made in Patterson Hall, a roof for the Gymnasium, the construction of a band and radio room and other items of repairs.

Attitude toward Proposal

As set forth in the proposed resolution, it appears that the contracting of this debt is not in any sense an obligation of the State of Kentucky, nor a general obligation of the University. The loan is arrived at by way of indenture and the indenture specifically reads that the sole security for the loan shall be the income from the building as shown in rents, dues, etc. There is required as evidence of the debt a bond or certificate of indebtedness by way of indenture and the debt represented by an income bond. These bonds upon their face disclose what is back of them in security and upon the back of the bond is stated in full the indenture.

It is required that the bond be made negotiable, therefore it is made payable to the administrator or his assigns. In case the building failed to produce sufficient income to take care of the interest and sinking fund, it might be said the sole security for the debt is the income; the government would have no recourse in the event of the failure of income.

Charges for Construction

The Act provides that the architect may receive 4%. An additional 2% is allowed for supervision. The builders may receive not more than 6% of the cost. The construction must be made, of course, under the building code.

Attitude of State Toward Proposal

There are two questions that should be decided. The first one relates to the legal phases of the matter and I am satisfied that there are no difficulties in that, if I understand the proposition. It might be well to secure the approval of the Attorney General if the University enters upon this plan.

The other question to be considered is the attitude of the people of the State toward such construction and the assumption of a long-time debt in view of the demands for economy. Would the University find itself in an embarrassing position if it entered into such an arrangement.

2. Action Taken on N. R. A. Proposition.

The following resolution was offered by R. Miller Holland and, upon being duly seconded, was unanimously adopted:

WHEREAS, there is dire need of certain necessary and essential buildings at the University of Kentucky and,

WHEREAS, certain of the buildings now on the grounds of the University are in great need of repair and,

WHEREAS, the University is without funds to so construct said buildings or to make such repairs, and it appears that there is a possibility of securing a loan and grant for such purposes from the United States Government under the provisions of the National Industrial Recovery Act and,

WHEREAS, under sub-section e of Section 202 of said Act the University of Kentucky believes that it is eligible for a loan and grant for the purpose of erecting such buildings and making such repairs,

NOW, THEREFORE, be it resolved by the Board of Trustees of the University of Kentucky that the University apply for a loan and grant under the provisions of the National Industrial Recovery Act for the purpose of constructing a central heating plant, a student union building and other buildings and structures upon the lands of the University of Kentucky, including repairs and changes to Patterson Hall, a roof for the Gymnasium and a Band and Radio Room.

BE IT FURTHER RESOLVED that the President of the University be, and he is hereby, authorized and directed to request from the Attorney General of Kentucky an opinion as to whether the University of Kentucky has power under the law to comply with the requirements of the United States Government for obtaining said loan.

BE IT FURTHER RESOLVED that if in the opinion of the Attorney General the University can so legally comply with the requirements of the United States Government in obtaining such loan, that the President of the University be, and he is hereby, authorized to obtain from reputable architects and engineers plans, specifications and estimates of costs of such buildings and the estimated savings of a central heating plant over the heating plants now at the University, upon the condition that no charge will be paid therefor unless the project is finally approved, the plans and specifications so prepared are finally accepted and approved by the Board of Trustees of the University of Kentucky, the loan obtained and the respective structures for which plans and specifications are so

drawn are actually constructed, in which event the President is authorized to agree with such architect, or architects, engineer, or engineers, that the person whose plans and specifications are so selected shall be employed by the University as its architect or engineer for such particular structure.

3. Lease to CCC Co. 547: Robinson Experiment Sub-Station.

On motion and second which carried unanimously the Chairman, Governor Ruby Laffoon, was authorized to sign an informal lease to CCC, Co. 547; which lease is in words and figures as follows:

INFORMAL LEASE

Lexington, Kentucky
(Place)

September 23, 1933

The undersigned hereby agree to allow the use of premises a camp site on real estate of University of Kentucky in Breathitt County, Ky., located about 4½ miles from mouth of Buckhorn Creek. Said site beginning 499 ft. S. 89 degrees E. from junction of Breathitt County

(Description
road and Clemons Fork of said Buckhorn Creek and extending in an easterly direction 1000 ft. Said camp site of premises)

is bounded on south by said Buckhorn Creek and on north by county road.

by CCC Co. 547 at a rental of \$00.50
(Designation of detachment)

per month, or proportionate part thereof for the time of occupancy. From June 6, 1933 to June 30, 1933, inclusive.

UNIVERSITY OF KENTUCKY

(Signed by)

Ruby Laffoon, Chairman, Board of
Trustees

(Signature of Property Owner)

I certify that I have this date entered into an informal agreement with University of Kentucky covering
 (Name of Property Owner)
 rental of a camp site for CCC Co. 547 located on real estate of University of Kentucky in Breathitt County, Ky., located about 4½ miles from mouth of Buckhorn Creek. Said site beginning 499 ft. S. 89 degrees E. from junction of

(Description
 Breathitt County road and Clemons fork of said Buckhorn Creek extending in easterly direction 1000 ft. Said camp site being bounded on south by Buckhorn Creek and on north
 of premises)

by country road. Same being required and absolutely necessary for the successful operation of my detachment.

Fred J. Barden

(Name)

Lieut. U. S. N.

Commanding Co. 547 CCC

(Rank and Organization)

Sept. 23, 1933

The Chairman thereupon signed four copies of the lease in the presence of the Board members and copy was ordered inserted in the minutes.

4. Coal Hauling

The following statement as to delivery of coal from cars to bins on University grounds was made by Superintendent Crutcher:

Memo To: -- President F. L. McVey.

Re:- Coal Drayage.

The best bid we can get on hauling coal from University siding to our bins is fifty-five (.55), cents per ton, if loaded by hand, and forty-five, (.45), cents if loaded by conveyor. The highest bid ran seventy-five, (.75), cents per ton for hand loading. We burned 3,600 tons last year and on that basis the low bid on hauling will cost \$1,980.00 or \$1,630.00, depending on which way we take it.

There is a question in my mind about the ultimate success and satisfaction of such an arrangement with itinerant truck men using worn-out ramshackle equipment. They are the only ones, it seems, who are willing to take it on the chance of making wages. It will be necessary to do a large amount of night hauling to save demurrage charges. In that case we will be forced to supply a checker and extra labor to pull coal back in bins. If we fail to check we

stand a good chance of losing coal before the season is over. As long as the hauling is going to cost us \$2,000.00, I would like to recommend that we equip ourselves to do the job, assume control of deliveries, and take full responsibility for the whole thing with our own labor and equipment.

The University needs a new and larger truck for general freight deliveries. The one now in use is four, (4), years old and is too small for the work it is called on to do. Too many trips are required which means waste of time, gasoline, and oil. If we could purchase a new truck to replace the old one, a dump body could be placed on the latter ready for use along with our two, (2), one-ton Fords and the Yellow Knight. We already have the labor employed.

The outlay would be as follows:

1 - New 1-1/2 ton Truck	\$ 865.00
1 - Car Unloaded	300.00
1 - Steel Dump Body (used)	25.00
Total	\$1,190.00

The conveyor can be used for years to come for unloading sand and rock from cars; dirt and other loose materials on the grounds. This conveyor could also be used in connection with a Central Heating Plant.

We hauled 300 tons of coal last year and a close check showed it cost us about thirty-eight, (.38), cents per ton to do it. I am convinced after this experience that the University would be money ahead at the end of the year if it would equip itself to do the whole job and not have to depend on uncertain outside help for such an important undertaking.

The following list of bids on hauling is shown for your information:

<u>Name</u>	<u>Hand Loaded</u>	<u>Conveyor</u>
H. H. Davis	.55 per ton	.45 per ton
Jean Chapman	.70 - .55 "	.50 per ton
Arnold Bryson	.75 "	.50 per ton
Dept. Bldgs. & Grnds.	.40 "	.30 per ton

Yours very truly,

(Signed) M. J. Crutcher
Supt.

C:JT

On motion and second the purchase of a truck and a conveyor was authorized. It was expressly stipulated that the purchase of a truck be made at the lowest possible price and that a used truck be purchased, if possible.

5. Appointments and Other Staff Changes.

Appointments

Miss Cynthia H. Smith, secretary in the Department of Physics, beginning October 1, 1933, salary \$70.00 per month.

A. Morley Harris, assistant county agent, effective September 28 to November 30, salary to be paid from Federal Supplementary funds at the rate of \$720.00 per year.

Resignations

Miss Dorothy Rominger, secretary in the Department of Physics, effective September 30, 1933.

Leave of Absence

Forrest R. Black, professor in College of Law, was granted sabbatical leave for year 1934-1935 on half pay. He expects to do research work in Washington, D. C.

On motion the Board adjourned.

D. H. Peak
Secretary, Board of Trustees