

Minutes of the Meeting of the Executive Committee of the University of Kentucky, Thursday, July 18, 1935.

The Executive Committee of the Board of Trustees of the University of Kentucky met in President McVey's office at 11:00 a.m., on July 18, 1935. The members of the Committee present were Judge Richard C. Stoll, Chairman; R. Miller Holland, Judge Robert G. Gordon, J. B. Andrews and James Park. President Frank L. McVey and Secretary D. H. Peak were also present.

1. Minutes Approved.

The minutes of the meeting of the Executive Committee of March 13, 1935, were approved as published.

The minutes of the meeting of the Executive Committee of June 27, 1935, were approved as published and all orders made, authorizations given and actions taken by members present at that meeting as set up in the minutes aforesaid, are hereby ratified, adopted and approved and made a part of the minutes of this meeting.

2. Financial Report.

The June financial statement can not be presented at this meeting because we have been unable to get the bills on all purchases made prior to June thirtieth. Under the new law we are given until September thirtieth to pay bills of the previous fiscal year. There is more or less difficulty in getting the details of payments on these bills arranged and it will be some time before we can close our books so that final statement for the year may be made for publication. See Minutes of October, 1935.

3. Report of Expenditures.

The Chairman brought up the question of approval of purchases and other expenditures by the Board of Trustees as required by law. On motion and second it was ordered that copy of the monthly report made by the Business Office to the State Board of Finance be submitted each month to the Executive Committee or Board of Trustees for approval. A copy of the weekly report of the Requisition Committee shall also be filed.

4. Allotments.

The Business Agent made the following report of allotments for the first six months of the fiscal year:

Attached is copy of allotments made by the State Board of Finance for the first six months of the fiscal year 1935-1936. You will note that only one-half the amount appropriated for back salaries has been allotted. Mr. McCain was in Frankfort

yesterday and Mr. English told him the Board of Finance went over the list and simply allotted one-half the amount of the appropriations without special reference to this particular appropriation. He said that he thought he could get the balance allotted if I would send him a note, making request and showing the necessity therefor. I shall do that at once and defer making payments on the back salaries until we see whether or not this allotment may be made.

Allotments:

July 12, 1935

Hon. D. H. Peak, Business Agent
University of Kentucky
Lexington, Kentucky

Dear Mr. Peak:

The Board of Finance and Budgetary Control met July 9, 1935, to make the allotments for the first six months of the ensuing fiscal year; your departments were given the following allotments:

University of Kentucky, College -----	\$339,500.00
College of Agriculture -----	12,750.00
Repairs -----	4,500.00
Summer School -----	9,000.00
Unpaid Salaries -----	35,550.00
Experiment Station, Lexington -----	25,000.00
Experiment Station, Princeton -----	7,500.00
Experiment Station, Robinson -----	7,500.00
Experiment Station, Analysis -----	11,000.00
Nursery Inspection -----	1,250.00

Very sincerely yours,

(Signed) Sam S. English
Executive Secretary

5. Inheritance Tax.

President McVey reported that he had written to the Auditor of Public Accounts in regard to balance of inheritance tax collected during the year ending June 30, 1932, and that he had received from the Auditor a letter which is copied herein. It was ordered that request be made for payment.

July 10th, 1935

Dr. Frank L. McVey, President
University of Kentucky
Lexington, Kentucky

Dear Sir:

It is the opinion of this office that the remainder of the fund set aside for the purpose of making the inheritance tax refunds should be distributed to the University of Kentucky and the four normal schools.

However, we have referred the matter to the Attorney General. Just as soon as we receive an opinion from the Attorney General we shall communicate with you.

Yours very truly,

(Signed) J. Dan Talbott
Auditor of Public Accounts
by E.M.

6. Interest on Land-Grant Fund.

President McVey presented the following papers relative to his attempt to collect the second installment of interest on the Land-Grant Fund from the Auditor of Public Accounts:

July 3, 1935

Honorable J. W. Studebaker, Commissioner
Office of Education
Washington, D. C.

My dear Commissioner:

I am sending enclosed the report of the University of Kentucky on the Land-Grant Fund and the Morrill-Nelson Fund, in accordance with the requirements of the law. The reason I am bringing this matter to your attention at the present time is because the receipts of the Land-Grant Fund are not in accordance with the requirements of the Fund. You will note that \$4,322.25, one-half of the income, has been paid to the University.

The State Auditor has raised the question as to whether he has the right to pay such interest, in view of the fact that he has no evidence of indebtedness. The State Board of Budget and Finance has in a measure acquiesced in this viewpoint, and the Attorney General's Office has instructed the Auditor not to make payment. This is the situation at the present time, except that the University has prepared a brief setting forth the facts, history and procedure under the Land-Grant Fund. The University has no doubt as to the outcome even if it has to go to court in this matter.

I want you to know what the situation is, and I will be glad to have your advice as to procedure.

Yours very truly,

(Signed) Frank L. McVey
President of the University

July 15, 1935

President Frank L. McVey
University of Kentucky
Lexington, Kentucky

Memorandum

My dear Mr. President:

Please permit me to report that I had a very satisfactory conference with the Attorney General on Saturday evening from 6 to 8 p.m. He had been out campaigning all week-end, had quite forgotten that I had an appointment with him at 4.

After going over Mr. Hogan's opinion and my brief and also the opinion of Mr. Attkisson, the Attorney General said that he had no reasonable doubt but that the legislature did not intend to repeal section 4591a of the 1930 Kentucky Statutes and furthermore, even if it had intended to do so, that the section was not subject to repeal, because the legislature could not violate the obligation of a contract. He said he desired to take the matter up with Mr. Attkisson, because the latter had written the last opinion, and ask him to withdraw it and that he would do this on Monday and if not on Monday, on Tuesday, and would have Mr. Attkisson write me at once regarding the matter. I left with him

5.

copies of the Hogan and Attkisson's opinions and my brief.

General Wootton spoke so assuredly that I believe he is thoroughly convinced of the position taken and it does not seem likely to me that he will withdraw from it. In the event, however, that for some unforeseen reason nothing is done about retracting the position taken by Mr. Attkisson, the only thing that I can see to do is to file a petition for declaratory judgment regarding the matter.

I shall report any further developments as soon as they occur and await your instructions.

Yours very truly

(Signed) Alvin E. Evans

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July 17, 1935

Mr. Alvin E. Evans
University of Kentucky
Lexington

Dear Mr. Evans:

I am enclosing herewith copy of an opinion this day given to Hon. J. Dan Talbott, Auditor of Public Accounts, regarding the interest on the bonds.

Very truly yours,

(Signed) William R. Attkisson
Assistant Attorney General.

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6.

Frankfort, Kentucky
July 17, 1935

Hon. J. Dan Talbott
Auditor of Public Accounts
Frankfort

Dear Sir:

On June 10, 1935, I wrote you an opinion in which I held Section 4591-a, Kentucky Statutes, Carroll's 1930 Edition, which provided that certain interest on a bond for \$165,000 be payable partly to the University of Kentucky and partly to the Kentucky State Industrial College was impliedly repealed by Chapter II, Acts of 1934 special session, paragraph 68.

At the request of Attorney General Wootton, and upon his order, I must ask you to withdraw that opinion and substitute therefor an opinion on the same subject by Assistant Attorney General Overton S. Hogan, dated August 31, 1934, and September 4, 1934, inclusive.

Very truly yours

(Signed) William R. Attkisson
Assistant Attorney General

7. Insurance on Warehouse.

The Business Agent reported the following letter from Klair and Scott, insurance agents, in regard to insurance being carried on the Service Building:

July 8th, 1935

Hon. D. H. Peak, Business Agent
University of Kentucky
Lexington, Kentucky

Dear Sen. Peak:-

We wish to acknowledge your letter of July 6th and are herewith returning invoice from the Carpenter-Warren Insurance Agency and beg to advise that their statement is correct.

While the matter has been brought to our attention, we are under the impression that there is too much insurance carried on this Service Building, as the Carpenter-Warren Agency has \$75,000 -- fire insurance on this building and there is under the Schedule form of the University \$29,500.00, making total fire insurance coverage of \$104,500.00. We would like to suggest to you that you call this to the attention of the Executive Committee at its next meeting with a suggestion that they have an appraisal made to ascertain the sound or insurable value (this is done by ascertaining the reproduction cost new as of this date less depreciation for the age and condition of the building). While we are not competent to ascertain the sound or insurable value it does impress us that \$104,500.00 is too much insurance on this building.

Awaiting your further instructions, we are

(Signed) Klair & Scott
Per Thos. S. Scott.

The Business Agent said that he wrote to the Security Trust Company suggesting that, as the amount of the debt was \$50,000, they reduce the amount of insurance carried to further secure that indebtedness from \$75,000 to \$50,000. He filed the following letter from the Security Trust Company.

July 17, 1935

Mr. D. H. Peak, Business Agent
University of Kentucky
Lexington, Ky.

Dear Mr. Peak:

Your letter of July 16 addressed to Mr. Dabney is receiving my attention during his absence.

It is entirely agreeable to us to have your insurance on the warehouse reduced to \$50,000, but we think that for your own protection as well as ours, all the policies on the property should read alike. We suggest that you take this matter up yourself with the Carpenter-Warren Insurance Agency and also with the other agents who may hold any amount of insurance on the property, and we will co-operate with you in any way desired to accomplish the result you have in mind.

Very truly yours,

(Signed) C. N. Manning
President.

It was ordered that the matter of adjusting this insurance be left to the Business Agent and that payment of premium be made.

8. Rearrangement of Warehouse Lease.

Reference is made to item 6, Minutes of the Executive Committee June 27, 1935.

a. Letter from Security Trust Company

June 29, 1935

Mr. D. H. Peak
University of Kentucky
Lexington, Kentucky

Dear Mr. Peak:

As I indicated to you this morning over the telephone, we have received from the Central Warehousing Corporation a deed for the property in Lexington, Fayette County, Kentucky, located between Limestone and Upper, and we have received from Judge Richard C. Stoll the Agreement of Lease and Declaration of Trust, pertaining to this property, properly executed.

These two instruments, to-wit, the deed and the Agreement of Lease and Declaration of Trust, have this day been lodged for record in the office of the Clerk of the Fayette County Court of Kentucky, and we enclose herewith the statement from S. H. Lewis, County Court Clerk for \$7.25 for the recording fee, for which you may send remittance direct to the Clerk.

We enclose herewith an executed copy of the Agreement of Lease and Declaration of Trust, for your files.

Mr. H. C. Robinson, of the Central District Warehousing Corporation, has advised us that he is having the insurance policy on the property transferred, and a Mr. Warren from the O. C. Carpenter Insurance Agency has just called us on the telephone to advise us that this matter was receiving attention. Accordingly, we ought to receive the insurance policy or policies within the next few days.

We presume that this completes the transaction in so far as it is to be attended to at this time.

Very truly yours,

(Signed) E. S. Dabney
Vice-President.

b. Agreement of Lease

THIS AGREEMENT OF LEASE AND DECLARATION OF TRUST, made and entered into this 28th of June, 1935, by and between Security Trust Company, a corporation organized and existing under and by virtue of the laws of the State of Kentucky, and having its office at Lexington, Kentucky, hereinafter called the "lessor", party of the first part, and the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky, hereinafter called the "lessee", party of the second part, and University of Kentucky, a corporation created and existing under and by virtue of the laws of the State of Kentucky, with its principal office at Lexington, Kentucky, hereinafter called the "University", party of the third part,

WITNESSETH: That whereas, by a lease bearing date June 30, 1930, and duly recorded in Deed Book 264, page 321, in the office of the Clerk of the Fayette County Court and hereinafter referred to as the "original lease", executed by and between Central District Warehousing Corporation as party of the first part and Commonwealth of Kentucky for the use and benefit of the University of Kentucky, party of the second part, and University of Kentucky, party of the third part, certain property therein described and located between Limestone and Upper Streets in the City of Lexington, Kentucky, was leased by said party of the first part therein to the party of the second part therein, for the use and benefit of the party of the third part therein, for the full term of one year, beginning on the 1st day of July, 1930, and ending on the 30th day of June, 1931, and said original lease further provided that the party of the third part therein was granted an option by the party of the first part therein to extend the term of said lease a period of eight years from and including the 1st day of July, 1931, for eight extended terms, upon payment of certain rental therein specified, and

Whereas, the first, second and third extended terms thereof, expiring in the years ending July 1, 1932, 1933, and 1934 respectively, have been completed, and said University of Kentucky, which agreed in said original lease to pay said rental should said lease be extended, has paid the rental which it agreed to pay for said first, second and third extended terms thereof, and

Whereas, said original lease has been extended for the fourth extended term provided for therein, and said University of Kentucky has paid to the original lessor the sum of Three Thousand Dollars (\$3000.) as a credit on said fourth extended term, and

Whereas, said original lease further provided that the parties of the second and third part therein, and each of them were granted the exclusive right and option to

to purchase the property thereby demised at any time during the term of said original lease and each and any extended terms thereof, if the term be so extended, for the sum of Ninety Thousand Dollars (\$90,000) with interest thereon at the rate of six per cent (6%) per annum from the date of said original lease to the date of the exercise of said option to purchase said leased premises, credited, however, with all payments of rental made under said original lease for the original term and each term for which the same might be extended and the payments made by the party of the third part therein of rental for said original and said extended terms have been sufficient to pay interest on said option price to July 1, 1935, and to reduce the principal amount of said option price to the sum of Fifty Thousand Dollars (\$50,000.) and

Whereas, the party of the third part in said original lease has complied otherwise with the terms and the provisions thereof by the payment of any amount or amounts required to be paid on said property for taxes, special assessments, if any, and for insurance premiums as provided for therein and

Whereas, the party of the first part in said original lease has conveyed the fee simple title to the property affected by said lease to the Security Trust Company of Lexington, Kentucky, the lessor herein, subject to said lease, and the parties of the second and third part herein are desirous of procuring from the party of the first part herein an agreement to reduce the amount of the rental payments specified in said original lease and further to procure an extension thereof and of the option of the parties of the second and third part herein to purchase said property, all on the terms and conditions hereinafter set forth.

Now, Therefore, in consideration of the premises and of One Dollar (\$1.) cash in hand paid by the parties of the second and third part to the party of the first part, the receipt of which is hereby acknowledged by the party of the first part, the party of the first part does hereby lease and demise unto the party of the second part for the use and benefit of the party of the third part all of the real property fully described in said original lease for the full term of one year beginning with the 1st day of July, 1935, and ending with the 30th day of June, 1936, upon the following terms and conditions, each and all of which are hereby agreed to by the parties hereto:

1. The party of the third part hereby covenants and agrees that as rent for said property during said term of one year, and as the consideration for the option hereinafter granted to it to purchase said property, it will pay to the party of the first part the sum of Twelve Hundred and Fifty Dollars (\$1250.) payable January 1, 1936, and the further sum of Six Thousand Three Hundred and Fifty Dollars

($\$6350.$) payable July 1, 1936.

The party of the third part hereby covenants and agrees that as additional rent for said demised premises for said term, it will pay all ad valorem taxes if any, assessed against said premises during the term hereof and all special assessments, if any, against said property for local improvements, if any, which become due and payable during the term hereof.

2. The said lessor hereby covenants and agrees that during the term of this lease it will keep the building on said premises insured against damage or loss by fire and windstorm in the sum of at least Sixty Thousand Dollars ($\$60,000.$) with loss clause in such policy or policies payable to the lessor, lessee and said University as their respective interests may appear. It is mutually agreed by and between the parties hereto that in the event said building shall be damaged or destroyed, either in whole or in part, by fire, windstorm or other casualty insured against, the proceeds of said insurance thereof shall, at the option of said University, at once be used for the restoration and rebuilding of said building, and in such event the liability of said University to pay the rent, as herein provided, for the remainder of the term shall in no wise be affected by said damage or destruction of said building, nor shall this lease be terminated or affected thereby; or, on the other hand, said University may give notice of its intention to purchase said leased premises on the payment of the proceeds of said insurance, and the proceeds of said insurance, or so much thereof as may be necessary, shall be applied to the payment of the purchase price of said leased premises and the balance, if any, remaining of the proceeds of said insurance shall be the property of said University.

The said University agrees to pay to the lessor on demand the actual cost paid by lessor for keeping said building so insured for and during the term hereof, together with interest thereon at the rate of six per cent (6%) per annum from the date of lessor's expenditure thereof until paid.

3. The said lessor hereby covenants and agrees that said University shall have the right during the term of this lease and each extended term hereof, to extend the term of this lease for a period of one year from the expiration of the term hereof, and from the expiration of each extended term, until the term hereof shall have been extended for a period of nine years from and including the 1st day of July, 1936, upon the same terms and conditions herein set forth, together with the option to purchase said property which is herein contained, except that the rent for said extended term respectively shall be as follows:

For the first extended term (ending July 1, 1937) -----	\$1,125. payable January 1, 1937, 6,225. payable July 1, 1937,
For the second extended term (ending July 1, 1938) -----	1,000. payable January 1, 1938, 6,100. payable July 1, 1938,
For the third extended term (ending July 1, 1939) -----	875. payable January 1, 1939, 5,975. payable July 1, 1939,
For the fourth extended term (ending July 1, 1940) -----	750. payable January 1, 1940, 5,850. payable July 1, 1940,
For the fifth extended term (ending July 1, 1941) -----	625. payable January 1, 1941, 5,725. payable July 1, 1941,
For the sixth extended term (ending July 1, 1942) -----	500. payable January 1, 1942, 5,600. payable July 1, 1942,
For the seventh extended term (ending July 1, 1943) -----	375. payable January 1, 1943, 5,475. payable July 1, 1943.
For the eighth extended term (ending July 1, 1944) -----	250. payable January 1, 1944, 5,350. payable July 1, 1944,
For the ninth extended term (ending July 1, 1945) -----	125. payable January 1, 1945, 5,225. payable July 1, 1945,

provided, however, that said University shall not be required to pay any cash consideration for or during any extended term hereof, but shall only be required to pay the rental as hereinabove stated, for each term for which this lease is extended, with taxes and special assessments, if any, and insurance as herein provided.

It is understood and agreed that unless said University shall give written notice by registered mail addressed to lessor at Lexington, Kentucky, and mailed more than thirty

days prior to the termination of the term hereof, or any extended term, as the case may be, of its intention not to extend the term hereof, then this lease shall thereupon be extended for an additional year on the terms and conditions hereinabove set forth, including the option to purchase said property as herein contained.

4. For the consideration hereinabove stated, the lessor hereby grants to said lessee and said University and each of them the exclusive right and option to purchase the property hereby demised at any time during the term of this lease and each and any extended term hereof, if the term be so extended, for the sum of Fift. Thousand Dollars (\$50,000.) with interest thereon at the rate of five per cent (5%) per annum, payable semi-annually from July 1, 1935, to the date of the exercise of said option to purchase said leased premises, plus the additional sum of One Hundred Dollars (\$100.) per annum for each year of this lease and each extended term thereof, credited, however, with all payments of rental made under this lease for the original term and each term for which the same may be extended, but not including any amount or amounts paid for taxes and special assessments, if any, and insurance, said purchase price to be paid as follows, to-wit:

Not less than forty per cent (40%) thereof in cash and the balance in not exceeding two equal installments to be evidenced by purchase money notes maturing not later than one and two years respectively each date and bearing interest at the rate of five per cent (5%) per annum from date until paid, payable semi-annually, negotiable and payable at the office of the Security Trust Company, in Lexington, Kentucky, and secured by a first lien on the property conveyed and by insurance on the improvements thereon and containing the usual precipitation clause in the event of failure to pay any note or any installment of interest thereon within sixty days after the maturity of such note or interest.

In the event the lessee or said University shall exercise said option to purchase said property, said University shall give at least thirty days written notice thereof to lessor by registered mail addressed to lessor at Lexington, Kentucky, and upon the payment of the consideration by said University as hereinabove provided, the lessor covenants and agrees to convey the property hereby demised to said lessee, Commonwealth of Kentucky, for the use and benefit of said University of Kentucky in fee simple absolute, free of all liens and encumbrances, except all taxes and special assessments, if any, due or to become due thereon, and except the vendor's lien as hereinabove described in the event that the University shall desire to execute purchase money notes for a part of said purchase price, with special warranty of title, it being agreed that the University shall bear the expense of said

STATE OF KENTUCKY }
COUNTY OF FAYETTE } SCT.

I, Luise C. West, Notary Public within and for the County and State aforesaid, do hereby certify that the above and foregoing instrument of writing was on this day produced to me in said County and State and acknowledged by C. N. Manning, President, and S. A. Wallace, Secretary, to be the act and deed of Security Trust Company, party thereto, and to be their act and deed as President and Secretary respectively of Said Security Trust Company.

My commission as Notary Public will expire January 8, 1936.

Witness my hand and notarial seal this 28th day of June, 1935.

(Signed) Luise C. West
Notary Public, Fayette County,
Ky.

STATE OF KENTUCKY }
COUNTY OF FAYETTE } SCT.

I, Ethel Duncan, Notary Public within and for the County and State aforesaid, do hereby certify that the above and foregoing instrument of writing was on this day produced to me in said County and State and acknowledged by Richard C. Stoll, Chairman of its Executive Committee, and D. H. Peak, its Secretary, the act and deed of the University of Kentucky, party thereto, and to be their act and deed as Chairman of the Executive Committee, and Secretary respectively of said University of Kentucky.

My commission as Notary Public will expire February 25, 1936.

Witness my hand and notarial seal on this 28 day of June, 1935.

(Signed) Ethel Duncan
Notary Public, Fayette County, Ky.

On motion and second the agreement of lease set above was approved and the execution thereof by Richard C. Stoll, Chairman of the Executive Committee, and D. H. Peak, Secretary of the Board, was ratified and approved.

9. Bonds.

The Business Agent reported:

It will be necessary for me to renew at once the \$5,000 bond that I have filed with the State Board of Finance for petty cash fund; also early in August to renew my bond of \$15,000 to the University of Kentucky. I will appreciate it if the Board will make an order to that effect.

I have been asked several times by officers of the First National Bank and Trust Company whether or not it is necessary to have bond for Mr. Skain. Laying aside all other questions, the State Board of Finance requires that bond of the Treasurer be filed with that Board before payments of appropriations may be made to the University so it appears that it is absolutely necessary that bond for Mr. Skain be continued.

It was ordered that the Business Agent have his bonds as indicated in the above report renewed at the proper time and that bills for payment of premium on bonds be submitted to the Auditor of Public Accounts. In event the premium is paid from University funds, the salary of the Secretary of the Board is to be reduced in the sum of \$40.00 per year during the period covered by such payment.

The Chairman stated that it is impossible under the new federal finance laws for the First National Bank and Trust Company to pay the premium on the bond of John Skain, Treasurer. The Chairman was under the impression that Mr. Skain pays from his salary the premium on his bond. The Business Agent was directed to take up the question with the President of the First National Bank and Trust Company and report to the next meeting of this Committee, in the meantime seeing that premium on bond of Mr. Skain is paid when it becomes due.

10. Caring for Securities.

a. Reference is made to item 7 in Minutes of meeting of the Executive Committee of June 27. The appointment by the First National Bank and Trust Company of its Vice-President, J. E. McFarland, to act with the Business Agent of the University of Kentucky, as joint custodians of securities of the University, was approved. The Business Agent filed a report of the investments and securities that were checked by Mr. McFarland and himself. The list of securities was ordered copied in the Minutes, as follows:

INVESTMENTS OF UNIVERSITY OF KENTUCKY IN JOINT CUSTODY OF

D. H. Peak, Business Agent, and J. E. McFarland, Vice-President,
First National Bank and Trust Company.

Peabody Fund

State Warrants:

Number	Amount	Date	Endorsed by
H 8900	\$10,000	January 24, 1935	Henry B. Manly
8901	10,000	January 24, 1935	Henry B. Manly
8902	10,000	January 24, 1935	Henry B. Manly
8903	10,000	January 24, 1935	Henry B. Manly

Western Kentucky Sub-Experiment Station Fund

State Warrant:

E 1077	\$1,873.48	August 14, 1931	John Skain, Treasurer.
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Waddy Fund

State Warrant:

D 3247	\$2,141.90	December 9, 1930	Middleby Marshall Oven Company
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Patterson Student Loan Fund

State Warrants:

G 727	561.60	July 29, 1933	T.S. Dinsmore
F 7619	1,897.26	February 21, 1933	W. R. Lay T.T.F.
C 3634	2,198.30	January 9, 1930	Ky. Home Society for Colored Children.
E 4819	969.90	January 9, 1932	H.B. Milk Company

Student Loan Fund

State Warrant:

H 3192	\$4,131.24	September 29, 1934	John Skain, Treasurer.
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Lexington Water Company Bonds:

M 559	\$1,000.00	February-August
547	1,000.00	February-August
1370	1,000.00	February-August
1	1,000.00	February-August
2	1,000.00	February-August

Brent Fund

Lexington Water Company Bond:

D 229	\$ 500.00	February--August
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City of Madisonville Bond:

Series 1, No. 1	500.00	February--August
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The custodians were authorized to report to the Board of Trustees from time to time any additional securities that may come into their hands. They were further authorized to collect any securities in their hands at maturity and to collect all of the interest on securities as it becomes due. The interest on the securities is to be placed to the proper fund for distribution by the Treasurer of the University under the terms of the trust or agreement in the case of each particular fund. The receipts and distribution thereof are to be reported from time to time to the Board of Trustees of the University of Kentucky.

b. The Business Agent reported the following special and interest bearing accounts in the hands of the Treasurer of the University of Kentucky:

Investment of the Crum Fund controlled by the Security Trust Company, \$500.00.

Savings account of the Crum Fund income in the Security Trust Company, \$430.10.

Investment of the Bennett Fund controlled by the Security Trust Company, \$400.00.

Savings account of the Bennett Fund income in the Security Trust Company, \$181.14.

Savings account of the Waddy Fund -- balance of the Waddy Fund not otherwise invested, including accrued interest thereon -- in the First National Bank and Trust Company, \$232.06. The interest is being used from time to time to carry out the trust.

Robinson Sub-Experiment Station Trust Fund in the First National Bank and Trust Company, \$3,668.20.

Western Kentucky Sub-Experiment Station Fund, balance in trust in the First National Bank of Princeton, Kentucky, \$2,956.48.

Savings account of the Chemistry Fund in the First National Bank and Trust Company; investment, \$100.00 and accrued interest, \$25.99.

Savings account of the Sullivan Medallion Fund in the First National Bank and Trust Company; investment, \$200.00, and accrued interest \$28.44.

The Business Agent, acting as Treasurer of the Student Union Building Fund, has received from various sources and deposited in the First National Bank and Trust Company a total of \$1,796.81. In addition to the deposit there is a balance due the fund on note of the Inter-Fraternity Purchasing Corporation, of \$300.00.

11. State Fair Appropriation.

President McVey presented request of Elmer G. Sulzer, Director of Publicity, for additional appropriation to care for the expense of the 1935 State Fair exhibit, asking that the amount already appropriated be increased in the sum of \$365.00. Additional appropriation was ordered by the Board of \$250.00, making the total amount now appropriated for the purpose of carrying on exhibit at the State Fair \$1250.00.

12. Chemistry Laboratory -- Repairs to Drainage System.

On motion and second it was ordered that a transfer of \$660.00 be made from budget division No. 29 to budget division No. 11 for the purpose of use for expense of repairing the drainage system in Kastle Hall. The appropriation in division 29 was made for the purpose of purchasing a mail truck. After setting up the new budget it was found that the purchase could be made and it was made from 1934-1935 funds. This order was made on request of the Superintendent of Buildings and Grounds as shown in the following letter.

July 1, 1935

President F. L. McVey
University of Kentucky
Campus

Re: Freshman Laboratory, Kastle
Hall.

Dear President McVey:

This year's budget C carries an item of \$258.00 covering repairs to laboratory drainage systems. A close inspection of this particular room shows the absolute need of an entirely new drainage system for 12 tables; after twenty-seven or eight years of service the piping, traps and so on are worn out and have been patched to the limit.

Materials for 12 tables will cost \$1282.00 while labor will run about \$650.00 making a total of \$1932.00. That amount seems out of the question at this time. I am wondering if it would be permissible to do half of the work or 6 tables now and the other six at some later date, using the \$660.00 set aside for purchase of mail truck which was purchased out of last year's funds. This amount added to \$258.00 makes \$918.00, which will cover one-half of the work.

Unless something permanent is done to eliminate the bad situation I am afraid the work of the Chemistry Department will be seriously affected throughout the year from leaks, stoppages and repairs which take time and money as well.

(Signed) M. J. Crutcher
Supt.

13. Audit of Accounts.

President McVey was authorized to offer to Peat, Marwick, Mitchell and Company, of Chicago, employment to audit the accounts of the Business Office for the year 1934-1935 at compensation not to exceed \$600.00. It was the opinion of the members of the Committee that this company should be continued to be employed, on account of its long and satisfactory service, but they were not willing to increase the compensation to \$750.00 as requested by the Company.

14. Nomination of Lexington Alumni Member of the Board of Trustees.

Item 18 of the Minutes of the meeting of the Executive Committee of June 27 sets up the method proposed by the Alumni Association of the University of Kentucky for selection of names of alumni to be submitted to the Governor of Kentucky for the purpose of appointing an alumni member of the Board of Trustees and that method was approved by the members present, Judge Richard C. Stoll and R. Miller Holland voting "Aye" and James Park voting "No". The order made at that meeting is now approved and ratified, all the members of the Executive Committee voting "Aye" except James Park who voted "No".

15. Lease of Camp Site.

The re-lease of camp site of CCC Company 547 at Robinson Sub-Experiment Station, Quicksand, at rental of \$1.00 per year beginning July 1, 1935, and ending June 30, 1936, was approved provided no changes be made in the lease from that of previous year. It was ordered that copy of the new lease be sent to the Chairman of the Executive Committee for his approval and when signed by him that copy be forwarded to the proper army officers.

16. Rental of Office Space by the Experiment Station.

President McVey presented the following communication from Dean Cooper:

July 18, 1935

President Frank L. McVey
University of Kentucky

Dear President McVey:

I informed you some time ago that in accordance with instructions from the Washington office, the Resettlement Division in the state was to be housed with or near us. We do not have the necessary room to accommodate the personnel of this Division, so I have suggested the rental of the property at 119 Washington Avenue for use as an office building until space is available in the Experiment Station building.

In the short time in which this question has come up, I have been unable to find out the rental price. However, I wish to ask that the Experiment Station be authorized to rent this property, subject to a 30 days' notice of cancellation. We shall then sub-lease the property to the Resettlement Division, which will reimburse us for the rent and for cost of other needed facilities.

(Signed) Thomas Cooper
Dean and Director.

On motion and second, the rental of the property indicated in the above communication was approved and Dean Cooper was authorized to enter into proper contract for payment of such amount of rental as he may deem proper.

17. Addition to Experiment Station Building.

President McVey presented the following communication from Dean Cooper:

July 8, 1935

President Frank L. McVey
University of Kentucky

Dear President McVey:

I have taken up informally the general question of financing the proposed addition to the Experiment Station building. The estimated cost will be between \$60,000 and \$75,000. From the standpoint of Experiment Station funds, I estimate that we can have available to put into the building \$25,000, leaving a probable maximum of \$50,000 which it may be necessary to finance.

I have attempted to forecast something as to our financial situation in the next biennium. As nearly as I can determine, we should be able to set aside not less than \$25,000 a year to apply toward the payment of the addition.

In discussing, informally, with Mr. Manning, of the Security Trust Company, a plan of financing, he suggests the following: That the Board of Trustees, for the Experiment Station, agree to put \$25,000 into the building. The Board will then convey the property to the Security Trust Company, which in turn will give a conveyance to the Board of Trustees to furnish at least \$50,000 to complete the building, and to lease the building for one year, with an option of leasing for additional years. The payment for the first year is to be \$10,000 payable January 1, 1937, and \$15,000 payable July 1, 1937. Similar payments shall be made January 1, 1938, and July 1, 1938. Upon completion of the payments to the Security Trust Company, the building will then be turned over in fee simple to the University. Provision will be made for additional payments over those stipulated, thus making it possible to complete the payment of the building at an earlier date should funds be available and it be deemed advisable to do so. The interest rate would be five per cent on the balance.

Also, I have discussed informally with Frankel and Curtis the matter of acting as architects. They state that the code price is 6 per cent of the total cost and that they will be glad to undertake the building on that basis. I wish to recommend that Frankel and Curtis be employed as architects. As you may remember, Mr. Frankel was the architect for the older part of the building.

It is possible that further consideration should be given to a PWA grant. Mr. Frankel informs me that that can be undertaken and in a more definite form after we have completed the plans and even after we have secured bids. I have been unable to secure information with sufficient definiteness as to the requirements under the PWA, to know whether it is a good business proposition to ask for a grant or whether the requirements are such as to materially increase the costs.

I think it is desirable to complete the plans and secure bids promptly so that the addition may be begun and completed at the earliest possible date.

(Signed) Thomas Cooper
Dean and Director

The suggestion of Dean Cooper as recommended by President McVey was approved and on motion and second Dean Cooper was authorized to proceed with the improvements as indicated therein. He was further authorized to take up the question of financing the building with the Security Trust Company or such other person or institution as he may deem proper and to report his actions to this Committee.

18. Re-financing Men's Residence Halls.

President McVey reported that we are now carrying the rental agreement on the Men's Residence Halls at interest rate of $5\frac{1}{2}$ per cent and that it is possible that it may be re-financed at a lower rate of interest. He was authorized to make investigation of this possibility and to proceed with re-financing if he deems it advisable, giving report of his acts at the next meeting of this Committee.

19. Public Works Administration Program.

a. President McVey made a statement of the situation in regard to the Public Works building program. He called into the meeting Dean Graham who informed the Committee as to progress he has made in carrying out the plans for various buildings and arranging for loans from the Government or otherwise. Blue prints of the various building plans were presented for examination by members of the Committee. It was further stated that it is possible to secure loans as low as three per cent. After full discussion of all the problems involved in making application to the PWA and in accepting its proposal and borrowing amount of money that would be required by the University, either from the PWA or from other institutions, it was ordered that President McVey proceed with the application, making the total amount thereof

\$1,100,000.00. The proposed buildings to be included in that application are Heating Plant, Engineering Building, Student Union Building, Law Building and other buildings and equipment made possible by any balance in the fund. James H. Graham was appointed as representative of the University to furnish necessary information required by PWA. The following resolution was approved by the Committee:

APPLICATION RESOLUTION

A Resolution authorizing the University of Kentucky to file an application to the United States of America through the Federal Emergency Administration of Public Works for a loan and grant to aid in financing the construction of University Buildings and Central Heating System and designating Dean James H. Graham to furnish such information as the Government may request.

Be it resolved by the Board of Trustees

Section 1. That James H. Graham be and he is authorized to execute and file an application on behalf of the University of Kentucky to the United States of America for a loan and grant to aid in financing the construction of certain buildings and a central heating system as described in the attached plans and specifications. Amount of loan to be \$600,000.00, amount of grant to be \$490,909.00.

Section 2. That James H. Graham is hereby authorized and directed to furnish such information as the United States of America through the Federal Emergency Administration of Public Works may reasonably request in connection with the application which is herein authorized to be filed.

CERTIFICATE OF CLERK (Or other recording officer)

I, D. H. Peak, the duly elected, qualified and acting Secretary of the Board of Trustees, do hereby certify that I have compared the attached copy of a resolution entitled

"A resolution authorizing the University of Kentucky to file an application to the United States of America through the Federal Emergency Administration of Public Works for a loan and grant to aid in financing the construction of certain buildings and a central heating system as described in the attached plans and specifications. Amount of loan to be \$600,000.00, amount of grant to be \$490,909.00, and designating

James H. Graham to furnish such information as the Government may request."

With the original of such resolution on file in my office and that the same is a true and correct copy of such resolution which was regularly adopted at a meeting of Executive Committee of the University of Kentucky duly held on the 18th day of July, 1935.

Dated this _____ day of _____, 1935.

Secretary of Board of Trustees

20. Appointments and Other Staff Changes.

Appointments

Miss Mildred King as kindergarten teacher in the Training School for the collegiate year 1935-1936, salary of \$1800 per year. Miss King is a graduate of Ohio State University.

Harry Hefford as machine man in carpenter shop, salary of \$100 per month, effective July 15, 1935.

Dr. Emerson D. Jenkins, instructor in Mathematics for year 1935-1936, salary of \$1500.00 per year. Doctor Jenkins holds a Ph.D. from Ohio State University.

Albert R. Sloan as graduate assistant in Mathematics for year 1935-1936, salary of \$500 per year. Mr. Sloan holds an M. A. degree from Vanderbilt University.

A. J. Gardner as graduate assistant in Mathematics for year 1935-1936, salary of \$500 per year. Mr. Gardner is a graduate of the University of Kentucky. Mr. Gardner did not accept appointment.

A. B. Ades as graduate assistant in Mathematics, salary \$500 per year.

Miss Vivian Nash as stenographer in Alumni office, salary of \$75.00 per month, effective July 15, 1935.

Dr. Hobart Ryland as acting head of the department of Romance Languages, salary of \$3,000.00.

Marjorie Powell as laboratory assistant in Psychology for year 1935-1936, salary \$300 per year.

Judith Key as part-time secretary in Psychology for the year 1935-1936, salary of \$500 per year.

John W. Clark as assistant county agent in Oldham, Henry and Trimble Counties, salary of \$1200 per year and expenses not to exceed \$50.00 per month, effective August 1 to December 31, 1935, both salary and expense to be paid by KERA.

Re-employment

Mrs. Margaret Ratliff as part-time instructor in department of Psychology for year 1935-1936, salary of \$950 for the year.

Walter E. Watson as part-time instructor and assistant with the Kentucky Co-operative Testing Service for year 1935-1936, salary of \$950 for the year.

Lysle W. Croft as graduate assistant in department of Psychology for year 1935-1936, salary of \$750 for the year.

Miss Lucille Myers as monitor of Girls' Halls for year 1935-1936, salary of \$500 per year.

Mrs. Ina McMonigle as day clerk of Girls' Halls for year 1935-1936, salary of \$550 per year.

Changes in Salary

Salary of Julius Rominger, gardener, increased to \$1680 per year beginning with July 30, 1935.

Salary of R. K. Salyers increased from \$1800 to \$1900 for year 1935-1936. Additional salary allowed on account of Alumni Secretary duties.

Salary of James Shropshire decreased from \$1800 to \$1500 for year 1935-1936. Remainder of salary to be arranged by Student Publications Committee.

Salary of E. A. Baute, field agent in Poultry Improvement, increased from \$1800 to \$2000 per year.

Salary of R. T. Faulkner, county agent, increased from \$1890 to \$2280 per year. Increase to be paid by Grayson County.

Salary of J. E. McClure, county agent, increased from \$2400 to \$2850 per year. Increase to be paid by Daviess County.

Leave of Absence

Sherman G. Crayton granted leave of absence for the coming year on one-half pay, his services with the University to terminate at end of that period of time. The payment of salary conditioned on agreement with him as to other employment.

Continuation of Leave of Absence.

R. C. Miller, field agent in animal husbandry, granted continuation of leave of absence to March 1, 1936, or for such part thereof as may be necessary for restoration of his health, with pay.

On motion, duly seconded, the Committee adjourned.

D. H. Peak
Secretary, Board of Trustees.