

Minutes of the Regular Monthly Meeting of the Executive Committee, University of Kentucky, for Wednesday, February 28, 1923.

The Executive Committee of the University of Kentucky met in regular monthly session in the President's office at the University at 11:30 a. m., Wednesday, February 28. The following were present: Judge Richard C. Stoll, Senator H. M. Froman, Judge Rainey T. Wells, Superintendent George Colvin, Mr. Robert G. Gordon, President McVey and Wellington Patrick, Secretary of the Board.

The minutes of the previous meeting were approved as published.

1. Report of the Business Agent. The report of the Business Agent was received and filed.

2. Report of the Committee on the Application of Kentucky Terminal and Traction Company. The following report from the committee on the application of the Kentucky Terminal and Traction Company for a Y on the Experiment Station property was read and ordered incorporated in the minutes. The report, which on motion duly made and seconded was approved, read as follows:

Lexington, Kentucky
February 8, 1923

The Committee appointed by the Executive Committee of the Board of Trustees of the University of Kentucky to consider the application of the Kentucky Traction and Terminal Company for the use of a piece of land on the Experiment Station farm, lying south of the junction of Rose Street and the Nicholasville Pike, met with Mr. John Pope and Mr. George McLeod, February 8, 1923, at 10:30 a. m. to look over the property.

Later, the committee consisting of President McVey, Senator Froman and Dean Cooper, met as a committee of the whole to consider this application. It was moved that, in the opinion of the Committee, it would be unwise to grant the use of the property to the Traction Company. The motion was carried.

The reasons for the action of the Committee are as follows:

1. It is against good public policy to grant the use of this or other property of the Experiment Station to any organization or corporation.

2. In the event use of this property is granted, it would open the way to many additional calls with the result that this property, which should be carefully guarded, would be dissipated.

3. In the opinion of the Committee, if the property were owned by a private citizen, permission for its use would not be given for its occupancy, or if permission were given, it would require a substantial payment.

4. The proposed use of this property, as requested by the Kentucky Traction and Terminal Company, does not add to the appearance or to the value of the Experiment Station farm, but, instead, detracts, and in the event of a sale of the property, would materially lessen the immediate value.

5. While it is admitted that the Traction Company would have difficulty in placing a "Y" in Rose Street, yet, if it desires to do so, it is possible to purchase private property now owned near Rose Street, which would enable the placing of the "Y" there.

The above represent some of the underlying reasons for the opinion of the Committee. It is believed to be essentially unwise to give either the use of, or to convey any parts of the property of the Experiment Station. It has been the policy for many years in the past to safeguard and retain the property without diminution. The results have proved the wisdom of this course, and such a course should unquestionably be continued.

(Signed) Frank L. McVey

T. P. Cooper

3. Insurance. The following letter from Klair and Scott of Lexington, Kentucky, was read and ordered incorporated in the minutes.

Lexington, Kentucky
February 26, 1923

President F. L. McVey
University of Kentucky
Lexington, Kentucky

Dear Sir:

Acting upon the advice of Judge R. C. Stoll, Chairman of the Executive Committee of the University of Kentucky, we wish to present the following information for your Board's consideration concerning insurance matters of the University, and the possibility of saving the University a nice sum of money by rewriting this insurance in the very near future should our plan meet with the approval of your Board.

Method of Rating School Property.

Up to within the past few years, school property was rated by the Kentucky Actuarial Bureau under a schedule which was formerly known as "Church and School Schedule" and it is under this schedule that all but two or three of the buildings and contents of the University are at present rated. The present method of rating school property is handled by the Kentucky Actuarial Bureau under the Analytic Schedule, and on school property, this schedule very materially increases the rates over the former "Church and School Schedule." We have had one of our Company's representatives make some tests on several buildings at the University which are now rated under the "Church and School Schedule" and we are informed that the increase, which will occur as soon as the Analytic Schedule is applied, will range anywhere from 25% to 40%.

Reasons For Rewriting Insurance.

The Kentucky Actuarial Bureau has been rerating the entire State of Kentucky and has completed all rerating with the exception of approximately sixteen towns, of which Lexington is one. We are reliably informed that Lexington will be completely rerated before July 1 of this year, and it is on this account that we would suggest that the insurance on the University and Experiment Station properties

be rewritten for a term of five years, and in so doing it would be possible to save the increase in rates for a net term of three years as your present insurance has now a short time over two years to run.

The necessary requirements in cancelling insurance on a pro rata basis, would be that at least the amounts cancelled should be rewritten through the same channels in order to get the benefit of a pro rata cancellation.

COINSURANCE

There was some discussion when the present insurance was written as to whether it would be advisable for the University to accept the Coinsurance Clause on the present policies, but at that time the price of materials and labor seemed to be upon the increase; therefore, your Board agreed to defer action until some future date when prices would be more stable. We thought of bringing this matter to your attention at this time as we now believe that 80% or 90% Co-insurance Clause attached to that portion of your contract covering on buildings would produce a saving to you, but before ordering this done we would suggest that you have your values ascertained by practical builders; either competent contractors or architects who can furnish you with the sound value of your buildings. We would not advise the use of Co-insurance Clause on content items as these would be much harder to properly ascertain and keep properly insured.

We believe it would be advisable for your Board to consider the above at the earliest possible date, and should it be thought advisable to readjust your affairs, it should be done before the Kentucky Acturial Bureau has started rerating this city.

Assuring you of our appreciation for your consideration of the above, we beg to remain

Yours truly

(Signed) Klair and Scott

On motion duly made and seconded a committee consisting of Mr. Colvin, Senator Froman, Mr. Gordon and President McVey was appointed for the purpose of investigating the matter of increase in insurance rates with the idea of protecting the University as far as possible against any increase in rates, the committee to make its report to the Executive Committee at some future meeting.

4. Report of State Inspector and Examiner. President McVey stated to the Committee that in view of certain statements in the report of the State Inspector and Examiner, he had forwarded a copy of said report to Marwick, Mitchell and Company at Louisville, which company had recently made an audit of the University's books, and had asked for their comment on the report of the State Inspector and Examiner. The report of this concern to the President of the University on this subject was read to the Committee, as follows:

MARWICK, MITCHELL AND COMPANY
Accountants and Auditors

Louisville, Kentucky
February 6, 1923

Frank L. McVey, Esq., Ph. D.,
President, University of Kentucky
Lexington, Kentucky

Dear Sir:

We have reviewed the report on the accounts, affairs and management submitted to Governor Morrow by H. E. James, State Inspector and Examiner, under date of December 21, 1922.

As auditors to the University we could not, of course, properly offer comment on the affairs and management except so far as they are pertinent to the accounts and financial position of the University; and the following observations are restricted by this consideration.

The receipts for the two financial years ended June 30, 1921 and June 30, 1922 aggregated, according to the report of Mr. James, \$1,486,892.74 and \$1,634,500.07, respectively. These totals are supplemented by various exhibits in which is detailed the income of the several Funds administered, e. g., General Fund Income, Trust Fund Income. Thus the receipts, that is the cash actually received, are totalled in the one case while income, that is the amount earned or due, is dealt with in the other.

The differences between receipts and income are noted on the Exhibits and, while no definite objection may, therefore, be offered, exception might for obvious reasons be taken to the method of presentation. Further, unless attention be directed in the clearest terms to the constituent items of the receipts, considered in their relation to the expenditures, the Report (unless subjected to a more careful examination than is often accorded such a document) might convey,

though doubtless unwittingly, a distorted view of the intromissions and of the financial position of the University.

To include under the caption Receipts the total of the money borrowed and what, for sake of brevity, are termed General Ledger Accounts is to obscure the real income of the period and to show a total far in excess of the income the University has at its disposal. For example the total of the notes payable during the year ended June 30, 1921 amounted to the considerable sum of \$363,250. Thus the more money borrowed, though indicative of the need of greater resources and a larger income, by being included in the total "receipts" might create the opposite impression. It may be remarked that the obligations on notes must be liquidated at some time by, presumably, additional grants or endowments since, it seems clear, the normal income can not provide the funds so that the extensive borrowings necessary are, in effect, anticipated capital receipts.

Again, the extra-mural activities of the University, which are of some magnitude, should be duly noted in order that the income and expenditure of the University proper could be clearly seen. This distinction is of first importance and, we suggest, should be sharply defined.

Mr. James directs attention to certain items concerning which we offer the following comment:

Payment of Salaries. We believe that for sake of regularity it would be better to pay all salaries either on a ten-months basis or a twelve-months basis.

President's Expenses. Without departing from the principles of sound business practice, we consider the President's acknowledgment of his monthly allowance for expenses is sufficient.

The State Examiner, we suggest, is mistaken in applying the law which he cites. As we understand it, the President is allowed \$125 per month to cover traveling and incidental incurred by virtue of his position. In other words, he is allowed not specific sums aggregating \$125 but a fixed allowance for which he gives a receipt. In any event the rules which would be usual in the case of a traveling salesman do not apply, nor -- it seems superfluous to add -- should they be attempted in the case of the chief executive of a large University.

Trips of Instructors out of State. Whether such trips (the advantages of which are questioned by the State Examiner)

should be made is, it seems to us, a matter for consideration of the executive who, doubtless, endeavors to restrict the expenditure within such limits as are commensurate with the effectiveness of the instructors, which after all is of prime importance. The necessity of the proper control of expenditure is recognized, but the State Examiner is severe in his criticism of expenses, many items of which are so trifling that extended comment would merely accentuate the irritant. There can be no adequate comment on the criticisms, for example, "We do not think the refreshments of \$1 on June 9 and refreshments of twelve cents on June 10 are proper charges" and "On June 19 there are four porter tips of ten cents each charged in one day." At the same time it may be remarked that these payments and other expenses incurred in connection with the Inter-Departmental Social Hygiene Board, the subject of lengthy criticism by the State Examiner, were not a charge on the University Funds.

We return herewith the report of the State Examiner.

Yours very truly

MARWICK, MITCHELL & CO.

BY Hugh Byrne
Manager

On motion duly made and seconded the letter was ordered incorporated in the minutes and the President of the University was requested to send a copy of the letter to the State Inspector and Examiner.

5. State Efficiency Commission. President McVey reported to the Committee that the University had received a request from the State Efficiency Commission for certain information regarding the University. He stated that the answers to the various questions proposed by the Commission were being compiled and that he would furnish the members of the Board with copies of the report.

6. The Shooting of Joe Self, Night Watchman. President McVey made a report to the Executive Committee regarding the shooting of Joe Self, night watchman at the University. It was the opinion of the Executive Committee that the matter is now in the hands of the court. The Committee took no action regarding the matter.

7. Readjustment of Experiment Station Budget. The following changes in the budget of the Experiment Station for the current year were authorized upon the recommendation of the President:

Agronomy	\$1,500
Agronomy - for expense in construction of building at Campbellville field, carried over from last fiscal year ..	500
Animal Husbandry	2,000
Additions and repairs	1,500
Farm Economics	500
Veterinary science	600
Dairy	500
Chemistry	500
Public Service Laboratories	1,370
Horticulture	230
Total	<u>\$9,200</u>

8. Requests of the Veterans' Bureau for Certain Expenditures in Connection with the Vocational Work. President McVey stated to the Executive Committee that the Veterans' Bureau had requested that the University purchase certain material for the conduct of vocational work involving the expenditure of about \$700. On motion duly made and seconded the matter was referred to President McVey with authority to act.

9. Use of the James K. Patterson Residence. President McVey stated to the Executive Committee that the matter of the use of the Patterson residence ought to be considered and some disposition of the matter arrived at. He stated that Mr. Walter K. Patterson had requested, and that also Mr. C. N. Manning, President of the Security Trust Company, had seconded the request of Mr. Walter Patterson, to allow Mr. Patterson to remain in the house. Mr. Manning had stated that Mr. Walter Patterson had lived in the house all his life and that he would like very much to have authority to remain, under some conditions, during the remainder of his life. Mr. Walter Patterson would agree to live in the upstairs rooms, if necessary. The matter was discussed at length, and a motion was made, seconded, and carried, directing that after July 1, the building be used as a woman's building.

10. The Bingham Estate. Mr. Peak made the following report to the Committee regarding the collections on the Bingham Estate:

Total receipts	\$145,742.40
Amount to credit Jan. 31, 1923 ...	\$51,097.98
Anticipated Feb. collections	<u>48,477.10</u>
Total Jan. and Feb. receipts	99,575.08
Total Previous Collections	<u>\$ 46,167.32</u>

11. Gift of the Jockey Club. President McVey reported to the Committee that the Kentucky Jockey Club had given to the University of Kentucky \$5,000 for experimental purposes in horse work. This gift is a renewal of the gift for a like amount which was received last year. On motion duly made and seconded, the Secretary of the Board was directed to write to the Jockey Club expressing the appreciation of the Executive Committee for the continued interest of the Jockey Club in the work of the University.

12. Resolutions Regarding the Death of Mr. Hornsby. The following resolutions signed by the Executive Committee regarding the death of Mr. T. L. Hornsby, a member of the Board of Trustees, were presented and unanimously adopted:

The Executive Committee of the Board of Trustees learns with regret of the passing of Honorable T. L. Hornsby. He has been a member of the Board of Trustees since 1920, and has been faithful in the performance of public duty in connection with the work of the University. His wise counsel and good judgment have always been of much assistance to the Board in the conduct of its work. The University of Kentucky has lost a valued friend, and the State an able citizen. Resolved that a copy of these resolutions be transmitted to the bereaved family and that copies be given to the press of the State.

(Signed) Richard C. Stoll
Robert G. Gordon
Rainey T. Wells
George Colvin
H. M. Froman

13. Deposits for Use of University Armory. The following communication from Colonel George D. Freeman was read and ordered incorporated in the minutes:

November 29, 1922

Dean of the College of Arts and Sciences
University of Kentucky

Dear Dean Boyd:

There has been more or less trouble in the past in regard to the use of the Armory, especially as regards the responsibility for the care of the University property and the removal of decorations for social functions.

It is requested that I be authorized to require the representative or representatives of the various organizations desiring to use the Armory to furnish me a written statement that they would be responsible for the proper care of the Armory during the time they use it, and that they will guarantee to see that all decorations are removed, and the Armory placed in as good a condition as it was when they took charge.

It is thought that probably a deposit of possibly \$5 or \$10 could be required to cover any expense which might be incurred, due to the failure of these representatives to carry out their agreement.

Very truly yours

(Signed) Geo. D. Freeman, Jr.
Lt. Col. Infantry, D.O.L.
P. M. S. & T.

On motion duly made and seconded the Commandant was authorized to require deposits for the use of the Armory as indicated in the letter.

14. Appointments. The following appointments were recommended by President McVey and on motion duly seconded, were approved as recommended:

Appointment of Frank H. Leslie as assistant county agent, McLean County, Kentucky, from February 19, 1923 to June 30, 1923 at a salary of \$100 a month.

Appointment of Homer J. Kline as assistant county agent, Boyle County, from February 15, 1923 to June 30, 1923, at a salary of \$125 a month.

Appointment of Miss Orie S. Whitaker as county home demonstration agent, from February 10 to February 28, 1923, at a salary of \$100 a month.

Continuation of employment of E. K. Warth as county agent, Crittenden County, from February 15, 1923 to February 14, 1924, at a salary of \$166 $\frac{2}{3}$ a month.

Continuation of employment of John R. Spencer as county agent, Mercer County, from February 16, 1923 to February 15, 1924, at a salary of \$191 $\frac{2}{3}$ a month.

Continuation of employment of E. H. Darnaby as county agent, Trimble County, from February 20, 1923 to February 19, 1924, at a salary of \$166 $\frac{2}{3}$ a month.

Continuation of employment of Miss Maude Meguiar as county home demonstration agent, Simpson County, from February 1, 1923 to December 31, 1923, at a salary of \$150 a month.

Continuation of employment of Miss Joyce Syler as county home demonstration agent, Garrard County, from February 12 to June 30, 1923 at a salary of \$141 $\frac{2}{3}$ a month.

Continuation of employment of L. C. Brewer as county agent, Union County, from January 1 to April 23, 1923, at a salary of \$175 a month.

Appointment of William C. Johnston as assistant county agent, LaRue County, from February 5, 1923 to June 30, 1923, at a salary of \$100 a month.

Appointment of Walter G. Trice as county agent, Allen County, from February 1, 1923 to January 31, 1924, at a salary of \$183 $\frac{1}{3}$ a month.

Appointment of Miss Ethel Nice as assistant home demonstration agent, Muhlenberg County, from January 25 to February 28, 1923, at a salary of \$100 a month.

Continuation of employment of Charles B. Elston as county agent, Lincoln County, from January 22 to December 26, 1923, at a salary of \$175 a month.

Continuation of employment of H. F. McKenney as county agent, Grant County, from January 27 to December 31, 1923, at a salary of \$175 a month.

Continuation of employment of L. C. Brewer as county agent, Union County, from April 24, 1923 to December 31, 1923, at a salary of \$183 $\frac{1}{3}$ a month.

Continuation of employment of Miss Virginia Croft as instructor in Home Economics during the second semester of this year at a salary of \$650 for the semester.

Appointment of Miss Anna Lisle Buckner as stenographer in the Department of University Extension at a salary of \$80 a month, effective March 1, 1923.

15. Resignations. The following resignations were presented by President McVey and on motion duly seconded, accepted:

Resignation of Miss Daisy Jordan as stenographer in the Department of University Extension on account of ill health, effective February 28, 1923.

Resignation of Mr. Max Braithwaite, inspector in the Department of Entomology and Botany, effective March 1, 1923.

Resignation of Dr. G. I. Hoeft, assistant in the Department of Veterinary Science, effective July 1, 1923.

16. Increases in Salary. The following recommendations were made by President McVey for increases in salaries and on motion duly made and seconded the increases were approved:

Increase in the salary of Miss Laura Johnson, stenographer in the office of the Superintendent of Buildings and Grounds, from \$80 to \$85 per month, effective March 1, 1923.

Increase in the salary of Miss Maurine Sharp, secretary in the Department of Education, from \$70 to \$75 a month, effective February 1, 1923.

Increase in the salary of Miss Lulie Logan, assistant state home demonstration agent, from \$2,000 to \$2,200 a year, effective March 1, 1923.

Increase in salary of Mr. Homer R. Jackson, field agent in poultry, from \$1,800 to \$2,000 a year, effective March 1, 1923.

Respectfully submitted

Wellington Patrick

Secretary of the Board

Missing report(s)