

Special Called Meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, held on Thursday, May 22, 1969

The Executive Committee of the Board of Trustees of the University of Kentucky met in special called session on Thursday, May 22, 1969, at 11:00 a. m., E. D. S. T., in the Board Room of the Administration Building, on the Campus. Notice of such time and place and the purposes of the meeting had been given to each member of the Executive Committee in ample time for each member to attend. Members of the Executive Committee present were as follows: Mr. Albert G. Clay, Chairman, Mr. Richard E. Cooper, Dr. Harry Denham, and Mr. Robert Hillenmeyer. Thereupon, the Chairman, in the absence of Mrs. Lucile T. Blazer, the Secretary, appointed Mr. Robert Hillenmeyer as acting Secretary of the Board of Trustees of the University of Kentucky and of the Executive Committee of such Board of Trustees for the purpose of writing, signing and certifying the Minutes of the meeting. There were also present the following: Acting President A. D. Kirwan, Dr. Lewis Cochran, Vice President-Research, Mr. Robert F. Kerley, Vice President-Business Affairs and Treasurer, Messrs. Thomas Dupree and John Farra, Fiscal Agents, and Mr. Franklin Hays, Bond Counsel. Members of the news media were in attendance.

A. Meeting Opened

Mr. Albert G. Clay called the meeting to order and, following roll call a quorum reporting present, declared the meeting officially open at 11:00 a. m.

B. Mr. Kerley's Resignation Accepted

Before considering the proposals for the purchase of the Revenue Bond Anticipation Notes, Mr. Clay asked Dr. Kirwan to read the following letter which he had received from Mr. Kerley:

UNIVERSITY OF KENTUCKY

LEXINGTON, KENTUCKY 40506

OFFICE OF VICE PRESIDENT  
BUSINESS AFFAIRS AND TREASURER

May 22, 1969

Dr. A. D. Kirwan  
Interim President  
University of Kentucky  
Lexington, Kentucky

Dear Ab:

The purpose of this letter is to inform you officially of my decision to resign from my duties at the University of Kentucky

effective June 30, 1969 to accept a position as Vice President for Administration and Treasurer of The Johns Hopkins University in Baltimore, Maryland.

To provide for an orderly assumption of my duties here at the University of Kentucky, I will be pleased to render part-time service to the University of Kentucky during the period July 1, 1969 and December 31, 1969, upon request. The part-time arrangement proposed is understood and approved by The Johns Hopkins University.

Leaving the University of Kentucky is not an easy thing to do even when a new and wonderful personal opportunity presents itself. This is so because the people here in this University and state are the finest I've ever known. It has been a great and unique experience to work with this Board, my colleagues in the Administration, my friends in the faculty, the many students I've come to know and respect and particularly the hundreds of co-workers on the staff who make this University function. I owe the University much for the opportunity to serve here and hope that I can continue to serve this place, in the future, even if only unofficially and from some little distance.

Sincerely,



Robert F. Kerley  
Vice President - Business Affairs  
and Treasurer

Dr. Kirwan said it is with deep and sincere regret that I submit to you the resignation of Mr. Robert F. Kerley as Vice President-Business Affairs, effective June 30, 1969, to accept the position of Vice President for Administration and Treasurer of Johns Hopkins University in Baltimore.

Mr. Kerley came to the University in 1964. During the five years he has been here the University of Kentucky has undergone a tremendous physical expansion and the financing of this program has been his sole responsibility. His knowledge of financial techniques plus his reputation in financial circles as one of the top university financial officers in the nation has made it possible for the University to establish and maintain a very favorable position in the bond market. The list of his many accomplishments would be too long to enumerate today; suffice it to say that the University of Kentucky is operating on as sound a financial basis as it has ever enjoyed and the policies and procedures which Mr. Kerley inaugurated will stand us in good stead in the years to come.

Mr. Kerley, as you leave us to assume your new responsibilities, you have our heartfelt thanks for a job well done and our best wishes for your continuing success and happiness.

Mr. Clay, I recommend that the Executive Committee of the Board of Trustees accept Mr. Kerley's resignation with regret.

Mr. Clay concurred in all that Dr. Kirwan had said relative to Mr. Kerley and expressed appreciation for his willingness to continue on a consultative basis until December 31. Dr. Denham said that as Chairman of the Finance Committee he had worked with Mr. Kerley very closely and he had the greatest respect for him as a man and as a financial officer. He added that the University owed him a great debt for getting the institution on a sound financial footing. Dr. Cochran added that Mr. Kerley's contributions to the University and higher education in general went beyond the financial aspects for he is knowledgeable about all aspects of academic matters as well.

The Executive Committee having heard Dr. Kirwan's recommendation, Mr. Clay called for a motion to accept it. The motion was made by Dr. Denham, seconded by Mr. Cooper, and passed without dissent.

#### C. Mr. G. J. Ruschell Named Acting Vice President-Business Affairs

Dr. Kirwan said he wished to recommend to the Board of Trustees that Mr. G. J. Ruschell, Business Manager, be named Acting Vice President-Business Affairs, effective July 1, 1969. He indicated that this recommendation had Mr. Kerley's concurrence. Dr. Denham so moved. His motion was seconded by Mr. Hillenmeyer, and passed unanimously.

#### D. Dr. Robert B. Griffith Named Director of Tobacco and Health Research Institute

At the request of Dr. Kirwan, Dr. Cochran was asked to make the next recommendation. He said that Dr. G. W. Stokes who has headed the Tobacco and Health Research program for the past two years had earlier requested that he be relieved of this assignment to devote full time to research and his responsibilities as Associate Director of the Agricultural Experiment Station. To replace Dr. Stokes, it is recommended that Dr. Robert B. Griffith be approved for appointment as Professor of Agronomy, with tenure, and Director of the Tobacco and Health Research Institute, effective May 16, 1969. The University is fortunate to secure the services of Dr. Griffith, who was employed by the Department of Agronomy at the University of Kentucky for several years prior to joining the Brown and Williamson Tobacco Corporation. Dr. Griffith has an international reputation in tobacco research and is considered one of the most knowledgeable men in the general area of tobacco and health.

On motion by Mr. Hillenmeyer, seconded by Dr. Denham, and passed, Dr. Robert B. Griffith was appointed Professor of Agronomy, with tenure, and Director of the Tobacco and Health Research Institute, effective May 16, 1969.

E. Name Change for Tobacco and Health Research Program

Dr. Cochran said that from the beginning of the tobacco and health research program this effort has been operated as an institute of the University in accordance with policy established in 1965 by the Board of Trustees. However, it has been learned that the present name is not understood outside of the University of Kentucky as indicating an institute organization and it would be helpful in interpreting the program to have it clearly designated as one of our several institutes. He recommended that the name of the tobacco and health research program be changed from the Center for Tobacco and Health Research to the Tobacco and Health Research Institute.

On motion duly made, seconded, and carried, the name of the Tobacco and Health Research program was changed to Tobacco and Health Research Institute, effective immediately.

F. Proposals for Purchase of Revenue Bond Anticipation Notes Accepted

The hour of 11:00 a. m. having arrived, it was explained that it was in order for the Executive Committee to consider and take action upon the proposals which had been received for the purchase of Revenue Bond Anticipation Notes. Upon consideration of the proposals it was apparent that acceptable proposals had been received for such Notes in the aggregate amount of \$16, 300, 000 and that Notes to that amount should be sold.

Thereupon, Mr. Hillenmeyer introduced, caused to be read and moved the immediate adoption of a resolution as follows:

A RESOLUTION ACCEPTING THE BEST BID OF BIDS FOR THE PURCHASE OF \$16, 300, 000 PRINCIPAL AMOUNT OF REVENUE BOND ANTICIPATION NOTES OF THE BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY, ESTABLISHING INTEREST RATES, DESIGNATING THE PAYING AGENT AND SPECIFYING THE DENOMINATIONS IN WHICH SUCH NOTES SHALL BE ISSUED.

THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY RESOLVES AS FOLLOWS:

Section 1. The actions of the Commissioner of Finance of Kentucky, the Vice President for Business Affairs and the Fiscal Agents on behalf of the Board

of Trustees of the University of Kentucky and on behalf of the State Property and Buildings Commission, in soliciting the submission of proposals by more than three responsible lenders for the purchase of Revenue Bond Anticipation Notes of the Board of Trustees of the University, are hereby approved, adopted, ratified and confirmed as constituting compliance with the requirements of Section 56.513 of the Kentucky Revised Statutes.

Section 2. Upon receipt and consideration of purchase proposals for the \$16,300,000 principal amount of Revenue Bond Anticipation Notes authorized on May 6, 1969, by the Board of Trustees, it is hereby determined that acceptable proposals have been received and should be accepted at this time in the aggregate principal amount of \$16,300,000.

Section 3. The Revenue Bond Anticipation Notes in the aggregate principal amount of \$16,300,000 are hereby awarded and sold to the respective bidders, at the respective prices and bearing interest at the respective rates and in the respective denominations named by the bidder, it having been provided in the Invitation to Submit Proposal that if the denominations are not named in the bid they will be furnished within such time as the Commissioner of Finance may allow, as follows:

<u>Name and Address of Successful bidder</u>	<u>Face Amount</u>	<u>Price</u>	<u>Interest Rate or Rates</u>
Chemical Bank, New York, New York	\$6,100,000	\$ 6,100,000	6%
Northern Trust Company, Chicago, Illinois	1,000,000 1,000,000	1,000,000 1,000,000	5.34% 5.44%
First National Bank of Chicago, Chicago, Ill.	1,000,000 1,000,000 1,000,000 1,000,000 1,000,000 1,000,000	1,000,060 1,000,060 1,000,060 1,000,060 1,000,060 1,000,060	5 1/4% 5.30% 5.35% 5.40% 5.45% 5.50%
Second National Bank, Lexington, Kentucky	200,000	200,000	5 1/4%
F. L. Dupree & Co., Inc., Lexington, Kentucky	1,000,000	997,500	5 1/8%
First Security National Bank & Trust Company Lexington, Kentucky	1,000,000	1,000,000	5 1/4%

Section 4. The largest dollar amount of such Notes having been awarded the Chemical Bank, New York, New York, it is hereby determined that in accordance with the nomination of such purchaser the place of payment of the principal of and interest on all of the aforesaid Notes shall be the principal office of Chemical Bank, in the City of New York, New York, and the printer may be instructed to prepare the Notes accordingly.

Section 5. The Notes shall be executed on behalf of the Board of Trustees and on behalf of the State Property and Buildings Commission in the manner set forth in the resolution authorizing such Notes. They shall be tendered to the purchasers thereof at a financial institution to be designated by the Commissioner of Finance of Kentucky, on June 17, 1969, provided, however, if, despite efforts to deliver on the date of the Notes, there should be unavoidable delay, such Notes shall be delivered as soon as possible thereafter, and the purchasers will be required to pay accrued interest to delivery. The Commissioner of Finance of Kentucky is authorized to give an official receipt to each purchaser and to make deposit of the proceeds of such Notes in the manner set forth in the aforesaid authorizing resolution.

Section 6. This resolution shall be in full force and effect from and after its adoption, and an authenticated copy may be delivered to each purchaser as evidence of the award made.

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Such motion was seconded by Dr. Denham. Upon a vote being taken upon such motion and upon call of the roll the vote was recorded as follows:

Voting AYE: Mr. Albert G. Clay, Mr. Richard E. Cooper, Dr. Harry Denham, and Mr. Robert Hillenmeyer.

Voting NAY: None.

Thereupon, it was announced that the resolution had been duly adopted and was in full force and effect.

G. Meeting Adjourned

There being no further business to be considered at this time, on motion and vote the meeting was duly adjourned.

Respectfully submitted,

Robert Hillenmeyer  
Acting Secretary of the Board of Trustees  
of the University of Kentucky and of the  
Executive Committee of the Board of Trustees