

Minutes of the Regular Monthly Meeting of the Executive Committee for Friday, January 26, 1923.

The executive Committee of the Board of Trustees of the University of Kentucky met in regular monthly session in the President's office at the University at 11:30 a. m., Friday, January 26, 1923. The following persons were present: Judge Richard C. Stoll, Superintendent George Colvin, Senator H.M. Froman, President Frank L. McVey and Wellington Patrick, Secretary of the Board.

The minutes of the previous meeting were approved as published.

1. Coal Contract with Elmendorf Coal and Feed Company.

Mr. J. J. Ryley, President, and Mr. Outen, Secretary of the Elmendorf Coal and Feed Company, appeared before the Executive Committee to make a statement regarding the coal contract which had been discussed in the November meeting of the Board. Mr. Ryley urged the Executive Committee to accede to the point which he had brought up in his communication in November. He was advised by the Committee that inasmuch as the matter had been passed on at a full meeting of the Board in December that it was not possible for the Executive Committee to take action. It was suggested to him that if he wanted a reconsideration of the matter that he prepare a statement to be presented to the Board of Trustees at its regular quarterly meeting in April.

2. Report of the Business Agent. The report of the Business Agent was received and presented by the President. The report was as follows:

January 16, 1923.

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

Dear Doctor McVey:

Attached, is an estimate of receipts and disbursements for the year, 1922-1923.

In this estimate the State tax estimate is based on last year's receipts. My opinion is that the receipts will be larger than those of last year, but I do not think it wise to make a larger estimate. The Bingham inheritance tax is not considered in making the estimate.

The estimate of receipts from Vocational Education Board is reduced from that made in the Budget.

The estimate of student fees and the estimate of Practice School is based on last semester's receipts.

The estimate of government student fees is based on number now in attendance. From total amount, estimated expense for supplies has been deducted.

Patterson Hall receipts and expenditures are not included.

No estimate is made on University Extension fees. We have received to December 30 from such, \$2701.76. It is my opinion that it will take more than all the additional receipts to pay the honoraria.

The estimate of expenditures is based on the present year's budget and last year's expenditures. If the budget is not overspent and no additional appropriations have been made or will be made, the excess of receipts over expenditures will be increased to about \$20,000.00

Very truly

(Signed) D. H. Peak
Business Agent.

University of Kentucky

Statement of Receipts and Disbursements
from July 1, 1922, to December 31, 1922,
and Estimated Receipts and Disbursements
from January 1, 1923, to June 30, 1923.

General Fund

Receipts

July 1, 1922, to December 31, 1922	\$189,613.98
State Tax received January 5, 1923	240,216.20
Estimated January 1, 1923, to June 30, 1923	
State Tax	43,000.00
Vocational Education Board	22,000.00
General Education Board	1,800.00
Special Agricultural Appropriation	11,833.81
Interest on Liberty Bonds	850.00
Interest on Endowment Bonds	4,322.25
Student Fees - General	21,000.00
Student Fees - Government Students	38,000.00
Student Fees - Practice School	2,000.00
Miscellaneous	<u>1,000.00</u>

575,636.24

Forward		575,636.24
Expenditures		
July 1, 1922 to December 31, 1922	248,918.00	
Estimated January 1, 1923 to June 30, 1923		
Salaries	228,000.00	
Expense	<u>90,000.00</u>	<u>566,918.00</u>
Estimated excess of receipts over expenditures for 1922-1923 - General		<u>8,718.24</u>

3. Report on Insurance. The following report from the President of the University on insurance was presented to the Executive Committee.

REPORT ON INSURANCE

At the December, 1921, meeting of the Board of Trustees, the Executive Committee commented on the desirability of readjusting the insurance on the University plant, with the result that the matter was referred to the Executive Committee for further consideration, and to report upon the wisdom of readjustment. This question was discussed and referred, at the meeting in March, 1922, to the President for a report. Letters exchanged with Clem. S. Wheeler, of Chicago, resulted in Raymond Graves, Valuation Engineer of the Hartford Fire Insurance, coming to the University in February, 1922.

The problems involved in this insurance readjustment are:

1. Revaluation of the plant.
2. Repairs and changes to prevent fire.
3. Coinsurance on one policy for all buildings and contents.

1. The Revaluation of Plant.

A valuation of the plant for insurance purposes had been made in a rough way by the Board, based upon estimates given by the Superintendent of Buildings and Grounds. In coinsurance, it is necessary for the insured to have a value high enough to protect him and, at the same time, be acceptable to the insurance companies in case of loss. The expense of making such a valuation by one of the appraisal concerns would amount to practically four thousand dollars.

2. Repairs and changes to prevent fire.

The changes suggested by Mr. Graves in his survey would cost the University not less than \$21,000 and in addition require an annual rental of \$800 for fire stand pipes making a total cost of \$25,000 for the changes in a five year period. Adding to this the inventory and valuation costs, the amount required to make the changes would be \$39,000.

3. Coinsurance.

Coinsurance provides for a joint responsibility on the part of insurer and insured. The responsibility upon the insured is to maintain his insurance on 80% to 90% value of his property and to prevent fire. The coinsurance rates on an 80% basis are 25% less than the regular rates on brick buildings with metal roofs and 15% off on contents. When the insured carries a 90% insurance on values the rates are 30% less on buildings and 20% off on contents.

At the present time the University pays four premiums for five years at the rate of \$0.6883 per \$100 of insurance. The amount paid out for the present five years expiring in 1925 is \$32,000 excluding the Experiment Station.

4. Conclusion

The conclusions reached in this examination are set down as follows:

First, the saving by making repairs and changes in lowered rate would be 9% of the premium or about \$2,500. The expenses in making such improvements would amount to \$25,000.

Second, the appraisal can be made by the Superintendent of Buildings and Grounds and a competent contractor as advisor. The cost would be a few hundred dollars and the result probably serve as acceptably as an appraisal Board rating. After all the insurance companies are interested in maintaining values and their aggregates of insurance.

Third, the University would profit by changing its plan of insurance to the coinsurance system. The new Lexington rate, when rerating is done, will be \$0.78 per \$100. The coinsurance premium on present values would make an approximate saving over a five year period of \$7,500 on buildings and \$1,300 on contents or \$8,800 without the expense of repairs and changes suggested in Mr. Graves' report. As fast as the University is able, these repairs for the most part are being made and in consequence the acceptability of University buildings as risks improves with the betterments made.

Fourth. the conclusion of this report is:

- (a) To make an appraisal of plant by local experts.
- (b) To place the insurance on a coinsurance basis.
- (c) No recommendation is made as to time of the change, since the premiums are paid for the five year period ending in 1925. It may be as well to continue the present system until that time since the gain would be small.

(Signed) Frank L. McVey
President

4. Inheritance Tax from the Bingham Estate. The following correspondence with reference to the inheritance tax on the Bingham Estate was read and ordered incorporated in the minutes:

January 13, 1923

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

Dear Doctor McVey:

Attached hereto is a letter from Mr. Gordon in regard to the Bingham inheritance tax. His statement and the recent statement appearing in the papers appear to confirm the statement of Mr. Doyle that no part of this tax was collected by the Auditor's office in December.

Very truly yours

(Signed) D. H. Peak
Business Agent

Louisville, Kentucky
January 11, 1923

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

My dear Mr. Peak:

Replying to your letter of January 8, I beg to advise that some time in December, the Bingham estate paid to the Sheriff of Jefferson County approximately \$1,200,000 on account of inheritance taxes.

The Sheriff's office informs me that this amount was not remitted to the Auditor until the regular monthly statement of the Sheriff to the Auditor for December, went to Frankfort, which was after January 1.

This seems to confirm the statement of the Auditor's office that no part of the Bingham inheritance tax was included in the amount mentioned in your letter.

It is expected that the balance of the Bingham inheritance taxes will be paid to the Sheriff in February. I do not know the amount of that balance, but I am under the impression that it is about the same amount as was paid in December.

With best regards, I beg to remain

Very sincerely yours

(Signed) Robert G. Gordon

January 23, 1923

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

Dear Doctor McVey:

I received a notice this morning from the Phoenix National Bank and Trust Company that the Liberty Bond note will be due January 29. This suggests to me that the University has the following indebtedness evidenced by notes:

Peabody notes secured by Liberty Bonds, \$34,000; McLaughlin notes, \$4,500; Mary C. East notes on Smith Hall, \$9,000; balance of indebtedness on purchase of Mulligan property, \$4,750; making a total indebtedness of \$52,250, principal, not including interest. I am making this statement in order that you may use it at the meeting of the Executive Committee, if you so desire.

I get from newspaper reports that the Bingham estate has paid the following inheritance taxes: \$1,216,618 which has been paid by the Sheriff of Jefferson County to State Auditor. According to my calculations, the University is entitled to \$53,227.07 of that amount which should be paid February 1. A later newspaper report shows that the Sheriff

of Jefferson County has collected \$1,154,217 from Bingham inheritance taxes which will be paid to the Auditor either in January or February. According to my calculations the University is entitled to \$50,496.99 or on the whole a total of \$103,724.06. This, I suppose, is the entire amount of inheritance tax, although from newspaper reports, it seems that a considerable sum in ad valorem taxes is still in controversy.

Very truly

(Signed) D. H. Peak
Business Agent

President McVey suggested to the committee that decision be made at this time as to use of the funds from the Bingham estate. After discussion, motion was made by Mr. Colvin and seconded by Mr. Froman that the funds received from the Bingham estate be used (1) For the construction of the new wing to the Chemistry Building; (2) For repairs to the Old Chemistry Building so as to permit it to be used as a Law Building; (3) Temporary repairs to the Women's Gymnasium. Also that Coolidge and Shattuck of Boston, Massachusetts be asked to prepare plans for a New Chemistry Building. The motion was carried. It was the feeling of the members present that plans should be prepared immediately for presentation at the meeting of the Board of Trustees in April in order that the buildings in question might be made available for use by September next.

5. Plans of Alumni for a Drive for Funds. The following communication from the Secretary of the Alumni Association was presented:

January 8, 1923

President Frank L. McVey

University of Kentucky

My dear President McVey:

We have agreed on the necessity for action on the Memorial Building. There are two courses open: to announce now a plan to build with the funds already available or to announce a plan to raise an additional sum of \$100,000 or approximately that and start after it now.

I think we need an excuse for an immediate and an intensive drive for the further organization of alumni within the next six months, especially for the influence that it

might have on the 1924 General Assembly. We might try for a total of \$140,000 distributed as follows:

Memorial Building	\$110,000
Patterson Statue	7,500
Student Loan Fund	10,000
Endowment Student Essay Prize ..	2,500
Endowment Newspaper Prize	2,500
(Education Service)	
Alumni Records	2,500
Miscellaneous	5,000

This sum might be increased to \$200,000 allowing \$60,000 to go on a stadium, the remainder of the cost to be provided by the sale of bonds as proposed by backers of the stadium plan.

If the University is to spend \$200,000 on a stadium and athletic field I think it should be on a lot of twenty-five acres, as a minimum, where there would be room for recreation of all the students. Raising money for a field and equipment solely for our varsity teams would not be popular in the State and even among all the alumni, as I see it. I think the latter plan might.

The \$140,000 total would mean \$56 for each alumnus, and \$200,000 would be \$80 per capita.

(Signed) Herbert Graham

January 1, 1923

FINANCIAL STATEMENT OF MEMORIAL BUILDING FUND
AS OF DECEMBER 31, 1922

Securities (market valuation)	\$57,368.60
On Deposit, Citizens Union Bank	4,485.90
On Deposit, Phoenix Bank & Trust Co..	6,014.73
Unpaid Pledges, 100 Lex. Guarantors .	92,750.00
43 Bourbon Countians	1,270.00
458 Misc. 1919 Drive	4,180.50
227 Alumni & Misc.	3,957.50
537 Students, etc., 1922 Drive ..	5,664.10
Total	175,692.33
*Expenses of Campaign	16,365.45

*This amount has been paid by check on deposit in the Phoenix Bank and Trust Company, Lexington, or the Citizens Union National Bank, Louisville.

After discussion, a motion was made by Mr. Colvin and seconded by Mr. Froman that the Executive Committee accept the proposition of the Alumni Association for the raising of funds, and that the Committee pledge its support in such a program. The motion was carried.

6. Application of Kentucky Traction and Terminal Company for a Y on University Property. President McVey stated to the Committee that the Kentucky Traction and Terminal Company had made a request to lease a plot of ground on the University farm at the junction of Rose Street and South Limestone Street for the purpose of constructing a "Y" so as to permit them to turn their cars around at that point. After discussion, a committee was appointed, consisting of President McVey, Dean Cooper and Senator Froman, with power to act on the matter.

7. Gift of \$400 by Professor Sax for Lectures. President McVey stated to the Executive Committee that Professor Carol Sax had given a check for \$400, payable to the President of the University, to be expended for lectures during the present year. A motion was made, seconded, and adopted, expressing appreciation of the gift.

8. Record of Stock Judging Team. President McVey brought to the attention of the Executive Committee the fact that the stock judging team at the recent International Livestock Exposition had made an excellent record. The team was composed of five men, members of the College of Agriculture, namely, R.H. Woods, C. M. Wade, E. L. Langsford, P. W. Miller and P. R. Watlington. The team competed with teams from twenty different states and countries, and, as a whole, stood eleventh. In the judging of the separate classes of live stock, they stood first on beef cattle, passing such colleges as Ohio, Indiana, Iowa and Kansas. They stood seventh on hogs, ninth on sheep and sixteenth on horses.

A motion was made, seconded and unanimously adopted, authorizing the President to write a letter to each member of the team, conveying the congratulations and best wishes of the Executive Committee for the record made.

9. Sale of Lot on Winslow Street to the City of Lexington. The following communication from the Secretary of the Board was read:

January 25, 1923

President Frank L. McVey
University of Kentucky

My dear Mr. President:

At the meeting of the Board of Trustees in December, 1921, it was voted that the Board should sell to the City of Lexington a lot on Winslow Street, to permit of extending Lexington Avenue. The action of the Board was duly reported to the City Attorney, Mr. Townsend. Although his attention was subsequently called to the matter, so far as I know, nothing has been done.

Mr. Whipple tells me that he was on an appraising committee for the property in question, and that Mr. Devereaux objected to the price at which the University wanted to sell the property, saying that it was too low.

You will recall that, at a previous meeting of the Board, a resolution was passed, asking the City of Lexington to extend Lexington Avenue.

Perhaps you will want to bring this matter to the attention of the Executive Committee.

Very truly yours

(Signed) W. Patrick
Secretary of the Board.

After discussion, a motion was made, seconded, and adopted, authorizing that the city authorities be informed that the University will give the lot in question to the City of Lexington, provided the city will agree to close Adams Street from Harrison Avenue to College Street.

10. Bill for Audit of University Accounts. A bill for \$600 from Marwick, Mitchell and Company, Louisville, Kentucky, for the audit of the University books was presented, and, on motion, seconded and adopted, the Business Agent was authorized to pay the account.

11. Fraternity Sites on Winslow Street. A letter from the Secretary of the Board regarding fraternity sites on Winslow Street was presented. The letter was as follows:

January 26, 1923

President Frank L. McVey

University of Kentucky

My dear President McVey:

I am writing to call your attention to the various requests of fraternities for building sites on Winslow Street.

On June 13, 1921, the Kappa Sigma petitioned the Board for a building site on the east corner of Lexington and Winslow. The Board told the Fraternity that as soon as they were ready to build they would attempt to provide a site.

On May 25, 1922, the Kappa Alpha petitioned the Board for a building site on the northeast corner of Lexington and Winslow. The Board told the Fraternity that as soon as they were ready to build a suitable site would be provided by the Board.

On April 4, 1922, the Sigma Chi petitioned the Board for a building site on the northeast corner of Lexington and Winslow. The Board told the Fraternity that as soon as they were ready to build the Board would attempt to acquire the site designated provided it could be purchased at a reasonable price.

You will note that all these fraternities want the same building site. I am writing to suggest that the matter be cleared up now before any further complications arise.

Very truly yours

Wellington Patrick
Secretary of the Board

On motion duly seconded the President was authorized to take this matter up with the various fraternities and designate sites.

12. Stadium for Athletic Field. A committee from the Athletic Council consisting of Dr. W. D. Funkhouser, Professor H. E. Curtis, and Superintendent A. O. Whipple appeared before the Executive Committee to discuss the question of a stadium on the athletic field. Doctor Funkhouser, spokesman for the committee, stated that the Athletic Council considered that it is a proper time to begin the erection of a stadium on the athletic field; that the Alumni and others interested in athletics at the University of Kentucky were in favor of some sort of program; that the general feeling seemed to be that we ought to begin the erection of a stadium at the present time; that the Athletic Council had considered the matter from many angles and had come to the conclusion that whatever plan might be worked out would have to be presented to the Executive Committee or the Board of Trustees for approval; that the Athletic Council desired at this time to present the matter to the Executive Committee and to determine whether or not the Committee thought it advisable to take up the program and consider it or whether it would be wise to drop it. Doctor Funkhouser presented a tentative sketch which had been drawn by Mr. Whipple showing what the stadium should be. Superintendent Whipple presented figures showing the cost of the stadia that have been erected in various parts of the country.

Table showing cost of stadia that have been built at various educational institutions.

Institution	Seating Capacity	Total Cost	Cost per seat
Illinois	57,000	\$2,000,000	\$35.00
Pennsylvania	50,000	750,000	15.00
Columbia	73,000	3,000,000	41.00
Los Angeles	75,000	2,500,000	30.00
Chicago	125,000	2,500,000	20.00
Harvard	34,745	200,000	5.60
Ohio	63,000	1,341,000	21.30
Huron S. D.	5,500	55,000	10.00
Washington	40,000	423,000	10.58
Kansas	15,500	235,000	15.00
Michigan	13,200	55,000	4.17
Yale Bowl	61,000	400,000	4.92
Tacoma	30,000	175,000	5.84
California	8,000	42,000	5.25
Princeton	41,000	300,000	7.32
San Diego	30,000	325,000	10.83

Doctor Funkhouser discussed various plans for the raising of funds for the erection of a stadium and further stated that the Athletic Council would appreciate some sort of statement from the Executive Committee as to its attitude.

After discussion a motion was made, seconded, and adopted, stating (1) That the Executive Committee is in sympathy with the purpose of the Athletic Council to erect a stadium on the University campus; (2) That President McVey be asked to consider a method of raising funds, and that he also be asked to confer with the Executive Committee of the Memorial Building Fund to determine whether or not it is possible or advisable to use the Memorial Building funds or any part of them for the erection of a stadium.

13. Leave of Absence for Mrs. Stout. A communication was read from Dean Boyd recommending that leave of absence for Mrs. F. O. Stout be continued during the second semester of this year owing to the continued illness of Judge Stout. On motion duly seconded the leave of absence on half pay was extended.

14. Leave of Absence for Professor A. C. Zembrod. Some time ago sabbatical leave of absence for one year on half pay was granted to Professor A. C. Zembrod for the year 1923-1924 for purposes of travel in Europe. A communication from Professor Zembrod was read indicating that he wished to change the leave of absence to continue only during the first semester of 1923-1924 on full pay. On recommendation of Dean Boyd, approved by President McVey, the leave of absence was changed to read as requested.

15. Gift of Live Stock to the Experiment Station. The following communication from Dean Cooper was read and ordered incorporated in the minutes:

January 24, 1923

President F. L. McVey
University of Kentucky

My dear President McVey:

I wish to inform you that the Experiment Station has been given a valuable Guernsey bull by Mr. St. Amant of East Falmouth, Massachusetts. The bull arrived just the other day and is a splendid specimen. I would suggest that the Executive Committee indicate its appreciation of this gift to the Experiment Station.

Yours very truly

(Signed) Thomas P. Cooper
Dean and Director

On motion duly seconded it was ordered that a letter be sent to the donor expressing appreciation of the Executive Committee for the gift.

16. Appointments. The following list of appointments was presented by President McVey and on motion duly seconded approved as recommended.

Appointment of Mr. A. B. Chandler as coach of the girls' basketball team at a salary of \$150 per month to be paid by the Athletic Association.

Appointment of Miss Elizabeth Pruitt as clerk in the department of veterinary science at a salary of \$75 a month, effective December 12, 1922. This appointment was to fill the vacancy caused by the resignation of Miss Mary Lowe.

Appointment of Mr. John J. Winn as head coach of football for 1923 at a salary of \$5,000; \$2,400 paid by the University and \$2,600 paid by the Athletic Association.

Appointment of Mr. William Rodes as assistant football coach for 1923 at a salary of \$1,500 to be paid by the Athletic Association.

Appointment of Mr. B. L. Pribble as assistant football coach for 1923 at a salary of \$1,000 to be paid by the Athletic Association.

Appointment of Mr. S. Harney as student assistant in Physiology at a salary of \$15 per month for the rest of the scholastic year 1922-1923.

Appointment of Mr. James H. Martin as assistant chemist in the department of public service laboratories in the Experiment Station at an initial salary of \$2,100 a year, effective at such time as he reports for duty.

Appointment of Mr. A. D. Hall as instructor in drawing at a salary of \$150 a month, effective January 4, for the rest of the college year.

Appointment of Cambell M. Wade as assistant county agent in Fayette County at a salary of \$75 a month from February 5 to June 30, 1923.

Appointment of W. B. Woodward as county agent, McCreary County, at a salary of \$133 $\frac{1}{3}$ a month from January 1, 1923 to December 31, 1923.

Appointment of C. E. Houk as county agent, Garrard County, at a salary of \$150 a month from January 5, 1923 to January 4, 1924.

Appointment of W. H. Rochester as county agent, Muhlenberg County, at a salary of \$166 $\frac{2}{3}$ a month, from December 1, 1922 to December 31, 1923.

Appointment of James V. Coleman as assistant county agent, Fayette County, at a salary of \$100 a month from February 5, 1923. to June 30, 1923.

Appointment of H. K. Warth as assistant county agent, Crittenden County, at a salary of \$125 a month from January 1 to June 30, 1923.

Appointment of Miss Margaret Gentry as clerk in the department of farm economics at a salary of \$90 a month, effective January 1, 1923.

Appointment of Miss Lena Williams as clerk in the department of home economics at a salary of \$75 a month, effective January 1, 1923.

Appointment of J. E. McClure as county agent, Daviess County, at a salary of \$200 a month from January 1, to December 31, 1923.

Appointment of O. R. Carrithers as county agent of Knott County at a salary of \$141 $\frac{2}{3}$ a month from January 1 to December 31, 1923.

Appointment of S. W. Anderson as assistant county agent, Jefferson County, at a salary of \$176 $\frac{2}{3}$ a month from January 1 to December 31, 1923.

Appointment of H. D. Triplett as assistant county agent, Nelson County, at a salary of \$100 a month from January 2 to June 30, 1923.

Appointment of F. C. Walker as county agent, Adair County, at a salary of \$158 $\frac{1}{3}$ a month from January 3 to December 31, 1923.

Appointment of Miss Lillian Cole as county home demonstration agent, Campbell County, at a salary of \$150 a month from November 21, 1922 to November 20, 1923.

Appointment of Miss Elizabeth Cornelius as home demonstration agent, Jefferson County, at a salary of \$166 $\frac{2}{3}$ a month from January 1 to December 31, 1923.

Appointment of Miss Elizabeth Roberts as home demonstration agent, Perry County, at a salary of \$158.33 $\frac{1}{3}$ a month from December 1, 1922 to March 31, 1923.

Appointment of E. H. Darnaby as assistant county agent, LaRue County, at a salary of \$100 a month from December 12, 1922 to June 30, 1923.

Appointment of Homer G. Cress as county agent, Christian County, at a salary of \$183 $\frac{1}{3}$ a month from October 1, 1922 to December 31, 1922.

Continuation of employment of Miss Mary D. Snyder in charge of Mrs. Stout's work for the remainder of the year at a salary of \$75 a month.

17. Resignations. The following list of resignations was presented by President McVey and on motion duly seconded was approved as recommended:

Resignation of Miss Mary Lowe, clerk in the department of Veterinary Science, effective November 30, 1922.

Resignation of Mrs. Henderson Hostetter, clerk in the department of Farm Economics, effective October 31, 1922.

Resignation of Dr. Frank F. Schneider, chemist in the public service laboratories, effective December 31, 1922.

Respectfully submitted

Wellington Patrick

Secretary of the Board