

Minutes of Called Meeting of the Executive Committee of the University of Kentucky, Friday, April 29, 1932.

The Executive Committee of the University of Kentucky met in call meeting in President McVey's office at the University of Kentucky Friday, April 29, 1932, at 10:30 a. m. The following members were present: Judge Richard C. Stoll, Mr. James Park, Mr. E. B. Webb. Meeting with the Executive Committee was President Frank L. McVey and D. H. Peak, Acting Secretary.

The minutes of the meeting of the Board of Trustees of April 18, 1932, were approved as recorded, except that paragraph No. 24 was corrected to read as follows:

24. The Financial Situation. The afternoon session of the Board was devoted to a careful discussion of the financial situation of the University. The Business Agent met with the members and presented statement of income and operating expenses for the rest of the year. Meeting with the Board was Mr. J. Pelham Johnston, Attorney of Lexington, who was requested to look into the situation because of the veto of Section 46, et al, of the Appropriations Bill and to report his conclusions to meeting of the Executive Committee to be held upon call. The Executive Committee was given absolute authority to act in its judgment relative thereto.

1. Income Estimate and Salary Payment. The Business Agent presented an estimate that showed an excess of \$20,000.00 income over obligations due in May, 1932. The estimate included the probable receipt of \$60,000.00 from State Treasurer, the proportion of taxes available from April collections. On the basis of the estimate it was recommended by the Committee that salaries of the College Division for the month of April be paid in a flat amount of \$100.00 or less on each salary as soon as remittance was received from the State Treasurer.

2. Sale of Warrants Approved. The Business Agent reported that warrants listed below had been sold since the last meeting of the Board of Trustees at the prices and in amounts indicated in the list. The sales were made by the Treasurer on recommendation of the Committee, R. C. Stoll, F. L. McVey and D. H. Peak, appointed for that purpose and on the further approval of Thomas P. Cooper, Dean of the College of Agriculture. The sales were approved by the Executive Committee. The list is as follows:

<u>No.</u>	<u>Amount</u>		<u>Interest</u>	<u>88 Per Cent</u>	<u>Total</u>
E 641	3,129.33	Ext.	115.17	2,753.81	2,868.98
E 640	10,000.00	Ext.	368.00	8,800.00	9,168.00
E 637	3,329.16	Ex. Sta.	122.53	2,929.66	3,052.19
E 1356	1,833.33	Pub. Ser.	59.58	1,613.33	1,672.91
E 3377	1,833.33	Pub. Ser.	37.42	1,613.33	1,650.75
E 3121	2,041.67	West. Ky.	44.52	1,796.67	1,841.19
E 3122	1,762.34	Robinson	38.42	1,550.85	1,589.27
E 2799	701.02	Nurs. Ins.	16.35	616.90	633.25
E 2798	991.66	Robinson	23.15	872.66	895.81
E 5158	255.13	Nurs. Ins.	3.05	224.52	227.57
E 5159	2,265.80	Robinson	26.95	1,985.11	2,012.06
E 5157	1,833.33	Pub. Service	21.90	1,613.33	1,635.23
E 1359	10,000.00	Ext. Div.	326.39	8,800.00	9,126.39
E 3379	10,000.00	Ext. Div.	205.56	8,800.00	9,005.56
E 4013	1,984.54	Robinson	34.45	1,786.09	1,820.54
E 5153	7,271.80	Exp. Sta.	82.82	6,444.63	6,627.44

3. Security Trust Company Notes Ordered Renewed. The notes at the Security Trust Company for \$100,000.00 secured by State Warrants were ordered renewed for a period of thirty days. Mr. Charles Manning of the Security Trust Company had agreed with the Business Agent that he would recommend to his board that it release warrants in excess of such amounts as will equal the face of the notes at discount of seventy-five per cent of face of warrant.

4. Funds in Princeton Banks. The Business Agent reported that funds had been withdrawn from the Farmers National Bank at Princeton, Kentucky. The action of the First National Bank and Trust Company of Lexington, Kentucky, in receipting for and holding in escrow certain securities given by the First National Bank of Princeton, Kentucky, for the purpose of securing the University's account in that bank was approved. The receipt mentioned is in words and figures as follows:

First National Bank & Trust Co.  
Lexington, Ky.

The undersigned hereby acknowledges receipt from the First National Bank of Princeton, Kentucky, of the following securities to be held as collateral security for a deposit carried with the said bank by the University of Kentucky, Lexington, Kentucky. These securities are to be held in escrow by the undersigned for the above stated purpose, it being understood and agreed

between all parties concerned that said securities can only be withdrawn by the First National Bank of Princeton, Kentucky, upon it giving to the undersigned ten (10) days notice and with the further provision that said securities shall not be so delivered without the written consent of the said University of Kentucky.

No. A01909881	U. S. Fourth Liberty Bond	\$1,000.00
No. E02794255	U. S. Fourth Liberty Bond	1,000.00
No. F02786726	U. S. Fourth Liberty Bond	1,000.00
No. G01266217	U. S. Fourth Liberty Bond	500.00
No. J00336389	U. S. Fourth Liberty Bond	500.00
No. D00426574	U. S. Fourth Liberty Bond	500.00
No. F02975766	U. S. Fourth Liberty Bond	100.00
No. D02975594	U. S. Fourth Liberty Bond	100.00
No. K00031080*	U. S. Fourth Liberty Bond	50.00
No. D 3875	State of Kentucky Institutional Warrant Dated January 7th, 1931	257.88

The above described bonds are in coupon form and all unmatured coupons are attached.

The undersigned assumes no liability under said agreement except for the safekeeping of the above described bonds and warrant.

IN WITNESS WHEREOF, The First National Bank and Trust Company of Lexington, Kentucky, has hereunto affixed its corporate name by J. M. Sellars, its Cashier, at Lexington, Kentucky, this 22nd day of April, 1932.

FIRST NATIONAL BANK AND TRUST COMPANY

By \_\_\_\_\_  
Cashier

5. Fire Insurance. President McVey submitted the following report from Klair & Scott, Insurance Agents.

## NEW YORK UNDERWRITERS INSURANCE COMPANY

Klair &amp; Scott

April 26th, 1932

Dr. F. L. McVey, Pres.,  
University of Kentucky,  
Lexington, Kentucky.

Dear Dr. McVey:-

We are in receipt of your letter of April 25th advising that wooden building near the Engineering Buildings has been removed and we are this day applying to the Bureau for a re-rating on those buildings affected by this charge.

As per your request, we are pleased to submit the cost of straight insurance on the buildings which you designated:

lyr.		lyr.	
Straight Insurance		90% Co-Insurance	
Library -- \$50,000.	cost \$113.50	\$342,000.	cost \$277.02
Education-- 50,000	" 226.50	54,000	" 171.18
Memorial -- 50,000	" 268.00	90,000	" 255.60
Dairy -- 50,000	" 130.00	129,000	" 121.26
McVey -- 50,000	" 190.50	210,000	" 287.50
Ag. Eng. -- 30,000	" 426.30	60,000	" 281.40
	<u>\$280,000</u>		<u>\$1354.80</u>
		<u>\$885,000</u>	<u>\$1393.96</u>

In view of the above figures, you can carry \$885,000. with the 90% Co-insurance which will cost you only \$39.16 more than if you carry \$280,000.00 insurance on the straight insurance plan. The reason for this is that the credit for co-insurance on fire proof buildings is so great that you can afford to carry much more insurance on the 90% Co-Insurance plan.

Trusting the above is the desired information and awaiting your advice in regard to final decision, we beg to remain

Yours truly,  
Klair & Scott  
Per Bessie M. Birch  
Sec.

In view of the figures shown in above report the Executive Committee ordered that the Insurance Committee proceed to have the insurance written on co-insurance plan. The cost of the insurance will be approximately \$14,922.11 for one year on college property and \$3,500.00 for one year on Experiment Station property; two and one-half premiums on three year plan and four premiums on five year plan. There will be a credit on unexpired policies on college property of \$3,732.59. It was recommended that the policies be written for one year, but as the matter will not be closed until after July 1st, the final determination of the period of insurance was left open.

6. Group Life Insurance. The faculty committee on group life insurance made request that the Executive Committee consider the advisability of compulsory insurance, a large majority of the staff consenting thereto. The Executive Committee was of the opinion that enforced life insurance was not advisable and took no action on the request.

7. Switchboard Assembly. President McVey reported that it seems advantageous to assemble the five telephone switchboards now on the Campus so that one board may control all telephones; that as a matter of economy many telephones have been discontinued and that one switchboard will decrease the cost of operation. The Lexington Telephone Company has estimated the cost of the change at \$625.00. It was ordered that the change be made.

8. Report on Appropriations Bill. Mr. Pelham Johnston, who was authorized at the meeting of the Board of Trustees of April 18, 1932, to report his conclusions on the financial position of the University under the appropriations bill as passed by the recent Legislature and signed by the Governor, presented a report which was carefully considered and discussed. It was resolved that members of the Executive Committee and Mr. Johnston hold a conference at Frankfort with the proper state officials to further study the problem and to determine proper procedure.

9. No Authority to Endorse Athletic Council Note. The request of the Athletic Council that the University endorse a proposed loan for operating expenses was not approved, it appearing that the University has no authority to make such endorsement.

10. Resignation of Secretary of Board. Mr. Wellington Patrick requested that he be relieved of the duties of Secretary of the Board of Trustees and Executive Committee, suggesting that he wished to devote his entire time to the work as Director of University Extension. The Executive Committee accepted the resignation, expressing appreciation of Mr. Patrick's long and faithful service and regret at his resignation.

D. H. Peak was elected Secretary of the Board and Executive Committee and was duly authorized to prepare, present for approval and have recorded the minutes of the meetings.

Respectfully submitted,

D. H. Peak, Secretary