

# Irregularities

Minutes of Called Meeting of the Board of Trustees, University of Kentucky, November 15, 1935, at 10:30 a. m., held in President McVey's office, Administration Building, University of Kentucky campus, Lexington, Kentucky.

The meeting was called to order by the Chairman, Governor Ruby Laffoon, and on roll call the following members answered present: Governor Ruby Laffoon, Judge Richard C. Stoll, J. B. Andrews, John S. Cooper, Eugene Flowers, Louis E. Hillenmeyer, Dr. George H. Wilson, O. C. Whitfield, G. C. Wells, James R. Rash and R. Miller Holland.

The Chairman then had the Secretary of the Board read the call, signed copies of which had been mailed to each member of the Board ten days before the date of this the proposed meeting of November 15, 1935, and the Board ordered that the call be made a part of the minutes and copied therein. It reads as follows:

The undersigned, Richard C. Stoll, Vice-Chairman of the Board of Trustees of the University of Kentucky, and Richard C. Stoll, Robert G. Gordon and James Park, members of the Board of Trustees of the University of Kentucky, hereby call a special meeting of the Board of Trustees of the University of Kentucky to be held in President McVey's office, Administration Building, University of Kentucky campus, Lexington, Kentucky, at 10:30 a.m., Friday, November 15, 1935.

The object and purpose of the meeting is stated as follows:

"To consider and accept an offer of a grant of \$40,950 made by the Federal Emergency Administration of Public Works to aid in financing the construction of an annex to the Experiment Station building of the College of Agriculture, University of Kentucky.

"To consider and to approve plans, specifications and contract documents for the construction of said annex building, to a total estimated cost of \$90,950.

"To consider and to approve the construction of said annex building.

"To consider and to approve the advertising for contractor's bids for said construction.

"To consider and to approve a resolution or resolutions authorizing the Executive Committee or the Vice-Chairman of the Board of Trustees to negotiate and execute a loan in behalf of the University of Kentucky

in the total sum of fifty thousand dollars, this sum to be used and expended only as the University's cash contribution toward the construction costs of said Annex Building to the Experiment Station, College of Agriculture.

To consider and to approve by resolution the plans, specifications and contract documents for the construction of a Central Heating Plant for the use of the buildings upon the University's campus at Lexington, Kentucky.

To consider and to approve by resolution the advertising for contractor's bids on the construction of said Central Heating Plant or any essential part thereof.

To authorize the Executive Committee of the Board of Trustees to receive said contractor's bids."

Please sign and return in enclosed envelope the enclosed waiver of notice.

The presence of each member of the Board is earnestly desired.

(Signed) Richard C. Stoll  
Vice-Chairman of Board of Trustees,  
University of Kentucky

Richard C. Stoll  
Robert G. Gordon  
James Park  
Members of the Board of Trustees,  
University of Kentucky

The Secretary of the Board then presented waiver of notice of the proposed meeting of November 15, 1935, which had been signed by each member of the Board. A copy was ordered inserted in the minutes. It reads as follows:

Mr. D. H. Peak,  
Secretary of the Board of Trustees,  
University of Kentucky,  
Lexington, Kentucky

My dear Mr. Peak:

I, the undersigned member of the Board of Trustees of the University of Kentucky, hereby accept service of the notice of call for a special meeting of the Board

of Trustees, to be held at Lexington, Kentucky, on November 15, in the office of the President, and consent and agree that said Board shall meet at the time and place named, and for the purpose stated in the notice.

(Signed) Ruby Laffoon  
Richard C. Stoll  
J. B. Andrews  
John S. Cooper  
Eugene Flowers  
Robert G. Gordon  
Louis E. Hillenmeyer  
George H. Wilson  
O. C. Whitfield  
G. C. Wells  
James H. Richmond  
James R. Rash  
James Park  
W. C. Hanna  
R. Miller Holland

The minutes of the meeting of the Executive Committee of the Board on July 18, 1935, were read by the Secretary, D. H. Peak.

The President then explained:

That pursuant to the authority given by the Executive Committee, an application for Federal Funds, to finance a building program upon the University campus at Lexington, Kentucky, had been filed with the State Director of the Federal Emergency Administration of Public Works on July 23, 1935.

That the sum set forth in the application was for a loan of \$600,000 and a grant of \$490,909 in relation of 55 to 45.

That the Docket Number given to this application was No. KY-1013.

That on August 30, 1935, a second application was filed with the State Director for a grant of \$40,950 to aid in the construction of an Annex to the Experiment Station Building, College of Agriculture.

That this application had been given the Docket Number KY-1114.

That this second application was predicated upon the fact that the College of Agriculture, having received certain fees and other income in connection with the general Federal agricultural program, had accumulated a fund, with which it desired to establish a credit for the financing of a needed extension to the Experiment Station Building, provided additional funds could be secured in the form of a grant from the Federal Government.

That the estimated cost of this extension was approximately \$87,000, upon which the application for the grant of \$40,950 was based, -- University funds (College of Agriculture) \$47,000; Federal Emergency Administration of Public Works grant \$40,900 in relation to 55 to 45.

That on September 28 notice had been received that the President of the United States had allotted Federal Funds, wherein the University was awarded under its two applications:

(a) A loan of \$201,500 and a grant of \$165,000 -- Docket No. KY-1013 and,

(b) A grant of \$40,950 to aid in financing the construction of an Annex to the Experiment Station, College of Agriculture, Docket No. KY-1114.

That by letter dated October 3 and after consultation with the State Director, Federal Emergency Administration of Public Works, the University had elected to construct out of the funds received or to be received under Docket No. KY-1013 the following buildings:

A Central Heating Plant, an Engineering College Group Building, a Student Union Building, and a Law College Building.

That it was manifest that all these buildings could not be constructed with the funds then allotted, so therefore by letter dated October 5 a reinstatement of the loan from \$201,000 to the full amount of \$600,000 was requested together with such further grants as might be available from time to time.

That it appeared the Federal Emergency Administration of Public Works had adopted the policy of giving priority to the making of "formal offers" of "grants" and under this policy the "grant", Docket No. KY-1114, had been received under date of October 19.

That upon receipt of this "formal offer", detailed plans and specifications for the Annex to the Experiment Station Building had been prepared and filed with the State Director, Federal Emergency Administration of Public Works, that the Security Trust Company of Lexington, Kentucky, had been consulted as to the extension of a loan to the University to cover its part of the construction costs of this Annex building or \$50,000, -- that the Trust Company had agreed to make such a loan on such conditions and terms as might be deemed best and proper.

That under the rulings of the Federal Emergency Administration of Public Works all plans, specifications and contract documents must be on file with the State Director by November 10, that upon approval of these by the Director, then public advertisements for contract bids must be made through a period of two weeks; and that all awards of contracts must be made by December 15, 1935, on some important part of the buildings or works proposed.

That detailed plans, specifications and contract documents for a Central Heating Plant had been prepared also and filed with the State Director in order to comply with the ruling of the Federal Emergency Administration of Public Works, although no "formal offer" for the loan and grant, or for the reinstatement of the loan, had been received from the Administration. However, assurance had been received from Washington that not only would the original allotment of loan \$201,000, grant \$165,000 be made formally, but that the loan would be reinstated in full or \$600,000, the whole having been approved by the several sections of the Federal Emergency Administration of Public Works and the documents were awaiting the formal signatures of the Administrator himself.

That in order to take advantage of the grant of \$40,950 for the building of the Annex to the Experiment Station, and to do all other necessary things possible in order to comply with the rulings of the Administration such as advertising for contract bids, etc., it was necessary for the Board of Trustees promptly to consider and approve certain acts, plans and resolutions prior to the regular meeting on December 10.

The President further stated he had in hand copies of all pertinent correspondence between the University and the Federal Emergency Administration of Public Works, concerning the foregoing and that these in no way committed the University to any policy or program.

The Chairman then asked the Secretary to read such sections of the minutes of the Executive Committee meetings on July 18, 1935, September 24, 1935 and October 31, 1935, as were pertinent to the matters listed in the call for the special meeting of the Board and discussed by the President. These minutes having been presented, formal approval thereof was deferred until the next regular meeting of the Board of Trustees.

The Chairman then presented to the Board the "formal offer" of the United States of America made through the Federal Emergency Administration of Public Works to aid by way of grant in financing the construction of an addition to the Main Building of the Agricultural Experiment Station.

Resolution No. 1

After discussion of the offer of the United States of America to aid by way of grant in financing the construction of an addition to the Main Building of the Agricultural Experiment Station, the following Resolution, entitled "A Resolution Accepting the Offer of the United States to the University of Kentucky to Aid by Way of Grant in Financing the Construction of an Addition to the Main Building of the Agricultural Experiment Station" was proposed by Louis E. Hillenmeyer and read in full:

A RESOLUTION ACCEPTING THE OFFER OF THE UNITED STATES TO THE UNIVERSITY OF KENTUCKY TO AID BY WAY OF GRANT IN FINANCING THE CONSTRUCTION OF AN ADDITION TO THE MAIN BUILDING OF THE AGRICULTURAL EXPERIMENT STATION.

Be it resolved by the Board of Trustees of the University of Kentucky:

Section 1. That the offer of the United States of America to the University of Kentucky to aid by way of grant in financing the construction of an addition to the Main Building of the Agricultural Experiment Station a copy of which offer reads as follows:

FEDERAL EMERGENCY ADMINISTRATION  
OF PUBLIC WORKS

Washington, D. C.  
October 19, 1935  
State File No. KY-1114

University of Kentucky  
Lexington, Fayette County, Kentucky

1. Subject to the Rules and Regulations (PWA Form No. 179, July 22, 1935, as amended to date) which are made a part hereof, the United States of America hereby offers to aid in financing the construction of an addition to the Main Building of the Agricultural Experiment Station (herein called the "Project") by making a grant to the University of Kentucky in the amount of 45 per cent of the cost of the Project upon completion, as determined by the Federal Emergency Administrator of Public Works, but not to exceed, in any event, the sum of \$40,950.

7.

2. This offer is conditioned upon the applicant's depositing in the Construction Account described in Part 1, Paragraph 9, of the Rules and Regulations which are made a part hereof, prior to the advance of any part whatever of the grant for the Project, an amount equal to at least 55 per cent of the estimated cost thereof.

UNITED STATES OF AMERICA

Federal Emergency Administrator  
of Public Works

By (Sgd) Horatio B. Hackett  
Assistant Administrator"

be and the same is hereby in all respects accepted.

Section 2. That said University of Kentucky agrees to abide by all the rules and regulations relating to such grant a copy of which rules and regulations was annexed to the Government's offer and made a part thereof.

Section 3. That the Secretary be and he is hereby authorized and directed forthwith to send to the Federal Emergency Administration of Public Works three certified copies of this Resolution and three certified copies of the proceedings of this Board in connection with the adoption of this Resolution, and such further documents or proofs in connection with the acceptance of said offer as may be requested by the Federal Emergency Administration of Public Works.

(Signed) Ruby Laffoon, Governor  
Chairman of the Board of  
Trustees of the University  
of Kentucky.

The above resolution was seconded by Mr. Richard C. Stoll and was adopted, with the following voting aye: Governor Ruby Laffoon, Judge Richard C. Stoll, J. B. Andrews, John S. Cooper, Eugene Flowers, Louis E. Hillenmeyer, Dr. George H. Wilson, O. C. Whitfield, G. C. Wells, James R. Rash and R. Miller Holland; and the following voting nay: none.



The Chairman thereupon declared said Resolution carried and thereupon signed said Resolution in approval thereof.

The Chairman then presented to the meeting the plans, specifications and contract documents for the construction of the proposed Annex to the Experiment Station building at an estimated cost of no more than \$90,000. After discussion, the Chairman requested a resolution concerning this proposal. Thereupon Mr. John S. Cooper, seconded by Dr. George H. Wilson, offered Resolution No. 2 which follows: The roll was called, the following voting aye: Governor Ruby Laffoon, Judge Richard C. Stoll, J. B. Andrews, John S. Cooper, Eugene Flowers, Louis E. Hillenmeyer, Dr. George H. Wilson, O. C. Whitfield, G. C. Wells, James R. Rash and R. Miller Holland; and the following voting nay: none; the Chairman thereupon declaring Resolution 2 carried.

### Resolution No. 2

Whereas plans and specifications have been prepared for the construction of an Annex to the Experiment Station Building, College of Agriculture, University of Kentucky, and that said plans and specifications have been submitted and considered by this Board:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AS FOLLOWS:

Section 1. That the plans and specifications for the construction of said Annex to the Experiment Station Building, College of Agriculture submitted by Frankel & Curtis, Architects, are hereby approved and adopted and identified by the signature thereon of Governor Ruby Laffoon, Chairman of the Board of Trustees, and that said building shall be constructed in accordance with said plans and specifications and contract documents thereto attached, which said documents are likewise adopted by this Board.

Section 2. That D. H. Peak, Secretary of the Board of Trustees of the University of Kentucky, is authorized and directed to advertise for the reception of bids for the construction of said Annex to the Experiment Station Building, College of Agriculture, the conditions of the reception of the bids and the advertisement for said bids to conform to the regulations contained in the plans and specifications and contract documents herein adopted.

Section 3. That the Secretary of the Board of Trustees of the University of Kentucky shall advertise for said bids by the publication of a notice for the reception of bids in a newspaper of general circulation, published in the City of Lexington, Kentucky, for a period of at least fourteen (14) days; such notice shall be published in such newspaper for at least two insertions; the date for the reception of bids shall be as determined by the Acting State Director of the Federal Emergency Administration of Public Works of Kentucky.

The Executive Committee of the University of Kentucky is hereby authorized and directed to receive and consider such bids and to determine the lowest and best bid and the Vice-Chairman, Richard C. Stoll, is hereby authorized to execute contracts for the construction of said Annex, provided, however, that the contracts for the construction of said project shall not exceed the sum of \$90,000.

Section 4. The cost of the construction of the project shall be payable solely and only from the proceeds of a loan to be hereinafter authorized by this Board, together with any funds received from the United States of America on account of the grant.

The Chairman then stated that in order that the University may benefit from the grant of \$40,950 offered by the United States of America and in order to comply with the foregoing Resolution, it would be necessary to borrow the sum of \$50,000 as the share of the University in the financing of the Annex to the Experiment Station Building; that the Security Trust Company of Lexington, Kentucky, had offered to make such a loan to the University.

Thereupon Mr. Eugene Flowers offered the following Resolution, which was seconded by Mr. James R. Rash:

Resolution No. 3

A RESOLUTION AUTHORIZING A LOAN OF \$50,000 TO THE UNIVERSITY OF KENTUCKY TO AID IN FINANCING THE CONSTRUCTION OF AN ANNEX TO THE EXPERIMENT STATION BUILDING, COLLEGE OF AGRICULTURE. IN ACCORDANCE WITH PLANS AND SPECIFICATIONS ALREADY APPROVED IN THIS MEETING

Be it resolved by the Board of Trustees of the University of Kentucky as follows:

Section 1. That the President, Frank L. McVey, is hereby authorized and empowered to negotiate and execute the bond of the University of Kentucky in the amount of \$50,000 to the Security Trust Company of Lexington, Kentucky, or other bank or trust company, upon such terms as may be proper.

Section 2. That the basis for credit and payment of interest and principal of said bond shall be limited to the remainder of the special income, accruing now and in the future to the College of Agriculture from special fees, etc.

Section 3. That this bond shall not in any way involve the general credit of the University of Kentucky or involve the income of the University of Kentucky derived or to be derived from what is known generally as "Student Fees".

The roll was called on this resolution and each of the eleven members present voted aye, the Chairman thereupon declaring the resolution carried.

The Chairman then referred to the statement of President McVey concerning the status of the University's application, Docket No. KY-1013, for a loan of \$600,000 and a grant of \$165,000 from the United States of America made through the Federal Emergency Administration of Public Works, saying:

That the President of the United States had set a dead line date of December 15, 1935, for the starting of construction upon some essential part of any project, financed in whole or in part by the United States of America.

That the Dean of the College of Engineering had been in conference with the State Director of the Federal Emergency Administration of Public Works and, in view of the short space of time allowed, had prepared plans, specifications and contract documents for the Steam Distribution System and other essential parts of the Central Heating Plant and had filed these with the Director, as complying with the wishes of the President of the United States.

That whereas the formal offer of the United States had not been fully executed and forwarded to the University, the said offer could not be accepted by the Board of Trustees at this meeting; but in the situation and shortness of time, it was deemed advisable to proceed with such approvals as were possible and with the advertising for contract bids and thus consummate as much of the business as was possible prior to the receipt of the offer.

Therefore he asked that a resolution covering this business be made and seconded in accordance with the provisions of the call for the special meeting of the Board.

Therefore Mr. O. C. Whitfield, seconded by Mr. G. C. Wells, offered Resolution No. 4 which follows. The roll was called, the following voting aye: Governor Ruby Laffoon, Judge Richard C. Stoll, J. B. Andrews, John S. Cooper, Eugene Flowers, Louis E. Hillenmeyer, Dr. George H. Wilson, O. C. Whitfield, G. C. Wells, James R. Rash and R. Miller Holland; and the following voting nay: none; the Chairman thereupon declaring Resolution No. 3 carried.

#### Resolution No. 4

A RESOLUTION AUTHORIZING THE ADVERTISEMENT OF BIDS FOR THE CONSTRUCTION OF THE STEAM DISTRIBUTION SYSTEM AND SUCH OTHER ESSENTIAL PARTS OF THE CENTRAL HEATING PLANT AS HAD BEEN APPROVED BY THE STATE DIRECTOR, FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS

Whereas, the United States of America has heretofore indicated that it will offer to purchase certain special obligation bonds of the Board of Trustees of the University of Kentucky and in addition thereto will make a grant to said Board for the purpose of constructing certain improvements to the plant of the University of Kentucky, and has indicated that a formal offer will be submitted to said Board; and

Whereas, this Board has caused plans and specifications to be prepared for the construction of a Central Heating Plant, and that said plans and specifications have been submitted and considered by this Board:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY, AS FOLLOWS:

Section 1. That the plans and specifications for the construction of a Central Heating Plant submitted by the College of Engineering, University of Kentucky, are hereby approved and adopted and identified by the signature of Governor Ruby Laffoon, Chairman of the Board of Trustees, and that said Plant shall be constructed in accordance with said plans and specifications and contract documents thereto attached, which said documents are likewise adopted by the Board and in like manner identified.

Section 2. That D. H. Peak, Secretary of the Board of Trustees of the University of Kentucky, is authorized and directed to advertise for the reception of bids for the construction of the several essential parts of said central heating plant when and as said parts have received the approval of the State Director, Federal Emergency Administration of Public Works, the conditions of the reception of the bids and the advertisement for said bids to conform to the regulations contained in the plans and specifications and contract documents herein adopted.

Section 3. That the Secretary of the Board of Trustees of the University of Kentucky shall advertise for said bids by the publication of a notice for the reception of bids in a newspaper of general circulation, published in the City of Lexington, Kentucky, for a period of at least fourteen (14) days; such notice shall be published in such newspaper for at least two insertions; the date for the reception of bids shall be as determined by the Acting State Director of the Federal Emergency Administration of Public Works of Kentucky.

The Executive Committee of the University of Kentucky is hereby authorized and directed to receive and consider such bids and to determine the lowest and best bid and to execute contracts for the construction of any one or all of the foregoing projects, provided, however, that the contracts for the construction of said projects shall not exceed the total of the allotment made to the Board of Trustees of the University of Kentucky by the United States Government.

Section 4. The cost of the construction of the projects shall be payable solely and only from the proceeds of special obligation bonds to be hereinafter authorized by this Board, together with any funds received from the United States of America on account of the grant, with the exception of the improvements to the plant of the Department of Agriculture, in which case said Department is to furnish in cash the sum of \$40,950.

During the discussion of the foregoing Resolution, the point was raised concerning the commitment or possible commitment of the University in the advertising for contract bids prior to the receipt of the formal offer by the United States and its acceptance and approval by the Board of Trustees of the University. The Chairman, therefore, furnished a copy of the draft form prepared by the College of Engineering and approved by the State Director, of such advertising for contract bids. The Chairman pointed out that this draft would amply protect the University should anything prevent the receiving of funds from the Government, as would Section 4 of the foregoing Resolution, which had been inserted especially to insure safety. For copies of advertisement refer to appendix.

It was agreed that a call be made for a meeting of the Board of Trustees, the date December 7, 1935, being suggested, for the purpose of transacting further business connected with the P. W. A. contracts and other University business.

The business of the meeting having been completed, on motion of J. B. Andrews, seconded by G. C. Wells, the meeting adjourned.

(Signed) Ruby Laffoon, Governor  
Chairman of the Board of Trustees

D. H. Peak  
Secretary of the Board of Trustees

## CALLED MEETING

Immediately after the close of business of the special meeting, the minutes of which are recorded above, on this the 15th day of November 1935, Judge Richard C. Stoll, Vice-Chairman of the Board of Trustees, asked the members of the Board present to assemble in extraordinary session. To this request the following members answered present: Judge Richard C. Stoll, Eugene Flowers, R. Miller Holland, J. B. Andrews, John S. Cooper, Louis Hillenmeyer, Dr. George Wilson, O. C. Whitfield, G. C. Wells, James R. Rash and Governor Ruby Laffoon.

The Vice-Chairman stated the object of the meeting to be that the members of the Board might be in open meeting pay tribute to the retiring Chairman, Governor Ruby Laffoon.

Thereupon, Mr. Cooper, seconded by Mr. Wells, offered the resolution copied below. The resolution was passed by a unanimous vote and President McVey was directed to have a copy engrossed and signed by each member and officer of the Board, and to present the copy to Governor Ruby Laffoon.

Resolution: The Board of Trustees of the University of Kentucky in session November 15, 1935, having in mind the services of the Honorable Ruby Laffoon, Governor of Kentucky, and chairman of the Board of Trustees during his term of office, 1932-1936, do resolve:

That the thanks of this board are presented to Governor Laffoon for his service as chairman and for his continued interest in the University.

During his administration he has regularly attended the meetings of this board, and in the sessions of the Legislature he supported warmly the appropriation requests of the University with the result that the University's finances were strengthened and systematized.

In addition his enthusiastic support of the Educational Code was of great aid in its passage thru the Legislature.

Be it further resolved that a copy of this resolution appropriately lettered be presented to Governor Laffoon.

On motion, the meeting adjourned.

D. H. Peak  
Secretary, Board of Trustees