

Morehead, Kentucky  
August 7, 1969

The Board of Regents of Morehead State University met in the Conference Room of the President's Office on Thursday, August 7, 1969, at 4 p.m., EDT.

The meeting was called to order by Vice Chairman W. H. Cartmell in the absence of Chairman Wendell P. Butler.

The invocation was given by Dr. Frank Mangrum.

On roll call, the following members answered present:

Dr. W. H. Cartmell  
Mr. Lloyd Cassity  
Mr. Jerry Howell  
Mr. Cloyd McDowell  
Mr. B. F. Reed  
Dr. Frank Mangrum  
Mr. Bill Bradford

Absent: Mr. Wendell P. Butler  
Mr. Charles D. Wheeler

Also present were Mrs. Beverly Fortune, Staff Writer with the Lexington Bureau of the Louisville Courier-Journal, and Dr. Ray Hornback, Vice President for University Affairs.

Motion by Mr. Cassity that the reading of the minutes of the meeting held June 2, 1969, be dispensed with and that the minutes be approved since each member of the Board had received a copy by mail. Motion was seconded by Mr. Howell and unanimously carried.

President Doran presented his report to the Board for the period of June 2, 1969, to August 7, 1969, with certain recommendations:

MOREHEAD STATE UNIVERSITY  
Morehead, Kentucky  
August 7, 1969

Board of Regents  
Morehead State University  
Morehead, Kentucky

DDB048

Minutes of August 7, 1969, cont'd

Gentlemen:

I am submitting my report on the operation of the University for the period of June 2, 1969, to August 7, 1969, with certain recommendations:

I. PERSONNEL CHANGES

A. Resignations

1. Dr. Mohammed Sabie, Professor of Health, Physical Education and Recreation, effective August 8, 1969.
2. Dr. Layla Sabie, Associate Professor of Sociology, effective August 8, 1969.
3. Dr. William Keller, Professor of Business, effective August 8, 1969.
4. Dr. Raza Khadim, Assistant Professor of Psychology, effective August 8, 1969.
5. Mrs. Carol F. Bachand, Secretary, School of Applied Sciences and Technology, effective August 22, 1969.
6. Mrs. Hester Back, Clerk-Typist, Business Office, effective June 30, 1969.
7. Mrs. Corene Castle, Secretary, School of Sciences and Mathematics, effective June 30, 1969.
8. Mrs. Sara Latham, Clerk, Bookstore, effective July 12, 1969.
9. Mrs. Linda L. Young, Secretary, Office of Athletics, effective July 19, 1969.
10. Mrs. Linda Wilmhoff, Secretary, Federal Project, School of Education, effective June 6, 1969.
11. Mrs. Barbara Handshoe, Secretary, School of Education, effective July 1, 1969.
12. Mrs. Linda Marmie, Secretary, Office of the Undergraduate Dean, effective July 13, 1969.
13. Mrs. Virginia Hicks, Typist, Johnson Camden Library, effective June 30, 1969.
14. Mrs. Donna Swaffer, Secretary, School of Humanities, effective August 7, 1969.
15. Mrs. Deborah A. Kida, School of Humanities, effective August 1, 1969.
16. Miss Bette L. North, Director, West Mignon Hall, effective August 8, 1969.
17. Mrs. Sharon Calvert, Machine Operator, Data Processing, effective August 25, 1969.
18. Mrs. Lillie M. Powell, Clerk, Business Office, effective July 31, 1969.
19. Mrs. Mary E. Reynolds, Typist, Johnson Camden Library, effective July 16, 1969.
20. Mrs. Nina Martin, Secretary, School of Education, effective July 31, 1969.
21. Mrs. Peggy Brooks, Secretary, Johnson Camden Library, effective July 31, 1969.



## Minutes of August 7, 1969, cont'd

22. Mrs. Linda Salisbury, Secretary, School of Education, effective August 8, 1969.
23. Mrs. Lois Belcher, Assistant Librarian, Johnson Camden Library, effective August 15, 1969.

B. Appointments

1. Dr. Robert A. Collins, Associate Professor of English, at a salary of \$12,500 for the nine-months period beginning September 1, 1969.
2. Dr. Doris Berry, Associate Professor of Business, at a salary of \$13,500 for the nine-months period beginning September 1, 1969.
3. Mr. Samuel Bowman, Acting Director of Nursing and Assistant Professor, at a salary of \$9,625 for the eleven-months period beginning August 1, 1969, and ending June 30, 1970.
4. Miss Faye Brandon, Assistant Professor of Health, Physical Education and Recreation, at a salary of \$9,500 for the nine-months period beginning September 1, 1969.
5. Mrs. Nell T. Collins, Assistant Professor of Education, at a salary of \$9,500 for the nine-months period beginning September 1, 1969.
6. Dr. Charles Fugler, Assistant Professor of Biology, at a salary of \$11,500 for the nine-months period beginning September 1, 1969.
7. Dr. John J. Hanrahan, Professor of History, at a salary of \$14,000 for the nine-months period beginning September 1, 1969.
8. Mr. Gerry A. Hoover, Instructor of Art, at a salary of \$8,400 for the nine-months period beginning September 1, 1969.
9. Mr. William F. Kessler, Instructor of Music, at a salary of \$8,600 for the nine-months period beginning September 1, 1969.
10. Mr. Ellis O. Maggard, Field Supervisor of Student Teachers and Assistant Professor of Education, at a salary of \$9,000 for the nine-months period beginning September 1, 1969.
11. Dr. Thomas C. Morrison, Head of the Department of Economics and Professor, at a salary of \$14,583.00 for the ten-months period beginning September 1, 1969, and ending June 30, 1970.
12. Mr. Dennis Phelps, Assistant Professor of Business, at a salary of \$11,500 for the nine-months period beginning September 1, 1969.
13. Mrs. Patricia T. Phelps, Instructor of Economics, at a salary of \$8,000 for the nine-months period beginning September 1, 1969.
14. Mr. J. Larry Roof, Assistant Professor of Drama, at a salary of \$9,000 for the nine-months period beginning September 1, 1969.
15. Mrs. Carole Stewart, Assistant Professor of Health, Physical Education and Recreation, at a salary of \$9,000 for the nine-months period beginning September 1, 1969.
16. Mr. Daniel S. Thomas, Instructor of Education, at a salary of \$9,625 for the eleven-months period beginning August 1, 1969, and ending June 30, 1970.
17. Mr. Robert C. Walshe, Instructor of Music, at a salary of \$7,800 for the nine-months period beginning September 1, 1969.
18. Mrs. Sue Lucke, Assistant Professor of Health, Physical Education and Recreation, at a salary of \$8,800 for the nine-months period beginning September 1, 1969.

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## Minutes of August 7, 1969, cont'd

19. Dr. Ed Lucke, Associate Professor of Health, Physical Education and Recreation, at a salary of \$12,500 for the nine-months period beginning September 1, 1969.
20. Mr. David P. Beaver, Assistant Professor of Health, Physical Education and Recreation at a salary of \$11,000 for the nine-months period beginning September 1, 1969.
21. Mrs. Gail Ousley, Instructor of Business, at a salary of \$7,500 for the nine-months period beginning September 1, 1969.
22. Mrs. Mildred Smith, Instructor of Education, at a salary of \$7,500 for the nine-months period beginning September 1, 1969.
23. Mrs. Charlotte Gillum, Instructor in the School of Education and the School of Social Sciences, at a salary of \$6,200 for the nine-months period beginning September 1, 1969.
24. Mrs. Pat Scifres, Instructor of Education, at a salary of \$6,500 for the nine-months period beginning September 1, 1969.
25. Mr. Walter Robbins, Assistant Professor of German, at a salary of \$12,000 for the nine-months period beginning September 1, 1969.
26. Dr. Edward Samaha, Assistant Professor of English, at a salary of \$12,500 for the nine-months period beginning September 1, 1969.
27. Mrs. Molly Payne, Instructor of Education, at a salary of \$7,000 for the nine-months period beginning September 1, 1969.
28. Miss Marcella Kocar, Associate Professor of Business, at a salary of \$11,500 for the nine-months period beginning September 1, 1969.
29. Mrs. Mary Arnett, Assistant Librarian, Johnson Camden Library, at a twelve-months salary of \$7,000 beginning July 1, 1969.
30. Mrs. Lavon Mann, Assistant Instructor, University Breckinridge School, at a salary of \$5,000 for the nine-months period beginning September 1, 1969.
31. Mrs. Alice Jo Saunders, Secretary, School of Education, at an annual salary of \$3,100 beginning July 1, 1969.
32. Mrs. Vongia Caldwell, Clerk-Typist, Business Office, at an annual salary of \$3,060 beginning July 7, 1969.
33. Mr. Wendell Johnson, Trainee Programmer in Data Processing, at an annual salary of \$6,900 beginning July 1, 1969.
34. Mrs. Bea Falls, Secretary, School of Sciences and Mathematics, at an annual salary of \$4,100 beginning September 1, 1969.
35. Mrs. Brenda Hatfield, Cashier, Bookstore, at an annual salary of \$3,060 beginning June 16, 1969.
36. Miss Marilyn Joan Moore, Secretary, Undergraduate Dean's Office, at an annual salary of \$4,500 beginning June 23, 1969.
37. Mrs. Keitha Voight, Secretary, School of Applied Sciences and Technology, at an annual salary of \$3,200 beginning July 1, 1969.
38. Mrs. Tish Young, Secretary, Alumni Office, at an annual salary of \$3,400 beginning July 1, 1969.
39. Miss Charlotte Riddle, Secretary, Johnson Camden Library, at an annual salary of \$3,060 beginning July 16, 1969.
40. Miss Joyce Bowlin, Secretary, Johnson Camden Library, at an annual salary of \$3,060 beginning July 16, 1969.
41. Mrs. Patty T. Richwine, Secretary, School of Humanities, at an annual salary of \$3,060 beginning July 16, 1969.

## Minutes of August 7, 1969, cont'd

42. Miss Barbara Gail Hamilton, Secretary, School of Sciences and Mathematics, at an annual salary of \$3,100 beginning July 10, 1969.
43. Miss Martha Louise Fryman, Secretary, Office of the Director of Athletics, at an annual salary of \$3,100 beginning July 16, 1969.
44. Mrs. Sharon Dennis, Secretary, Johnson Camden Library, at an annual salary of \$3,060 beginning August 16, 1969.
45. Mrs. Ronald Mitchell, Secretary, University Bookstore, at an annual salary of \$3,060 beginning July 31, 1969.
46. Mrs. Broadus Jackson, Assistant Librarian (Part Time), at a salary of \$4,330 for the ten-months period beginning September 15, 1969, and ending June 30, 1970.
47. Mr. Roger Hayes, Head Trainer for the Athletic Teams, at a salary of \$2,200 for the nine-months period beginning September 1, 1969.
48. Sister Rose Kateri, Guidance Counselor, Project Newgate, at an annual salary of \$8,500 beginning June 11, 1969.
49. Mr. Walter Hurns, Graduate Assistant, Student Affairs, at a monthly salary of \$300 beginning June 16, 1969.
50. Mrs. Carol Hardin, Secretary, Johnson Camden Library, at an annual salary of \$3,060 beginning July 16, 1969.
51. Mr. Wayne Morella, Director of Regents Hall, at a salary of \$2,200 for the period beginning September 1, 1969, and ending June 15, 1970.
52. Mrs. Patti Ann Clark, Secretary, School of Education, Institute for Support Personnel, at a salary of \$258.33 per month beginning June 16, 1969.
53. Miss Frances Aiello, Secretary, Institute of Public Broadcasting, at an annual salary of \$3,200 beginning July 1, 1969.
54. Mrs. Terry C. Ball, Secretary, Title I Recreation Project, at an annual salary of \$3,400 beginning July 1, 1969.
55. Mr. James Dotson, Field Counselor, Talent Search, at a salary of \$6,500 for the ten-months period beginning September 1, 1969, and ending June 30, 1970.
56. Mr. Russell James, Field Counselor, Talent Search, at a salary of \$7,500 for the ten-months period beginning September 1, 1969, and ending June 30, 1970.
57. Mrs. Sherry Schneider, Secretary, Talent Search, at an annual salary of \$3,600 beginning July 1, 1969.
58. Mr. Roger Marshall, Graduate Assistant, Adult Radio Project, at a salary of \$244.44 per month beginning July 1, 1969, and ending June 30, 1970.
59. Mrs. Phyllis P. Preston, Executive Secretary, Project Newgate, at an annual salary of \$4,200 beginning July 1, 1969.
60. Mr. Michael McCoy, Field Worker, Project Newgate, at a salary of \$9,000 for the thirteen-months period beginning July 1, 1969, and ending July 31, 1970.
61. Mr. Len Watson, Producer-Director of WMKY-FM and Instructor in Radio-Television at a salary of \$8,000 for the ten-months period beginning September 1, 1969, and ending June 30, 1970.
62. Mrs. Ann Hayes, Evaluation Specialist, Adult Basic Education, at an annual salary of \$13,000 beginning July 1, 1969.
63. Mr. Husain Qazilbash, Curriculum Specialist, Adult Basic Education, at an annual salary of \$12,000 beginning July 25, 1969.

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## Minutes of August 7, 1969, cont'd

64. Dr. John E. Gaus, Adult Basic Education, at an annual salary of \$13,500 beginning September 1, 1969.
65. Miss Karen Sue Cole, Graduate Assistant, Adult Basic Education, at a salary of \$244.44 per month for the nine-months period beginning September 1, 1969.
66. Miss Kitty Peveler, Nurse, Infirmary, at an annual salary of \$4,000 beginning September 1, 1969.
67. Mr. Carl Courtney, Night Mechanic, at an annual salary of \$5,210 beginning July 1, 1969.
68. Mr. Harry Caudill, Power Plant, at an annual salary of \$5,515 beginning September 1, 1969.
69. Mr. Robert Lee Whitten, Associate Professor of Sociology, at a salary of \$12,000 for the nine-months period beginning September 1, 1969.
70. Mrs. Audrey Conley, Assistant Professor of Education, at a salary of \$9,000 for the nine-months period beginning September 1, 1969.
71. Miss Marjorie Bohn, Instructor of Art, at a salary of \$8,200 for the nine-months period beginning September 1, 1969.
72. Lieutenant Colonel Arthur L. Kelly, Associate Professor of Military Science.
73. Staff Sergeant Lovell Mayse, Instructor of Military Science.
74. Mrs. Margaret Scutchfield, Secretary, Bureau of Student Affairs, at an annual salary of \$3,060 beginning September 1, 1969.
75. Mrs. Barbara Adkins, Secretary, School of Education, at an annual salary of \$3,600 beginning August 4, 1969.

C. Adjustments and/or Changes in Personnel

1. Mr. Frank Sandage, Director of Talent Search Project, at a salary of \$11,275 for the eleven-months period beginning July 1, 1969, and ending May 31, 1970.
2. Mr. Rondal Hart, Director of University Breckinridge School, at an annual salary of \$13,500 beginning July 1, 1969.
3. Mr. Tom Crawford, Instructor of Industrial Education, at a salary of \$7,600 for the period beginning August 15, 1969, and ending May 31, 1970.
4. Mr. Roland Burns, Instructor of Geography, at a salary of \$5,300 for the two semesters of the 1969-70 school year on a part-time basis.
5. Mr. John Gartin, Acting Head of the Department of Geography, at a salary of \$13,254.96 for the period beginning July 1, 1969, and ending June 30, 1970.
6. Mr. Harry Mayhew, Leave of Absence without pay, extended to September 1, 1970.
7. Mrs. Lorene Day, Assistant Professor of English, at a salary of \$4,400 for the first semester of the 1969-70 academic year.

Minutes of August 7, 1969, cont'd

II. CANDIDATES FOR DEGREES, August 7, 1969

Exhibit I

III. TRANSFER OF CREDITS FROM JUNIOR COLLEGES

With the establishment and expansion of the junior colleges and the community college system in Kentucky, Morehead State University is faced with the problem of handling credits earned by students who apply for permission to transfer from the community colleges to the University. We should be able to accept those students who desire to transfer after completing an associate degree and those students who desire to transfer with fewer credits than are required to receive the associate degree.

I recommend that the Board of Regents approve the following policy governing transfer of credits from a junior college.

Morehead State University will accept by transfer the credits earned by students who have received an associate degree (based on a minimum of 60 and a maximum of 67 semester hours of college credit) from an accredited college and grant them junior standing. However, before receiving the baccalaureate degree, all transfer students must meet all of Morehead's requirements for this degree.

Morehead State University will accept by transfer the credits earned by students who have not received an associate degree, provided the college from which the student transfers accepts the credits on its associate degree, and provided further that such credits meet all other requirements of transferred credit.

IV. INTERIM FINANCING ON RADER HALL AND THE BOILER IN THE AMOUNT OF \$2,100,000

On March 26, 1969, the Board of Regents approved projects under Consolidated Educational Buildings Revenue Bonds, Series G. These projects were more specifically defined as a New Boiler and Appurtenances, an Addition and Reconstruction of Rader Hall and the Appalachian Technical Institute.

The Board accepted a proposal from F. L. Dupree & Co., Inc., which had been approved by the State Property and Buildings Commission, and the Commissioner of Finance to provide interim financing on the Boiler Project and Rader Hall until such time as final plans could be completed on the Appalachian Technical Institute and Series G Bonds could be sold for all Series G projects.

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Minutes of August 7, 1969, cont'd

The Board, the State Property and Buildings Commission, and the Commissioner of Finance approved an agreement whereby F. L. Dupree & Co., Inc., would provide a guaranteed bid on one-year bond anticipation notes as follows:

New Boiler and Appurtenances	\$ 350,000
Reconstruction and Renovation of Rader Hall	<u>1,450,000</u>
Total	\$1,800,000

This guaranteed bid was based on a maximum legal rate of 6½% per annum. The bid required that final acceptance by F. L. Dupree & Co. would be made on or before June 15, 1969, on the Boiler project and on or before April 15, 1969, on the Reconstruction and Renovation of the Rader Hall project.

The agreement with F. L. Dupree & Co. was then to be used to create a lawful "receivable" in the accounts of the Commonwealth of Kentucky.

Bids were opened on the New Boiler and Appurtenances totaling financial requirements in the amount of \$290,000 instead of the previously estimated \$350,000. In accordance with the agreement a receivable was established by the Department of Finance in the amount of \$290,000 and the contract on the Boiler was awarded.

On Friday, July 25, 1969, construction bids were opened on the Addition and Reconstruction of Rader Hall. The architect had estimated the construction bid in the amount of \$1,196,050 but the lowest bid in the amount of \$1,493,600 was received from C. H. Jimison & Sons Construction Company, Inc.

Between the time bids were opened on Friday, July 25, 1969, and Tuesday, July 29, 1969, the bids were studied and evaluated by the Department of Finance and Morehead State University personnel. Based on these studies it was concluded that a re-bid or re-design could not effect a savings and the likelihood of a less desirable bid was possible. A tentative decision to proceed with an award has been reached by all parties concerned.

Then on Tuesday, July 25, 1969, Mr. Russell McClure, Treasurer of the University, contacted F. L. Dupree & Co. with the request that the company provide acceptance of a guarantee of 6½% interest on the bond anticipation notes by August 15, 1969, to enable the establishment of a receivable as previously outlined in the agreement.

It was then learned that on July 25, 1969, Eastern Kentucky University, operating under identical authority and procedure, had failed to receive a bid on Consolidated Educational Buildings Revenue Bonds, Series J. Based on this information F. L. Dupree & Co. stated their inability to accept a 6½% guarantee on the one-year anticipation notes and further stated an opinion that Morehead State University could not market revenue bonds within the 6½% legal interest limit on the present market.





Minutes of August 7, 1969, cont'd

After study of the various alternatives the State Property and Buildings Commission, the Commissioner of Finance and the F. L. Dupree & Co., Inc. have proposed to offer a revised guarantee agreement subject to a 6½% maximum bid after a two-year period has elapsed. This agreement will serve and has been accepted by the Commissioner of Finance as a legal receivable in the amount of \$290,000 for the New Boiler and \$1,810,000 for the Reconstruction and Renovation of Rader Hall for a total of \$2,100,000.

Rader Hall Project: (Based on bid by C. H. Jimison & Sons)

Architect Fee	\$ 89,480
Construction	1,493,600
Contingency and Equipment	<u>226,920</u>
	\$1,810,000

New Boiler:

Architect Fee	\$ 19,410
Construction	258,371
Contingency	<u>12,219</u>
	\$ 290,000

The revised agreement is submitted as Exhibit II.

The final plans for Women's Dormitory #6 and Men's Dormitory #8 have been completed. The Appalachian Technical Institute, the Addition to the Administration Building and the Addition to Married Student Housing projects are in the programming and preliminary stages. It is not possible at this time and will not be possible until the bond market improves, federal legislation is determined, and the 1970 session of the General Assembly convenes to tell where we will be able to go with the further expansion of our physical plant.

#### V. PURCHASE OF 43-PASSENGER GREYHOUND BUS

We have relooked at the amounts which were budgeted for travel for the athletic teams and the music groups. We have experienced great difficulties in transporting our basketball and baseball teams in station wagons and have been required to charter buses for the football team and music groups. We find it difficult at times to obtain charter service because Greyhound has a monopolistic franchise in the area. When we can obtain a bus we have to pay for what the company calls "deadheading" at the rate of 35¢ per mile and then pay at the rate of 50¢ per mile for the trip plus driver expense.

We have found that we can purchase a secondhand bus from Southeastern Greyhound Company, Cleveland, for the sum of \$19,000. The bus has been driven two (2) years and 200,000 miles. It is appraised to serve the company for a period of six (6) years and 600,000 miles.

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Minutes of August 7, 1969, cont'd

When we consider the amount we would spend for station wagons and for chartered service, we can purchase this bus and live within the 1969-70 budget.

I recommend that the Board approve  
the purchase of a 43-passenger  
Greyhound Bus at a price of \$19,000.

-----End of President's Report except for following exhibits-----

# Morehead State University

FORTY-SECOND

## Summer Commencement



Thursday, August Seventh  
Nineteen Hundred Sixty-nine

## PROGRAM

Prelude: <i>Pastorale</i>	<i>Corelli</i>
<i>Pastorale</i>	<i>Vierne</i>
<i>Choral Preludes</i>	<i>Bach</i>
Processional: <i>Trumpet Voluntary</i>	<i>Purcell</i>
Kathryn Jo-Anna Ray, Organist	
<b>Invocation</b>	<i>Dr. Joseph E. Price</i>
Chairman of the Division of Languages and Literature	
<b>Commencement Address</b>	<i>Dr. Otis A. Singletary</i>
President University of Kentucky Lexington, Kentucky	
<b>Presentation of Graduating Class</b>	<i>Dr. Warren C. Lappin</i> Vice President for Academic Affairs
<b>Presentation of Diplomas</b>	<i>Dean Paul Ford Davis</i> and <i>Dean John R. Duncan</i>
(Names of Graduates to be read by Mr. Bill B. Pierce)	
<b>Conferring of Degrees</b>	<i>Dr. Adron Doran</i> President
<b>Benediction</b>	<i>Dr. Joseph E. Price</i>
Recessional: <i>Prelude and Fugue</i>	<i>Bach</i>
Kathryn Jo-Anna Ray	

#GRADUATING IN ABSENTIA

Candidates for the Degree of Associate of Applied Science

Janelle Cornett

Donna Barnes King

Candidates for the Degree of Bachelor of Music Education

Warren David Flanery  
Michael Howard Franklin  
Dinah Lyn Hawkins  
Billy T. Henson

Jennifer Lee Jefferson  
Danny Kemplin  
Jeannie Kay Rolph McFarland  
Dennis John Rachford

Candidates for the Degree of Bachelor of Business Administration

Howard F. Beauman  
Robert David Goldsmith  
James W. Holloway  
David Hunter  
Landon B. Lowman  
David Arthur Morse  
Lonnie K. Osborne

William Gary Parsons  
John J. Ross, Jr.  
Leonard Runyons, Jr.  
William Jacob Smith II  
John David Wallace  
William Dan Webb  
Jack Robert Wiggers

Leonell Rosell Williams

Candidates for the Degree of Bachelor of Science

Henry William Bachand  
Paul Thomas Bishop, Jr.  
Cynthia Jeanette Chandler Blair  
Garrett Dean Bowling  
G. Madeline Bradley  
Susan Candee Burleigh  
Thomas O. Calvert  
Elizabeth Anne Clark  
Thomas Jefferson Cochran  
#Edwin Freeman Crowell  
Judith Marie Eccles  
Carolyn B. Felix  
Marilyn Lee Fox  
#Joseph W. Fraley  
Patsy Jane Fultz  
Tommy Gayheart  
Lamar Green  
Carolyn Jean Gullett  
James Michael Hall  
Gary Robert Hess  
Alice Margaret Hilton  
Frank Oscar Horton III  
Jerry Lynn Huffman

Marionette Johnson Little  
Robert Dean Lovill  
Carolyn Collins Magnifico  
Jo Ann McIntosh  
Alan Windsor Mkitarian  
William Douglas Morton IV  
Patsy Kathryn Osborne  
Sharon Frances Ann Palatas  
Henry Allen Patrick  
Linda Ellen Phillips  
Albert A. Porter  
Paul Franklin Porter  
Wanda Carol Pugh  
Karren Short Rase  
James Ewan Robertson  
Terry Eugene Roush  
Bonnie Louise Seale  
Freda Nell Stone  
Janice Elaine Story  
Ross William Sweatman  
Frederick Allen Wilson  
Darlene Young  
Terry Phyllis Zoellers

Candidates for the Degree of Bachelor of Arts

Carol Ann Adams  
Charles Bobby Adams  
Carolyn June Adkins  
Dewey Ray Allender  
Martha Catherine Arnold

Elizabeth Bravard Asbury  
Arlan Wayne Ashcraft  
Terry Lee Cowan Ball  
Ronald A. Barlow  
Diana Sue Barnett

## Candidates for the Degree of Bachelor of Arts

Vivian Barnett  
Carolyn Jean Beasley  
Billy Roger Beckett  
Bertha Nell Begley  
Herbert Garland Biggs  
Edward Bishop  
Charles Arlie Blair  
Kenneth Doyle Blair  
Naomi Jean Blair  
Sylvia Dalwick Bowling  
Joan Boyd  
Cecil Howard Brammer  
Patricia Crawford Buckner  
Edward William Casey  
Phyllis Tackett Coldiron  
Penny Sue Coleman  
Carolyn Sue Hughes Collesano  
Harold Allen Collins  
Ralph A. Colville  
Henry B. Combs  
Jerry Lynn Conley  
Nobel Jewel Conley  
Linda Crum Cornette  
Emma Jean Craft  
Mary Roseanne Crum  
Morris Elwood Davenport  
Paul Francis DiLorenzo  
Anthony Allen Durrum  
Richard Danny Eblin  
Phyllis Ann Ertel  
Nancy Adams Fannin  
Judy Ann Felty  
Bessie Nadine Fleming  
Beverly Jean Johnson Franklin  
Nancy T. Frazier  
Phyllis Ann Frazier  
Jimmy Daryl Fuller  
Marilyn Lee Gardner  
Esther M. Garrett  
Charlotte G. Gilbert  
Maude Evelyn Gillum  
James Wyatt Gingrich  
David William Gray  
Bernard Hall  
Eva Mae Hall  
Loreda Hall  
Chester Richard Hartman  
Roger Michael Hayes  
Gloria Maxine Henry  
James David Hensley, Jr.  
Sue Loraine Hensley  
Charles Byrum Hicks  
Sherry Arnett Holbrook  
Rosemary B. Hopkins  
Cleah Gose Howard  
Janet Combs Huff  
Beverly Burns James  
Ada Rose Jobe  
Bonnie Sue Johnson  
Diana Lynn Johnson  
Dinah Henderson Johnson  
Ruby Richards Johnson  
Roland Jones  
June Marie Joseph  
Rebecca Jane Karns  
Charles Louis Kates III  
Judith K. Kegley  
#Kathryn Ann Kitchen  
Dennis George Klasmeier  
James W. Kuntz  
Emmett Alan Langley  
James Robert Mangold  
Roger Clark Marshall  
Paul Anthony Martin  
Sue Ann Essman May  
Catherine Strong McCune  
Dorcie S. McKinney  
Edna Jane McNees  
Oscar Meadows  
Ronnie B. Meadows  
Katherine Virginia Mellenkamp  
Mary Frances Miller  
David Michael Mincey  
Mary Kay Moore  
Richard L. Neel  
Mary Lynne C. Neff  
Glenda Sharon Pack  
Tennice Elene Painter  
Harold David Partin  
Rita Mills Pauley  
Avery Preece, Jr.  
Rose Howard Price  
Joan Ramey  
Dennis Robert Ramler  
#Donald R. Rawlings  
Floretta Hannah Rice  
Jennifer Lynn Rice  
Loretta Joy Roark  
Barry Paul Roche  
Jerry Connel Ross  
#Rebecca Jean Rzonca  
Evelyn May Salisbury  
Joseph Charles Sewell  
#Susan Rush Sherman  
Diana Lynn Shupert  
Sally B. Simpson  
Metta Mabry Skaggs  
Katherine Waggoner Stone  
Bobby Eugene Smith  
Donna Jean Smith  
Weyman G. Smith  
Edward Joseph Spahr III  
Margaret Rose Sparaco  
Sandra Sue Sprinkle  
Betty Ann Staton  
Charlotte Owens Stone  
Larry Dumas Stone  
Priscilla Brown Stone  
Jack Strong  
Ernestene Hall Sturgill  
Melvin Lee Tackett  
Paul Terrill  
Brenda Sue Terry  
Nancy S. Terry  
James Jonathan Thomas  
Clementine Thornsberry  
Vida Ruth Thornsberry  
Carleen Jane Tignor  
Nell Josephine Tipton  
Charles Ray Tussey  
Paula Kathryn Vail  
#Johnny Vermillion  
Faye Elaine Walker

## Candidates for the Degree of Bachelor of Arts

Marvin Walters, Jr.  
Shirley Conley Watley  
Lonnie Watts  
Diane Jane Wells  
Leon Hagood Wesley  
Donald B. Whitt

James Leroy Wilkins  
James Randolph Williams  
Judith Barbara Winters  
Anna Jannette Young  
Frank John Zarro, Jr.  
Nancy Lynne Zaugg

## Candidate for the Degree of Master of Science

Langston Delano Smith

## Candidate for the Degree of Master of Music Education

Harlan Otha Bergman

## Candidates for the Degree of Master of Music

Janet Lykins Martin

Michael George Swaffar

## Candidates for the Degree of Master of Business Education

Gail Crosthwaite Ousley

#Ada Lee Salisbury

## Candidates for the Degree of Master of Arts

Michael John Drahl

Colleen M. Dummitt

#Joyce Watts Hardyman

## Candidates for the Degree of Master of Higher Education

Garnet Crider Amburgey  
Sandra E. Donovan

George Alpha Mays  
Russell Reid McClure

## Candidates for the Degree of Master of Arts in Education

Darvin Allen  
#Paul Baker  
LeMerle Brown Bentley  
Robert Sherrill Boggs  
Virginia F. Brajner  
James Luster Brown  
Nancy Lee Brown  
Wilmer Carroll Browning  
Billy Wayne Burch  
Sadie Nell Caudill  
Pearl Lawson Clark  
Wendy J. Clark  
Bonnie W. Collins  
Sharon P. Dann  
John H. Danner  
Delbert E. Davis  
Paul H. Davis  
Willa Downing Denniston  
Jane Lowrance Doran  
Helena Dorr  
Ardith Dale Duvall  
Vyda Pieratt Fannin  
Linda Kelley Gossett  
Charles William Graham  
Myrle M. Gray  
Johnnie Melvin Hall  
Phillip Haney  
Eddie Daryell Hardy  
Gene William Hemminger  
Don Marvin Henry  
Robert Ezra Himes  
Jerry R. Hutchinson

Hartzel Clinton Jennings  
Larry Douglas Jervis  
Janet Allen Jones  
Lola Faye Cornett Jones  
Paul Rudolph Jones  
Jeanette Harris Kemper  
Leon Cleveland Kennedy  
John Wilson Kirk  
#Daniel R. Kuhner  
Darrell D. Lanthorn  
Mabel F. LeMaster  
#Sandra Ann Maroni  
Bobby Lee Mason  
Michael Woods McCoy  
Robert Crane McKinney  
Ronald Lee Morgan  
Elizabeth Ardonis Moore Muncy  
L. L. Myers  
Bette LaRue North  
James B. Osborne  
Bonnie Ruth Reeder  
Glenna Riffe Rice  
Fred M. Ritchhart  
Patty Church Schrader  
Mary Jordan Schuchat  
James Joseph Schweitzer  
William Ray Scott  
Gleason Slone  
Danny Randall Smith  
Frank Smith  
Ocial Glen Smith  
Timothy M. Smith

marma Catherine Arnold

Norman A. Barlow  
Diana Sue Barnett

## Candidates for the Degree of Master of Arts in Education

Charlotte Sue Stephenson  
George Edward Stepp  
Sylvia Lee Gullett Stepp  
Daniel Roscoe Walker

Eddie Dean Ward  
William E. Warth  
Terrance A. West  
Larry Adrian Wilson

## Graduating with Distinction

Michael Howard Franklin  
Charlotte G. Gilbert  
Cleah Gose Howard  
Kathryn Ann Kitchen

Dennis George Klasmeier  
Glenda Sharon Pack  
Karren Short Rase  
Janice Elaine Story

## Graduating with High Distinction

Marilyn Lee Fox

Jo Ann McIntosh

Ada Rose Jobe



EXHIBIT II

August 1, 1969

Board of Regents  
Morehead State University  
Morehead, Kentucky

-and-

Commissioner of Finance of Kentucky  
Frankfort, Kentucky

Re: The Board's Proposed Financing of Educational  
Buildings and Appurtenant Facilities for its  
Presently Existing Consolidated Educational  
Buildings Project in Rowan County, Kentucky

Gentlemen:

The undersigned, F. L. Dupree & Co., Inc., a licensed Municipal Bond Dealer of Lexington, Kentucky (the "Guarantor"), hereby represents to the Board of Regents of Morehead State University (the "Board"), and to the Commissioner of Finance of the Commonwealth of Kentucky (the "Commissioner"), that the Guarantor is fully informed and familiar with the following:

(a) That the Board, by means of a certain resolution which was adopted in December 1960, (the "Basic Resolution"), has created and established its "Consolidated Educational Building Project (the "Project"), in substance comprising all educational buildings then existing and thereafter erected upon the campus of Morehead State University in Rowan County, Kentucky, with the exception of educational buildings for housing purposes and buildings exclusively for athletic purposes, as distinguished from buildings wholly or principally for the purposes of physical education;

(b) That in said Basic Resolution, and in connection with the creation and establishment of the Project, the Board created and established an issue of its "Consolidated Educational Buildings Revenue Bonds (the "Bonds"), payable solely from the defined and pledged Revenues of the Project, and issuable from time to time in various series, as permissibly authorized in each instance by a Series Resolution, but subject to certain conditions and restrictions expressly set forth and defined, or expressly set forth and permitted, in the Basic Resolution controlling the issuance of each Series Bonds;

(c) That in accordance with the terms and provisions of the Basic Resolution, the Board has heretofore authorized and issued its Bonds of Series A to F, as set forth in the following schedule which, in each instance, shows the Series designation, the date of the Bonds, the amount originally issued, and the amount outstanding at June 30, 1969

Board of Regents  
Morehead State University  
Morehead, Kentucky  
-and-  
Commissioner of Finance of Kentucky  
Frankfort, Kentucky

<u>SERIES</u>	<u>DATE OF ISSUE</u>	<u>ORIGINALLY ISSUED</u>	<u>OUTSTANDING AT JUNE 30, 1969</u>
A	1961	\$1,425,000	\$1,150,000
B	1961	1,400,000	1,265,000
C	1964	1,950,000	1,850,000
D	1966	5,300,000	5,150,000
E	1967	4,350,000	4,285,000
F	1967	<u>4,100,000</u>	<u>4,100,000</u>
TOTALS		\$18,525,000	\$17,800,000

and that with respect thereto there has been no default in the payment of principal and interest when due, and no deficiency in amounts required by the Basic Resolution and the respective Series Resolutions to be paid into the "Consolidated Education Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund");

(d) That the Board, with the concurrence of the Commissioner (and with the concurrence and approval of the State Property and Buildings Commission of Kentucky (the "Commission")), the granting of which concurrence and approval is in express condition hereof as hereinafter set forth), has approved and authorized the undertaking of the construction of additional educational buildings with necessary appurtenant facilities, all of which, when erected and completed, will constitute parts of the Project, at an aggregate cost which is presently estimated to be \$2,100,000. Construction contracts have been awarded on a boiler project and extension of the utilities system aggregating approximately \$290,000, and construction bids have been taken for an addition and reconstruction of Rader Hall, on which \$1,810,000 will be required for a contract award. The above amounts being unavailable until financing is arranged, must be represented by a "receivable" on the books and records of account of the Commonwealth and the Commissioner, in order to permit the present lawful execution of the construction contracts which must be executed in the near future;

(e) That the Board is authorized by Section 56.513 of the Kentucky Revised Statutes, with the approval and concurrence of the Commissioner and the Commission, to make with the undersigned Guarantor the agreement hereinafter proposed, for the purpose of establishing upon the books and records of the Commonwealth a lawfully authorized "receivable" against which such contracts may be executed, all in anticipation of the issuance by the Board of its "Consolidated Educational Buildings Revenue Bonds, Series G".

Board of Regents  
Morehead State University  
Morehead, Kentucky

-and-

Commissioner of Finance of Kentucky  
Frankfort, Kentucky

(f) That the Board and the Commissioner have tentatively determined that it is provident, desirable and expedient in the best interests of the Board and of the Commonwealth that the execution of construction contracts be made possible at this time by the creation of a lawful "receivable" in the manner herein proposed.

In connection with all of the foregoing, we have examined the records of the Board pertaining to the defined "Revenues" of the Project, in the light of the provisions of the Basic Resolution controlling the issuance of parity bonds for the aforesaid purposes, and we have determined to our satisfaction, on a preliminary basis, that the Board is able to demonstrate its ability to issue up to at least \$2,100,000 of such parity bonds, with the required safety or security margin of not less than 1.25 times the maximum amount which will become due for both principal of and interest on all Bonds of Series A to Series G, inclusive, assuming substantial "level debt service" is provided over the customary period of years.

We are advised that the Board, with proper approval of the supervisory authorities, has made a "Fiscal Agency Agreement" with a certain licensed Municipal Bond Dealer, wherein such dealer will be compensated for services in the preparation, publicizing and marketing of the prospective Bonds herein contemplated and referred to. It must be clearly understood that the undertaking of the undersigned Guarantor is wholly separate and independent from your Fiscal Agency Agreement, and that the compensation which we propose that we be paid for undertaking to guarantee to bid, hereinafter set forth, and for certain services which it may become necessary that we perform in connection therewith (and corresponding expenses which we propose to assume), as hereinafter set forth, is in addition to and separate from any compensation which the Board may otherwise be contractually obligated to pay to the Fiscal Agent.

We are familiar with your practice in employing one or more Fiscal Agents in connection with the preparation and marketing of Revenue Bonds; and we are familiar with your practice in providing that in cases where interim financing, in anticipation of the issuance of authorized Revenue Bonds, is authorized to be effected through the issuance of Revenue Bond Anticipation Notes under authority of KRS 56.513, there shall be an additional fee equal to one-half of the fee of the Fiscal Agents, for performance of the additional services incident to the preparation and marketing of such Revenue Bond Anticipation Notes. For convenience we will refer to the fee of the Fiscal Agents for the preparation and ultimate sale of the Bonds as the "Fiscal Agency Fee," and to the additional fee incident to the preparation and marketing of the Revenue Bond Anticipation Notes as the "Note Fee."

Board of Regents  
Morehead State University  
Morehead, Kentucky

-and-

Commissioner of Finance of Kentucky  
Frankfort, Kentucky

Pursuant to your request, the undersigned Guarantor hereby offers to guarantee to the Commissioner, the Board, and the Commonwealth of Kentucky that in the event the Board shall authorize a Series of the Bonds in the proper manner and in accordance with the conditions and limitations set forth in the aforesaid Basic Resolution, and in anticipation of the future sale thereof shall properly authorize the issuance and offering of \$2,100,000 Revenue Bond Anticipation Notes according to KRS 56.513, on or prior to August 1, 1971, the undersigned Guarantor hereby agrees (subject to your acceptance with the concurrence of the State Property and Buildings Commission) to cause a bid to be submitted for the purchase of such Revenue Bond Anticipation Notes in the principal amount of \$2,100,000 (or any lesser amount, if so determined by the Board, the same to mature as determined by the Board and the Guarantor) upon terms of price and interest rate or rates such as will result in an average interest cost to the Board not exceeding the maximum presently permissible statutory rate of 6 - 1/2% per annum or such maximum statutory rate as may be subsequently established by action of the Kentucky State Legislature, but in any event not less than 6 - 1/2%, for the following compensation:

(a) For professional services, payment to the undersigned Guarantor of the "Note Fee" which we have referred to and identified above, in consideration for which the undersigned Guarantor undertakes to pay (i) the cost of causing the Notes to be prepared by a qualified and nationally-known printing firm, (ii) the cost of preparing the disseminating such portion of the customary "Official Statement" as shall be related to the description and proper solicitation for offers to purchase the Notes (as distinguished from that portion of such Official Statement as is related to the authorized and underlying Series G Bonds, which should be a proper obligation of the Fiscal Agents), (iii) that portion of the fees and expenses of Grafton, Ferguson, Fleischer & Harper, Bond Counsel, as are similarly related to the Notes, as distinguished from the Bonds, and (iv) any expenses which may be incurred by us in the performance of our undertaking to submit or cause to be submitted a legally acceptable proposal for the purchase of the Notes; and

(b) As separate and independent consideration to the undersigned Guarantor, for the risk which we assume (subject to the Special Conditions hereinafter set forth) in guaranteeing the production of a legally acceptable bid for the purchase of such Notes, the agreed fee of \$.50 per month per thousand dollars face amount of guarantee.

Board of Regents  
Morehead State University  
Morehead, Kentucky

-and-

Commissioner of Finance of Kentucky  
Frankfort, Kentucky

In the event the Board (with the required concurrence and approval of the Commission and the Commissioner) shall properly authorize the contemplated Series G Bonds, and the \$2,100,000 of Revenue Bond Anticipation Notes contemplated to be issued in anticipation thereof, and shall cause such Notes to be offered for sale in accordance with KRS 56.513 on or prior to August 1, 1971; and in the event that upon the occasion of such public offering of the Notes the undersigned Guarantor shall submit or cause to be submitted a proposal for the purchase of all of said Notes upon the terms hereinabove specified--then it shall be understood and agreed that the undersigned Guarantor will have earned, and shall be entitled to the payment of, the considerations as set forth above, including not only the consideration for services rendered but also the consideration for the risk assumed; and it shall be agreed and understood that such compensation shall in all respects be earned and due to the Guarantor whether the purchase proposal submitted or caused to be submitted by the Guarantor shall be accepted or not, whether the same shall be submitted by the Guarantor alone or in conjunction with others, or wholly by others; and whether or not the Board, the Commission and the Commissioner shall see fit to accept the same, or shall elect to abandon or postpone such financing. All this shall be in agreed recognition of the fact that upon the submission and acceptance of this proposal the undersigned Guarantor will be bound and committed to the risk involved, regardless of future election on the part of the Board, the Commission or the Commissioner to proceed in some other manner--but subject nevertheless to the Special Conditions set forth below.

Notwithstanding the precision of statement of the undertakings and commitments of the Guarantor as hereinabove set forth, it must be understood, according to established custom and practice in other cases of similar guarantees to which the Board and the Commonwealth of Kentucky have been parties, that the obligations and commitments of the undersigned Guarantor are nevertheless subject to the following Special Conditions which are an integral part of this offer, and which have been omitted in the previous statement hereof only according to custom and practice and in order to avoid complexity in the statement of the fundamental conditions. These Special Conditions are:

(i) The guarantee period shall extend for two years from the date of this agreement ending August 1, 1971. On that date, if the terms of the guarantee have not previously been completed, the Guarantor must submit a bid for Bond Anticipation Notes as set forth herein. Prior to the

Board of Regents  
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-and-  
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Frankfort, Kentucky

expiration of the guarantee period, the Board may, at its discretion, require the Guarantor to offer the Bond Anticipation Notes for sale, or the Guarantor may require that the Board authorize the offering of its Bond Anticipation Notes for sale on a date selected by the Guarantor. However, in any offering of Bond Anticipation Notes prior to the expiration of the two-year guarantee period, the Guarantor is not required to submit a bid for such notes. In consideration of time and expense involved in such offering, the Board may not require such offering more than two times during this period.

(ii) The Board and Department of Finance will cooperate with the Guarantor in marketing the notes as the Guarantor may reasonably request.

(iii) If, during the guarantee period in the judgment of the Guarantor, market conditions would make more feasible the sale of bonds, as opposed to bond anticipation notes, the Board, on request of the Guarantor, shall offer for sale its \$2,100,000 Series G Consolidated Educational Buildings Revenue Bonds.

(iv) That at the time of delivery of such Revenue Bond Anticipation Notes, the purchasers will be furnished the unqualified approving legal opinion of Grafton, Ferguson, Fleischer & Harper, Lawyers, Louisville, Kentucky; that it will be stated in such legal opinion that with respect to the Series G Bonds as authorized, the Board's ability to comply with the parity conditions and limitations set forth in the Board's aforesaid Basic Resolution has been shown in the proper manner, so that such Bonds, if sold at the maximum permissible interest rate of 6 - 1/2% per annum, will rank on a basis of parity and equality as to security and source of payment with the Series A to Series F Bonds, inclusive, as in said Basic Resolution contemplated; and that such legal opinion shall be accompanied by the customary certificate of the proper officers of the Board that at the time of delivery of the Revenue Bond Anticipation Notes no litigation is pending or known by the signer or signers of such certificate to be threatened, challenging the validity or legal status of such Bonds or Notes in any respect;

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Morehead, Kentucky

-and-

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Frankfort, Kentucky

(v) That the undersigned Guarantor shall have the privilege of cancelling its liability under this guarantee to bid, upon notice in writing to the Commissioner and to the Chairman of the Board, in the event the United States of America shall formally declare war against any nation or people, or in the event that in the absence of a formal declaration of war, a state of war shall exist in fact between the United States and a major world power to such extent as materially and substantially to affect the ability of public bodies, generally, to accomplish the financing of comparable undertakings upon a reasonable basis; and

(vi) That the undersigned Guarantor shall have the privilege of cancelling its liability under this guarantee to bid, upon notice in writing to the Commissioner and to the Chairman of the Board, in the event that prior to delivery of the Revenue Bond Anticipation Notes, the Congress of the United States shall enact any legislation, or any Court shall hand down any decision, or the Internal Revenue Service of the United States shall promulgate any regulation which, in the opinion of the above-named law firm, is such that said lawyers are unable or unwilling, in the exercise of their professional judgment, to state in their approving legal opinion that the receipt of interest on the Series G Bonds and the receipt of interest on said Revenue Bond Anticipation Notes, by private holders thereof is, at the time of delivery of the Revenue Bond Anticipation Notes, exempt from income taxation by the United States under then existing laws.

Board of Regents  
Morehead State University  
Morehead, Kentucky  
-and-  
Commissioner of Finance of Kentucky  
Frankfort, Kentucky

It is understood and agreed that this offer, and your acceptance hereof, with the concurrence of the State Property and Buildings Commission, will create a contract entirely separate and distinct from your Fiscal Agency Agreement, hereinabove referred to, and will not constitute a modification of any of the terms and provisions thereof.

Upon our receipt of a copy of this letter signed by the proper officers of the Board, and by the Commissioner on behalf of the Board and on behalf of the Commission, accompanied by authenticated copies of Resolutions showing proper authority for approval and acceptance, this letter and our commitments hereunder will be effective.

Respectfully submitted,

F. L. DUPREE & CO., INC.

By: [Signature]  
(Authorized Officer)

Accepted on Behalf of the Board of Regents of Morehead State University pursuant to a Resolution duly ratified at a meeting held on August 7, 1969.

BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY

By: \_\_\_\_\_  
(Chairman or Vice-Chairman)

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AND ACCEPTED, \_\_\_\_\_, 1969

COMMISSIONER OF FINANCE OF KENTUCKY, on Behalf of the Board of Regents of Morehead State University and on Behalf of the State Property and Buildings Commission of Kentucky.

By: [Signature]  
Commissioner of Finance



*C. Russ  
Bandy  
Alayforth  
(F)*

July 31, 1969

MEMORANDUM

TO: Files

FROM: B. B. Strange  
Assistant Director

SUBJECT: S-208-70  
Renovation of Rader Hall  
Morehead State University  
Morehead, Kentucky

Bids were opened on the above subject project, July 25, 1969. Lump Sum combined bids were received, that is all phases of the work being bid to and through the General Contractor. Two bids were received and are as follows:

<u>Firm</u>	<u>Lump Sum Bid Amount</u>
1. C. H. Jimison & Sons, Inc. Huntington, West Virginia	\$1,493,600.00
2. Sullivan & Cozart, Inc. Louisville, Kentucky	\$1,495,000.00

The estimate for this project is \$1,196,050.00, whereby the low bid overruns the estimate by \$297,550.00 or 24.8%.

Due to the high overrun of bids to the estimate, an analysis has been made to try and determine where and why of this overrun. This analysis is as follows:

The apparent low bidder stated that he had included in his lump sum bid the following amounts for the mechanical and electrical phases of the work.

Mechanical	\$ 476,000.00	(est. \$296,100.00) plus 60.7%
Electrical	\$181,000.00	(est. \$141,900.00) plus 27.5%

Page Two  
July 31, 1969

Relative to the mechanical phase, it was determined that one mechanical subcontractor put out a preliminary price of \$450,000.00 to one general bidder, but never confirmed it, and put out a confirmed price of \$446,000.00 to another prime bidder. A third mechanical subcontractor, who blocked out the mechanical phase, but did not bid, stated that in his estimate the mechanical work or phase should be around \$420,000.00 to \$430,000.00. The named mechanical subcontractor stated that his final bid price to the low general contractor was \$414,000.00. On this basis, the low general added \$62,000.00 or 14.9 percent to this amount to arrive at \$476,000.00. This no doubt was done because of uncertain labor and material factors. It is known that the increases in plumbers' rates will be applicable before this job is due to be completed. The first two increases are known, but the third increase is subject to negotiation and is unknown by the bidders.

In regard to the electrical phase of the work, the contractor's specified amount of \$181,000.00 is approximately 27.5% over the estimate. It was determined from another electrical subcontractor that his bid price to the two generals was \$153,000.00, so at the minimum, this would mean that the general contractors added some \$23,000.00 or approximately 14% to the electrical subcontractors bid. The reason is apparently the same as for mechanical, area location, labor and material factors.

The above analysis of the two major tracks indicate there is approximately a net add on by the two generals of some \$85,000.00 or 15%. This amount should be reduced by some percentage because it would be normal to assume that the contractor needs a percentage for administering these contracts. In most areas, this would be 0 to 5%; however, in the Morehead area it could be somewhat higher. It should be noted, both contractors added approximately the same percentages as only \$1,400.00 separates the two bids. This is not to be construed as derogative to the architect or contractors. They are caught in the labor and material factors the same as the state.

Taking all of the above factors into consideration, the first logical conclusion would be to re-advertise, however, further analysis does not indicate this would improve the situation. Every effort was made to solicit bidders, newspaper advertisement, direct advertisements from this office, plus telephone calls. To separate and receive bids direct on the mechanical and electrical phases of work would not necessarily result in any lower final cost. The general contractors could still and probably would include supervisory, administrative, and contingency cost in their bid. There has been no confirmation that we would get any new bidders, and we run the risk of losing the ones we have on hand. They have already expended cost and time as well as exposed their bid prices. While it is apparent that the architects estimate was too low and cost cushions have been included by the bidders, this writer knows of no solution, short of rejecting all bids and abandoning the project. This approach does not correct the problems. Therefore, if it is determined that the facilities

Page Three  
July 31, 1969

is needed, then it is the recommendation that the contract be awarded as the lowest and best bid received under current conditions.

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BBS:ps

cc: Albert Christen, Commissioner  
N. B. McCubbin, Director  
W. T. McConnell  
Dr. Adron Doran ✓  
Lee Potter Smith,  
Pritchett, Hugg & Carter

# THE LEXINGTON HERALD

Published Monday Through Friday Mornings Excluding Holidays

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DON MILLS, Editor

FRED B. WACHS, General Manager

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Thursday, August 7, 1969

## We Need To Be Realistic About Bonds

State government moved this week to put the Commonwealth \$37 million more in debt by pledging its support for that much construction at the University of Kentucky and Eastern Kentucky University despite the chaotic bond market.

Financiers wanted a guarantee since the schools are limited by state law from paying over 6.5 per cent interest rate on the revenue bonds. Indications are that the interest rate may exceed that amount before all the bonds are sold on the market.

Actually the underwriting makes little difference to the taxpayer since the money in the end comes out of state money anyway. But we do have some serious concerns about this whole question of borrowing and continuing to pile up a huge state debt.

First, the present state constitution forbids the state from going into debt without a vote of the people. Thus general obligation bonds cannot be issued. However, in the 1950s a way was found to skirt the prohibition.

The concept of state authorities and revenue bonds was initiated. An authority can be created by the General Assembly for a specific purpose. It can issue revenue bonds and use the money for improvements, then lease the improvements to the state or as in this case to the universities.

It was—and is—a roundabout way of borrowing money. And since the first authority was created the beast has multiplied like a rabbit family.

Being a roundabout way, it is a more expensive way. Interest rates on revenue

bonds are higher than they are on general obligation bonds which as we stated are illegal in Kentucky without a vote.

The authorities system, which uses the revenue bond route, is strictly a means which fools no one. It is all state money. It increases the overhead. And it merely serves as a subterfuge to technically avoid the constitutional prohibition against borrowing money.

If the state is going to borrow money—and it obviously is—it should do so openly in the state's name. It should not pay the extra financial costs and assume the extra inconvenience of hiding behind a technicality.

Revenue from the universities in the form of tuitions and dormitory rent simply do not pay off the revenue bonds. To make up the difference, the state is having to dip into its General Fund in its appropriations to the institutions at budget time. We repeat: it is all state money.

Our second concern involves the State Property and Building Commission and whether this authority is keeping a close tab on the state's indebtedness for campus construction. As the issuance of revenue bonds increases, so does the debt service.

We need to make sure we are not getting in over our heads. We need to make sure, and it may well be the case, that the increased building values due to time and inflation is offsetting most of the debt service cost.

Let the state issue bonds in moderation and for good purposes. And let us through a constitutional amendment abolish the revenue bond system in favor of the general obligation bond method.



Minutes of August 7, 1969, cont'd

Motion by Mr. Cassity that the Personnel Changes -- (A) Resignations, (B) Appointments, and (C) Adjustments -- be approved. Mr. McDowell seconded the motion and the motion was adopted by the following roll call vote:

Dr. Cartmell	Aye
Mr. Cassity	Aye
Mr. Howell	Aye
Mr. McDowell	Aye
Mr. Reed	Aye

Nays:	None
-------	------

Motion by Mr. McDowell that the Board approve the list of Candidates for Degrees. Motion was seconded by Dr. Mangrum and unanimously carried.

Motion by Mr. Bradford that the Board approve the policy governing the transfer of credits from a junior college. Motion was seconded by Mr. Cassity and unanimously carried.

Motion by Mr. Howell that the Board approve the purchase of a 43-passenger Greyhound Bus at a price of \$19,000 from funds already budgeted for athletic and institutional travel. Mr. Cassity seconded the motion and the motion was adopted by the following roll call vote:

Dr. Cartmell	Aye
Mr. Cassity	Aye
Mr. Howell	Aye
Mr. McDowell	Aye
Mr. Reed	Aye

Nays:	None
-------	------

Motion by Mr. Howell that the Board approve the revised agreement covering the Interim Financing on Rader Hall and the Boiler in the amount of \$2,100,000 as presented in Exhibit II. Mr. Reed seconded the motion and the motion was adopted by the following roll call vote:

Dr. Cartmell	Aye
Mr. Cassity	Aye
Mr. Howell	Aye
Mr. McDowell	Aye
Mr. Reed	Aye

Nays:	None
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DDB048

Minutes of August 7, 1969, cont'd

Motion by Mr. Howell that the meeting adjourn. Motion was seconded by Mr. Cassity and unanimously carried.

W. A. C. C. C. C.  
Vice Chairman

Joyce Hart  
Secretary