MEETING #151

Upon request of five Board members and at the call of Mr. Willard L. Marks, President, a special meeting of the State Board of Higher Education of the State of Oregon was held at the Benson Hotel, Portland, Oregon at 2:10 P.M. on February 19, 1946.

ROLL CALL

The meeting was called to order by the President of the Board, Willard L. Marks, and on roll call the following answered present:

Leif S. Finseth
R. E. Kleinsorge
Phil Metschan
Herman Oliver
Beatrice Walton Sackett
Edgar W. Smith
Willard L. Marks

Absent: R. C. Groesbeck, A. R. Watzek.

There were also present: Chancellor Frederick M. Hunter; Dr. Charles D. Byrne, Secretary of the Board; President C.A. Howard of Oregon College of Education; and Dr. Roben J. Maaske of Eastern Oregon College of Education.

RE A. R. WATZEK

Dr. Byrne reported that he had received a letter from Mr. Watzek's brother indicating that Mr. Watzek is enroute home from Arizona but that he will be confined to his home for some little time after his return.

READING OF MINUTES

Approval of the minutes of the meeting held January 22, 1946 was deferred until the next regular meeting.

OPENING OF BIDS ON WOMEN'S DORM AT OSC

Dr. R. E. Kleinsorge, Chairman of the Buildings, Grounds and Capital Outlay Committee, presented the following report:

"The Building Committee opened bids yesterday at 2 P.M. on the Women's Dormitory at Oregon State College. There were six bidders on the general construction contract, two on the mechanical contract, and four on the electrical contract. The low bid on the three contracts totaled $1,115,744. This bid was approximately $390,000 above the cost estimates on the bidding. This would make the cost per occupant $4,134, which is more than double the construction costs of existing dormitories. The Building Committee is, therefore, recommending that all bids be rejected and that the bidder's bonds be returned to the bidders."

The Board approved the report of the Building Committee, rejecting the bids submitted on the Women's Dormitory, and directed that the bidders bonds be returned to the bidders.
Dr. Kleinsorge concluded the report of the Building Committee as follows:

"The Building Committee also opened bids on the dormitory addition at Eastern Oregon College of Education at 3:30 P.M. yesterday afternoon. There were two bidders on the general construction contract, three bidders on plumbing and heating and two bidders on electrical contracts. The low construction bid totaled approximately $127,000. With architect's fees, equipment and other costs added, the structure would cost in the neighborhood of $153,000, which is about $30,000 above the cost estimates. The Committee is recommending rejection of the plumbing and heating and the electrical bids and readvertising for new bids on these two contracts, the bids to be opened at 9 A.M., March 11. Consideration will then be given to the awarding of contracts on the structure.

"The low bidder on the general contract was McCormack Construction Company of Pendleton with a basic bid of $89,985.

"On the basis of bids received, the per occupant cost of this dormitory addition is about $2,000."

The Board approved the report of the Committee and the recommendations contained therein.

Mr. Edgar W. Smith, Chairman of the Finance Committee, presented the following report:

"The Chairman of the Finance Committee opened the bids on the $900,000 bond issue for the Oregon State College dormitory at 10:00 A.M. yesterday. There were three bidders. The low bid was submitted by Elyth and Company with an effective interest rate of 1.823. The second low bid was submitted by a syndicate headed by Fester and Marshall with an effective interest rate of 1.833. The third bidder was the First National Bank of Portland with an effective interest rate of 1.844.

"The Finance Committee was very pleased with these bids inasmuch as they reflect a confidence in the financial policies of the State Board of Higher Education. Unfortunately the construction bids, which were opened later in the day, are so high that it will be impossible to go forward with the construction of the building. The Finance Committee is, therefore, recommending that the bids on the bonds be rejected and that the checks submitted by the bidders be returned."

The Board approved the report of the Committee, rejecting the bids on the bonds, and directed that the checks submitted by the bidders be returned.

Dr. Byrne reported that it would be necessary to advertise the sale of bonds to finance the Eastern Oregon College of Education Women's Dormitory addition. Inasmuch as the electrical and mechanical contract bids were rejected, by readvertising for these construction bids and advertising for bond bids immediately, Dr. Byrne indicated the awards on construction and bonds could be made simultaneously.
Mr. Bork suggested advertising for a $150,000 bond issue, amortized over a 25-year period, with bids to be opened at 4 P.M. Saturday, March 9, the award to be made at the regular meeting of the Board on March 12, at 10 A.M. Mr. Bork reported that to service the bonds, the Board would pledge the net income from the new addition to the building, income from the existing dormitory building and the student building fee of $5. The Board approved the schedule suggested by Mr. Bork.

President Marks announced the appointment of Phil Metschan to represent the State Board of Higher Education in approving and signing the list of candidates for degrees at the University of Oregon Dental School commencement to be held February 26, 1946. This is the first commencement exercise to be held at the Dental School since it became a state institution.

President Marks reported that Edgar W. Smith would represent the Board at the reception for Dr. Elmo Stevenson, President of Southern Oregon College of Education, to be held February 25, 1946 at Ashland.

Mr. Marks reported that the Executive Committee and other Board members discussed at some length the proposal made that the State Board of Higher Education accept from the Federal Government the Marine Barracks at Klamath Falls, with the idea that it be operated as a higher educational unit for veterans during the post-war emergency. Mr. Marks read the following statement, which represented the Board's position on the matter:

"In regard to the proposal that the State Board of Higher Education accept from the Federal government the six million dollar marine center to be operated as a higher educational unit primarily for veterans during the postwar emergency, members of the Board have arrived at certain conclusions.

"We have perused a rather comprehensive report as to the nature and extent of the facilities offered prepared by the Secretary of the Board in collaboration with representatives of the State College and University who inspected the Klamath plant. We have concluded from this and other information that the proposal to operate a limited educational unit there on an emergency basis is practical from the standpoint of the physical plant and feasible educationally.

"The financial problem involved is equally important, however, as the Board is constantly faced with too limited funds to operate the existing units of the State System as we would like. Consequently we feel that if we as a Board are to operate a new unit at Klamath Falls, even on a temporary basis, funds needed over and above the fee income will have to be supplied outside the Board's present resources. It should also be stated that the Board has already considered additional means of meeting the veteran overflow such as expanded summer sessions and additional general extension facilities.

"Arrangements have been made for as many members of the Board as can do so to visit the Klamath installation next Saturday to get first hand information as to the situation."
Dr. Byrne was instructed to notify Mr. Groesbeck, by wire, of the Board's proposed trip to Klamath Falls to inspect the barracks.

ADJOURNMENT

The Board adjourned at 2:25 P. M.

WILLARD L. MARKS, President

CHARLES D. BYRNE, Secretary