STATE BOARD OF HIGHER EDUCATION
MINUTES OF MEETING HELD AT
HOTEL BENSON, PORTLAND, OREGON

May 26, 1959

Meeting #275-1 In compliance with the April 28, 1959, written request of a majority of the members of the Board for a special meeting and at the call of the President of the Board, the Oregon State Board of Higher Education convened in special session at the Hotel Benson, Portland, Oregon, on May 26, 1959.

Roll Call The meeting was called to order at 11:00 A.M. by the President, Mr. Henry F. Cabell, and on roll call the following answered present:

Mr. Henry F. Cabell Mrs. Cheryl S. MacNaughton
Mr. J. W. Forrester, Jr. Mr. Douglas McKeen
Mr. A. S. Grant Dr. Ralph E. Purvine
Mr. Allan Hart Mr. Wm. E. Walsh
Mr. Chas. R. Holloway, Jr.

Absent: None.

Board and Institutional Officials Present: Chancellor John R. Richards; Secretary Earl N. Pallett; President A. L. Strand of Oregon State College; President E. P. Millar of Portland State College; Dean D. W. E. Baird, University of Oregon Medical School; Dean H. J. Noyes, University of Oregon Dental School; Dean J. W. Sherburne, General Extension Division; Dean W. C. Jones of the University of Oregon; Dr. E. E. Hummel, Assistant to the President, Portland State College; Mr. J. O. Lindstrom, Business Manager, University of Oregon; Mr. W. A. Zimmerman, Assistant to the Dean and Business Manager, University of Oregon Medical School; Mr. R. A. Adams, Superintendent of Physical Plant, Oregon State College; Mr. G. M. Robertson, Business Manager, Oregon State College; Mr. W. L. Thompson, Director of Public Services, University of Oregon; Mr. D. R. Larson, Assistant to the Dean, General Extension Division; Comptroller H. A. Bork; Budget Director R. L. Collins; Mr. John L. Watson, Assistant Comptroller; Mr. J. I. Hunderup, Administrative Assistant, Comptroller's Office.

Others Present: Mr. Fred H. Paulus, Deputy State Treasurer of Oregon and Secretary of the State Bond Commission; Mr. Gordon Barker, Assistant Deputy State Treasurer.

CONSIDERATION OF BOND BIDS DEFERRED TO AFTERNOON SESSION President Cabell opened the meeting by stating that the principal purpose of the special Board meeting was to consider the acceptance or rejection of bids for the $9,055,000 State of Oregon, State Board of Higher Education Building Bonds, Series 1959 A, for which bids had been opened at 9:00 o'clock that morning. He stated that there had been complications in determining the legal low bid. To allow ample time to determine the lowest bidder and to invest the possible legal problems, President Cabell suggested that consideration of the bond bids be deferred until 1:30 P.M. or 3:30 P.M., depending on the time required. He also suggested that only those items on the agenda that were not directly affected by the bond sale be discussed at the morning
session. The Board approved his suggested procedure after it had been determined that a quorum could be in attendance during the afternoon session.

As an introduction to his recommendation to increase student fees, the Chancellor stated that the matter was being brought to the special meeting in order that a public announcement of any approved changes could be made as rapidly as possible. He explained that the biennial unrestricted fund budget of the Board as approved by the 1959 Legislature, contemplated an increase of $10.00 per term for full-time resident students and $20.00 per term for full-time nonresident students, effective with the 1959 fall term.

The Chancellor also stated that because of the new higher level of interest cost on bond borrowings to finance the construction of various self-liquidating projects, such as dormitories, additions to student centers, etc., he was recommending, with the concurrence of institutional executives an increase of $1.00 per student per term in the building fee. This increase is necessary to establish and maintain a two-year sinking fund and provide a ratio of expected income to debt service of 1-1/2 to 1. As a matter of record, needed increases in the approved initial sinking funds for the $9,055,000 bond issue at the several institutions are as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Increase Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon College of Education</td>
<td>Addition not required</td>
</tr>
<tr>
<td>Oregon State College</td>
<td>$28,558 from unallocated student building fee balances and $10,000 from the contingency of the dormitories now being constructed.</td>
</tr>
<tr>
<td>University of Oregon</td>
<td>$4,020 from unallocated student building fee balances.</td>
</tr>
<tr>
<td>Southern Oregon College</td>
<td>$3,030 from unallocated student building fee balances.</td>
</tr>
<tr>
<td>University of Oregon Medical School</td>
<td>$1,380 from unallocated student building fee balances.</td>
</tr>
<tr>
<td>University of Oregon Dental School</td>
<td>Addition not required.</td>
</tr>
<tr>
<td>Portland State College</td>
<td></td>
</tr>
</tbody>
</table>

The recommended fee changes would result in the following charges for full-time students per term, effective with the fall quarter of 1959:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon State College, University of Oregon, Portland State College</td>
<td>$85.00</td>
<td>$170.00</td>
</tr>
<tr>
<td>Colleges of Education</td>
<td>73.00</td>
<td>118.00</td>
</tr>
<tr>
<td>University of Oregon Medical School - Medical Students</td>
<td>201.00</td>
<td>302.00</td>
</tr>
<tr>
<td>Undergraduate Nurses</td>
<td>60.00</td>
<td>124.00</td>
</tr>
<tr>
<td>Medical Technology Students</td>
<td>80.00</td>
<td>135.00</td>
</tr>
<tr>
<td>University of Oregon Dental Students - Undergraduate Students</td>
<td>201.00</td>
<td>302.00</td>
</tr>
</tbody>
</table>
The Chancellor also requested authorization to make corresponding adjustments in the fees for other students (graduates, research assistants, part-time students, etc.) at all of the institutions and in the General Extension Division.

The Chancellor stated that based on current enrollment, the recommended increase in fees, excluding that from the building fee increase, would make up the $1,320,000 which the legislature had removed from the System budget with the suggestion that this amount be offset by a fee increase. He indicated that fees in all public higher educational institutions have been rising generally. With the proposed increases, the State System will retain its median position among other states with regard to fees charged for both resident and nonresident students.

On motion by Mrs. MacNaughton and second by Mr. Grant, the Board as a Committee-of-the-Whole voted to authorize the recommended fee increases as outlined by the Chancellor, and also to increase the sinking fund for the $9,055,000 Series 1959 A bond issue.

At the June 1958 meeting, the preliminary plans for the addition to the Central Heating Plant at Oregon State College, prepared by Engineer W. Bruce Morrison, were approved. President Strand and Engineer Morrison presented final plans and specifications for this project, which agreed in substantial detail with the preliminary plans, including the removal of an existing condemned boiler and the installation of a new package oil-and-gas-fired boiler and a new field-assembled, waste wood, oil-and-gas-fired boiler. The project also includes the installation of a new oil storage tank, auxiliary equipment, and improvements to above-ground storage facilities for waste wood. The two new boilers have a combined capacity of 110,000 pounds, which supplements the existing evaporating capacity of 135,000 pounds of steam per hour and covers the heating requirements of the institution until approximately 1964. The estimated cost of the project for which funds were appropriated by the 1959 Legislature, is $990,000.

The Chancellor concurred with the recommendation of President Strand that the final plans and specifications be accepted and that bids be obtained at 11:00 A.M. on June 12, 1959, at the General Extension Division in Portland. It was the understanding that the first alternate would provide for a cinder remover for the only existing boiler using hogged fuel in order to eliminate the resulting air pollution nuisance to the community; the second alternate is to be an ash conveyor to service all boilers.

In order to meet the requirements of the Federal Government, which provided the advance planning funds, the Chancellor also recommended that the following resolution be approved:
RESOLUTION APPROVING THE COMPLETED FINAL PLANNING REPORT WITH AN
ADVANCE FROM THE UNITED STATES OF AMERICA FOR CENTRAL HEATING PLANT
ADDITION, OREGON STATE COLLEGE, UNDER THE TERMS OF PUBLIC LAW 560,
33rd CONGRESS OF THE UNITED STATES AS AMENDED

WHEREAS, the Oregon State Board of Higher Education on behalf of
Oregon State College accepted an offer from the United States
Government for an advance for final plan preparation of a public
work described as a Central Heating Plant Addition, Oregon State
College, Corvallis, Oregon; and

WHEREAS, W. Bruce Morrison, Engineer, was engaged to prepare a
final planning report for the aforesaid public work and said
engineer has completed the report and submitted it for approval;
and

WHEREAS, the completed final planning report has been carefully
studied and is considered to comprise adequate final planning of
the public work essential to the community and within the financial
ability of the Oregon State Board of Higher Education on behalf
of Oregon State College to construct;

NOW, THEREFORE, BE IT RESOLVED by the Oregon State Board of Higher
Education, the governing body of said applicant, that the planning
report submitted by W. Bruce Morrison as the basis for detailed
planning and construction of the Central Heating Plant Addition,
Oregon State College, dated May 12, 1959, in connection with
Housing and Home Finance Agency Project No. Ore. 35-P-3044 be and
the same is hereby approved; and that certified copies of this
resolution be filed with the Housing and Home Finance Agency as a
part of the final planning report.

On motion by Director Walsh, and second by Director Grant, the
following voted in favor of approving the recommendation and adopting
the resolution as presented: Directors Cabell, Forrester, Grant,
Hart, Holloway, MacNaughton, McKean, Purvine, and Walsh.

Those voting against adoption: None.

The President of the Board thereupon declared the report accepted and
the resolution duly adopted by a unanimous vote.

FINAL PLANS
DORMITORY
No. 5 and
CAFETERIA, OSC

At the March 1959 meeting, preliminary plans for Dormitory No. 5 and
Cafeteria at Oregon State College, prepared by Architects Burns, Bear,
McNeil & Schneider, were approved. The plans proposed the construction
of a residence hall to accommodate 315 students and a house mother,
and a cafeteria to serve the proposed new dormitory and the residents
of one or more units of the dormitory quadrangle now under construction.
President Strand and the architects presented the final plans and the
specifications for these buildings, indicating that the arrangement
and accommodations were to be the same as those indicated when the
preliminary plans were presented to the Board and approved. The
dormitory is to have an area of 61,653 square feet and will be con-
structed of reinforced concrete with brick veneer and exterior curtain
walls. The cafeteria, a one-story, rectangular-shaped building with partial basement, will have an area of 28,645 square feet and will utilize concrete construction with brick veneer. The estimated cost of the project is $1,835,000 consisting of $1,087,415 for the dormitory and $747,585 for the cafeteria. Funds are to be provided from the sale of the bond issue on which bids were opened earlier today.

The Chancellor concurred in the recommendation of President Strand that the final plans and specifications be approved and that bids be obtained at 11:00 A.M., on June 12, 1959, at the General Extension Division Building, Portland.

In connection with the consideration of Dormitory No. 5 and Cafeteria for Oregon State College, there was discussion regarding the advisability and feasibility of moving the Quonset Hut used as the Naval Armory to a more desirable and accessible location. At present, the building is located within eleven feet of the proposed cafeteria site, and the conducting of the ROTC program both during and after construction will be severely impaired. A number of possibilities were proposed, and it was concluded that institutional and Board representatives should arrange for the moving of the building. If funds for the moving cannot be provided from the dormitory construction budget, the matter is to be referred to the Board for the determination of funds to be provided.

The Board approved the final plans and specifications for Dormitory No. 5 and Cafeteria at Oregon State College and authorized the seeking of bids as recommended; it also approved the re-location of the Naval Armory.

The Chancellor reported that negotiations had been carried on for the purchase of the Park Apartments, located at 729 Southwest Harrison Street, Portland, needed as part of the site for the proposed addition to the Portland State College Center. He stated that efforts to acquire the property have been unsuccessful, that the owners are seeking at least $100,000 net to them after covering all costs and certain expenses incurred by them in connection with a law suit which they have initiated against a third party for alleged damage to the property. The Board’s Office has secured two appraisals on the property, which, without considering the possible structurally impaired condition of the building, average $91,250.

In view of the inability of Board officials to secure the property at a reasonable figure, the Chancellor recommends that the Board authorize condemnation procedures unless satisfactory arrangements can be made otherwise and that it pass the enabling resolution which follows:

RESOLUTION

WHEREAS, under and by virtue of the laws of the State of Oregon, the State Board of Higher Education is authorized to purchase such real property as in its discretion may be necessary for the present and future development of any schools or institutions under its jurisdiction;
WHEREAS, under and by virtue of the laws of this state whenever any property is required for use by the state and the owner and the board directing the state department or institution for which the property is required cannot agree upon which price is to be paid, said board is authorized to have instituted in the name of the State of Oregon any necessary or appropriate suit, action or condemnation of said property required for such purposes and the assessment of damages for the taking thereof;

WHEREAS, the State of Oregon, by and through the State Board of Higher Education, finds it necessary that the State of Oregon acquire title to the hereinafter described real property situated in the City of Portland, Multnomah County, Oregon, for the public purposes, to wit, the establishing and maintaining thereon of public buildings and grounds for the expansion and development of Portland State College; and

WHEREAS, the State Board of Higher Education has made every reasonable effort to negotiate with the owners thereof for the acquisition of title to such property, but to this date has been unable to agree with such owners upon the reasonable market value or price to be paid for such property or upon the compensation or damages to be paid to the owners thereof for the taking of such property for such public use;

NOW, THEREFORE, BE IT RESOLVED BY THE State Board of Higher Education in special meeting assembled;

1. That the State Board of Higher Education does hereby find and declare that the following described parcel of land is required for public use, is suitable, proper and necessary for the public purpose of establishing and maintaining thereon public buildings and grounds for the expansion and development of Portland State College:

   West 93 feet of Lot 5, Block 200, City of Portland, Multnomah County, Oregon.

2. That the State Board of Higher Education does hereby find and declare as a result of its investigation that the acquisition of the fee simple title to said real property, free and clear of all interests of every kind and nature, is necessary to carry out the proposed building and grounds program of Portland State College for its expansion and development to meet the public need.

3. That the Comptroller is directed to attempt to agree with the owners and persons in interest of said real property as to the compensation to be paid for the taking; and in the event that no satisfactory agreement can be reached, then the Attorney General of the State of Oregon be and he is hereby requested and authorized to commence and prosecute to a final determination such suits, actions and proceedings as may be necessary and appropriate to acquire the title to the real property hereinafore described.
On motion by Director Grant and second by Director Walsh, the following voted in favor of adopting the resolution as presented: Directors Cabell, Forrester, Grant, Hart, Holloway, MacNaughton, McKeen, Purvine, and Walsh.

Those voting against adoption were: None.

The President of the Board thereupon declared the resolution duly adopted by a unanimous vote.

**BOARD RECESS**

By agreement, the Board recessed at 12:15 P.M. to reconvene at 1:30 P.M., or 3:30 P.M. if the bids for the Series 1959 A Bonds were not ready for action at the earlier hour.

**BOARD RECONVENED AT 3:30 P.M.**

The Board gathered for a few minutes at 1:30 P.M. but recessed again. At 3:30 P.M., the Board reconvened in official session. President Cabell asked for a roll call; all members were present except Mr. Grant and Dr. Purvine who had to return to their homes for business reasons. The President called on the Chancellor for a report on the bids received and a presentation of his recommendations.

**BID OPENING FOR $9,055,000 SERIES 1959 A BUILDING BONDS**

The Chancellor reported that at 9:00 A.M. sealed bids were received by the Secretary of the Board pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting of April 28, 1959, for the proposed sale of $9,055,000 par value State Board of Higher Education Building Bonds, Series 1959 A. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Interest Rate on Designated Maturities</th>
<th>Total Coupon Interest Cost</th>
<th>Less Total Premium</th>
<th>Total Net Interest Cost</th>
<th>Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Bidder</td>
<td>Interest Rate</td>
<td>Total Coupon</td>
<td>Less Total Premium</td>
<td>Total Net Interest Cost</td>
<td>Effective Interest Rate</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>--------------------</td>
<td>-------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Morgan Guaranty Trust Co. of New York, and Associates</td>
<td>5% 1962-1972</td>
<td>4-1/2% 1973</td>
<td>3-3/4% 1974-1989</td>
<td>7,341,925.00 4,410</td>
<td>7,337,515.00 3.8520%</td>
</tr>
</tbody>
</table>

Following the reading of the bids, the Chancellor indicated that the low bid was that of the First National Bank of Oregon and Harris Trust and Savings Bank, and Associates with a net interest cost of $7,206,020.35 and an effective interest rate of 3.784 per cent. He observed that the bid provided not only a specified basic rate on the bonds, but also a supplemental interest charge; the double rate is unusual but not prohibited by the call for bids. The Chancellor reported that the bond attorneys of the Board considered the bid valid and legal, and he therefore recommended that it be accepted and submitted to the State Bond Commission with a recommendation for approval.

President Cabell stated that because he was a director of the First National Bank of Oregon he would refrain from participating in the discussion or voting on the issue, but that he would continue to preside.

Mr. Paulus stated that after the receipt of the bids the matter of the supplemental coupons was discussed with the bond attorneys of the Board who expressed the tentative but not final opinion that the low bid with the supplemental coupon was a legal bid. He also reported that the said attorneys had received a number of telephone calls from New York bond houses protesting the bid, particularly alleging that the supplemental coupon deviated slightly from the notice of sale which specified semiannual interest rather than the quarterly interest payment called for on the supplemental coupons. Mr. Paulus pointed out one or two other points which might be considered slight defects in the bid of the First National Bank of Oregon as compared with the notice of sale. He questioned the advisability of the state's accepting a bid with supplemental coupons attached and mentioned that some of the dealers in New York believed that it was not in keeping with the dignity of the state to accept a bid of this type. He added that in all of his experience with state bond issues he had not received a comparable bid. He also observed that the proposed award might impair the sale of other bond issues of the state within the next few years. In his opinion, it was questionable whether the Bond Commission should approve this type of a bid.

Mr. Bork indicated that Mr. Colwell of the First National Bank of Oregon advised that the syndicate presenting the low bid was constituted of approximately thirty different firms, including nationally recognized and reputable banks and bond houses. Mr. Colwell indicated a willingness
to meet with the Board to present his views, particularly with reference to the possible adverse effect on future bond sales of the State of Oregon since there had been some indication that the acceptance of the bid in question would be detrimental to future bond sales. It was reported that Mr. Colwell did not believe that there would be an adverse effect.

At this point, Mr. Bork advised that there were two approaches— one was to accept the bid subject to the approval of the Bond Commission, and the other was to reject all bids and re-advertise, recognizing that if the present upward trend of interest rates continued a rebid might produce a higher interest cost. He reported that Mr. Shuler, bond attorney for the Board, had ruled informally that the low bid was a legal one, and if the low bid were rejected all bids should be rejected. In answer to Mr. Walsh's question as to whether Mr. Shuler had any legal capacity to act for the Board, Mr. Bork stated that Mr. Shuler's appointment as bond attorney for the bond issue had been approved by the Attorney General.

With reference to his recommendation that the bid be accepted, the Chancellor stated that the decision to accept or reject ought to be made without waiting for a legal opinion.

In the following discussion, a number of probable and pertinent consequences resulting from the acceptance or non-acceptance of the bid were brought out. The most far-reaching effect of deferring the acceptance was that of delaying the building of self-liquidating projects for the System, for some of which the Board's Office already was holding construction bids while other construction bids would be received in the near future. Another important consideration was the fact that the necessity of re-advertising might delay the delivery of the bonds until after the tax commission announced its statement of new state property valuation as of January 1, 1959, which valuation might be so low as to make the $9,055,000 issue illegal.

Mr. Walsh summarized his reaction to the discussion to this point. In essence, his statements were as follows: "Mr. Chairman, I think we have all heard the discussion on this situation, and it is pretty complete. We have to do something here today. I have been trying to weigh in my own mind the equities and the legal problems on both sides. Time seems to be of the essence, and we are going to have to act promptly whatever we do. For that reason and for the reason that, as I understand it, Mr. Shuler was the one who was designated officially to make the decision, and as long as he has made the decision up to the time that we have to act then we are acting on the best legal opinion that we have before us, and I am assuming that to go ahead and accept this bid of the First National Bank so far as we are concerned here at the moment is the accepting of a legal bid. If this is the last legal word we have, I think it is up to us to accept the bid and recommend it to the Bond Commission." Mr. Walsh then made a motion to accept the bid of the First National Bank of Oregon, subject to the approval of the Bond Commission. Mr. Hart seconded the motion.

Before the motion was put to a vote, the Chancellor and Mr. Bork explained the past procedures in seeking a bond bid. It was brought out that future specifications prohibiting supplemental coupons could be a part of the advertisement rather than the resolution which
outlines the details of the bonds to be offered for sale. It was the
concensus that a definite policy should not now be established as to
whether future bond issues should or should not prohibit the pro-
viding of supplemental coupons.

The President of the Board indicated that it had been moved and
seconded that the Board accept the bid of the First National Bank of
Oregon and Associates subject to the approval of the State Bond
Commission. On roll call vote, the Board voted on the motion as
follows:

Mr. Cabell  Not voting  Mrs. MacNaughton  Yes
Mr. Forrester  Yes  Mr. McKean  Yes
Mr. Hart  Yes  Mr. Walsh  Yes
Mr. Holloway  Yes

The President thereupon declared the motion passed by a majority vote.

To effect the issuance of the bonds, the following resolution was
presented:

RESOLUTION

BE IT RESOLVED that the NINE MILLION FIFTY-FIVE THOUSAND DOLLARS
($9,055,000) in STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES
1959 A, of the State of Oregon, sold on the 26th day of May, 1959, be
issued to bear the date of April 15, 1959, and to bear interest at
rates which follow:

<table>
<thead>
<tr>
<th>Annual Interest Rate</th>
<th>Bond Maturities April 15 of Years Indicated</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-3/4%</td>
<td>1962 to 1988, inclusive</td>
</tr>
<tr>
<td>1%</td>
<td>1989</td>
</tr>
<tr>
<td>1-1/4% supplemental from July 15, 1959 to April 15, 1964 on all bonds</td>
<td></td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that the bonds be issued to mature serially on
the dates provided in the resolution of the Board duly adopted at a
regular meeting of the Board duly and legally held on the 26th day of
April, 1959; and that both the principal of and the interest upon the
bonds be paid at the office of the State Treasurer of the State of
Oregon; and

BE IT FURTHER RESOLVED that the said bonds and coupons annexed thereto
be executed in substantially the form prescribed in the resolution
adopted by the Board at the meeting thereof held on the 26th day of
April, 1959; and

BE IT FURTHER RESOLVED that the resolution of April 28, 1959, of the
Board, authorizing the issuance of said bonds, and all acts performed
by the Board in adopting the said resolution, and by the Secretary and
Comptroller of the Board in connection with the issuance and sale of
the said bonds, be and they hereby are fully approved, ratified, and
confirmed.

On roll call vote, the Directors of the Board voted on the adoption
of the resolution as follows:

Mr. Cabell  No vote.  Mrs. MacNaughton  Yes
Mr. Forrester  Yes  Mr. McKean  Yes
Mr. Hart  Yes  Mr. Walsh  Yes
Mr. Holloway  Yes

Those voting no: None. The President of the Board thereupon declared
the resolution duly adopted.
CONTINGENCY
RESOLUTION FOR
RE-ADVERTISING
OF $9,055,000
BOND ISSUE

In order to be in a position to re-advertise immediately for bids on the $9,055,000 General Obligation Bond issue in the event the low bid of the First National Bank of Oregon and Associates was not approved by the Bond Commission or bond attorneys, it was recommended that an enabling resolution be passed at this time. The wording of the resolution with regard to specifications to prevent the recurrence of the present situation was discussed. It was the decision not to vary the form of the standard resolution previously followed, but that the advertisement for rebids in the instant situation only so as to save time would include the idea that each bond would have one interest rate and that each coupon would cover interest for a full six months. The resolution as presented follows:

RESOLUTION

WHEREAS, THE STATE BOARD OF HIGHER EDUCATION has determined that there is a need to construct, improve, equip and furnish buildings for dormitories, housing, boarding and other purposes for higher education pursuant to Article XI-F(1), Oregon Constitution; and

WHEREAS, THE BOARD deems it necessary, pursuant to ORS 351.350, as amended by Chapter 127, Oregon Laws 1959, to sell general obligation STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1959 A, of the State of Oregon, in the principal amount of $9,055,000 to provide funds to construct, improve, equip and furnish such buildings; and

WHEREAS, THE BOARD, as required by ORS 351.160, has determined conservatively that said buildings will be wholly self-liquidating and self-supporting from revenues to accrue from the operation thereof and from gifts, grants, or building fees, and from unobligated revenues of higher education buildings or projects of like character; and

WHEREAS, THE BOARD is authorized and directed by ORS 351.170 to establish such rates, charges, and fees for the use of such buildings or projects, including revenue-producing buildings and structures already constructed, as, in the judgment of the Board, shall provide the required revenues to make the new buildings or projects self-liquidating and self-supporting, and as shall provide the funds with which to amortize the principal and pay the interest on bonds issued to finance such buildings or projects; now, therefore,

BE IT RESOLVED BY THE STATE BOARD OF HIGHER EDUCATION OF THE STATE OF OREGON, that, with the approval of the State Bond Commission of the State of Oregon, NINE MILLION FIFTY-FIVE THOUSAND DOLLARS ($9,055,000) par value of bonds authorized by Article XI-F(1) of the Constitution of the State of Oregon, and by ORS 351.160, 351.170, 351.180, 351.190 and 351.350 to 351.510, as amended by Chapter 127, Oregon Laws 1959, be issued and sold in order to carry out the purposes of said article and of the said statutes; and
BE IT FURTHER RESOLVED that the said bonds totaling NINE MILLION FIFTY-FIVE THOUSAND DOLLARS ($9,055,000) par value, be issued and proceeds from the sale thereof, supplemented by construction funds now on hand, be used for the purpose of constructing, improving, equipping and furnishing said buildings at an estimated cost of $9,515,000; and

BE IT FURTHER RESOLVED that the principal of and the interest on all of the bonds issued pursuant to this resolution, be paid on the due dates thereof at the office of the Treasurer of the State of Oregon, and that the said bonds be designated STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1959 A, and be numbered consecutively from one (1) to nine thousand fifty-five (9055) inclusive; and

BE IT FURTHER RESOLVED that the said bonds be dated April 15, 1959, and be issued in denominations of $1,000 each, to mature upon the dates and in the principal installments hereinafter in this resolution set forth, subject to redemption in regular numerical order at par value and accrued interest on any interest-paying date on and after April 15, 1974, from the moneys and revenues indicated in the aforesaid constitutional amendment and in ORS 351.160, 351.170, 351.180, 351.190 and 351.350 to 351.510, as amended by Chapter 127, Oregon Laws 1959, or through refunding; and

BE IT FURTHER RESOLVED that the ultimate maturity dates and principal installments of the said bonds be as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 15, 1962</td>
<td>$67,000</td>
<td>April 15, 1976</td>
<td>$260,000</td>
</tr>
<tr>
<td>April 15, 1963</td>
<td>67,000</td>
<td>April 15, 1977</td>
<td>260,000</td>
</tr>
<tr>
<td>April 15, 1964</td>
<td>67,000</td>
<td>April 15, 1978</td>
<td>480,000</td>
</tr>
<tr>
<td>April 15, 1965</td>
<td>67,000</td>
<td>April 15, 1979</td>
<td>480,000</td>
</tr>
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<td>April 15, 1966</td>
<td>67,000</td>
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<td>April 15, 1967</td>
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<td>April 15, 1968</td>
<td>140,000</td>
<td>April 15, 1982</td>
<td>480,000</td>
</tr>
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<td>April 15, 1969</td>
<td>210,000</td>
<td>April 15, 1983</td>
<td>480,000</td>
</tr>
<tr>
<td>April 15, 1970</td>
<td>210,000</td>
<td>April 15, 1984</td>
<td>570,000</td>
</tr>
<tr>
<td>April 15, 1971</td>
<td>210,000</td>
<td>April 15, 1985</td>
<td>570,000</td>
</tr>
<tr>
<td>April 15, 1972</td>
<td>210,000</td>
<td>April 15, 1986</td>
<td>570,000</td>
</tr>
<tr>
<td>April 15, 1973</td>
<td>260,000</td>
<td>April 15, 1987</td>
<td>570,000</td>
</tr>
<tr>
<td>April 15, 1974</td>
<td>260,000</td>
<td>April 15, 1988</td>
<td>570,000</td>
</tr>
<tr>
<td>April 15, 1975</td>
<td>260,000</td>
<td>April 15, 1989</td>
<td>570,000</td>
</tr>
</tbody>
</table>

and

BE IT FURTHER RESOLVED that the State Board of Higher Education furnish to the original purchaser of the said bonds, without cost to him, the written opinion of accredited bond attorneys, certifying to the validity and legality of the said bonds; and

BE IT FURTHER RESOLVED that the said bonds be the direct general obligations of the STATE OF OREGON, and that except as to variations
in interest rates and maturities, they be of uniform tenor, and
be in substantially the following form, prepared by the Attorney
General of the State of Oregon:

UNITED STATES OF AMERICA
STATE OF OREGON
STATE BOARD OF HIGHER EDUCATION
BUILDING BOND
SERIES 1959 A

KNOW ALL MEN BY THESE PRESENTS, that the STATE OF OREGON acknowledges itself to owe and for value received hereby promises to pay to bearer the principal sum of $1,000 on the fifteenth day of April, 19__, with interest on said sum from the date hereof until paid, at the rate of P E R C E N T ( %) per annum, payable semiannually on the fifteenth
days of April and October of each year as evidenced by, and upon
the presentation and surrender of, the interest coupons hereto
annexed as they severally become due. Both the principal of and
the interest on this bond are payable at the office of the
Treasurer of the State of Oregon, at Salem, Oregon, in any coin
or currency which, at the time of payment, is legal tender for the
payment of public and private debts within the United States of
America.

The bonds of the issue of which this bond forms a part, maturing
on and after April 15, 1975, may be redeemed at the option of the
State of Oregon, on and after April 15, 1974, at par and accrued
interest, on any interest day or days in regular numerical order
or in the entire amount of the issue outstanding at call date,
upon notice given by the Treasurer of the State of Oregon at least
thirty (30) days prior to the redemption date specified therein,
by publication thereof in one issue of a new spaper or financial
journal of general circulation printed and published within the
City and State of New York, and one issue of a newspaper of general
circulation printed and published within the City of Salem, Oregon.
From the date of redemption designated in any such notice, interest
on the bonds so called for redemption shall cease.

This bond is issued by the State of Oregon in conformance to its
Constitution and under and by virtue of and in all respects in full
and strict compliance with its laws, and in particular Article
XI-F(1) of the Constitution and Sections 351.160 to 351.190, and
Sections 351.350 to 351.510, Oregon Revised Statutes, as amended
by Chapter 127, Oregon Laws 1959, for the purpose of financing the
cost of constructing, improving, equipping, and furnishing buildings
to be used for higher education.

The faith and credit of the State of Oregon hereby are irrevocably
pledged to the punctual payment of the interest on and the principal
of this bond as the same become due and payable respectively.
IN TESTIMONY WHEREOF, the STATE OF OREGON, has caused this bond to be signed by the Governor and by the Secretary of State with their facsimile signatures, and by the State Treasurer, and sealed with the seal of the State of Oregon, and has caused the annexed interest coupons to be executed with the facsimile signatures of its said officers, all as of the fifteenth day of April, 1959.

Governor

(SEAL)

Secretary of State

State Treasurer

FORM OF COUPON

(For coupons maturing on October 15, 1959, up to and including April 15, 1974.)

No. On the fifteenth day of October, 1959, $ THE STATE OF OREGON will pay the bearer

DOLLARS

at the office of the Treasurer of the State of Oregon in the City of Salem, Oregon, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Building Bond, Series 1959 A, No.

(facsimile) (facsimile) (facsimile)
State Treasurer Secretary of State Governor

(For coupons maturing after April 15, 1974.)

No. On the fifteenth day of October, 1974, $ Unless the bond hereinafter designated shall have been called for previous redemption and due provision made for the payment thereof, THE STATE OF OREGON will pay the bearer

DOLLARS

at the office of the Treasurer of the State of Oregon, in the City of Salem, Oregon, in any coin or currency which, at the time of payment, is legal tender for the payment of public and private
debts within the United States of America, for six months' interest then due on State of Oregon, State Board of Higher Education Building Bond, Series 1959 A, No. __________.

(facsimile) (facsimile) (facsimile)
State Treasurer Secretary of State Governor

The above bond and coupon forms hereby are approved as to legal form this ____ day of ____________________, 1959.

ROBERT Y. THORNTON, Attorney General of the State of Oregon.

BE IT FURTHER RESOLVED that, as provided by ORS 351.430, the Secretary of the Board be and he hereby is authorized to advertise the said STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1959 A, for public sale thereof at a price of not less than the par value thereof and the accrued interest thereon, the sale to be held on the 16th day of June, 1959, and the notice of sale to specify that the Board reserves the right to reject any or all bids for the bonds; and

BE IT FURTHER RESOLVED that the Secretary and Comptroller of the State Board of Higher Education be authorized to effect the necessary arrangements to deliver the bonds and to receive payment therefor.

Upon motion by Director Holloway and second by Director Hart, the following voted in favor of adopting the resolution as presented: Directors Forrester, Hart, Holloway, MacNaughton, McKean and Walsh. President Cabell did not vote.

Those voting against the adoption: None.

The president of the Board thereupon declared the resolution duly adopted.

AWARDING OF CONSTRUCTION CONTRACTS FOR STUDENT ACTIVITIES BUILDING, UOAMS, UOCDs

The Chancellor reported bids were received on May 19, 1959, for the construction of the Student Activities Building for the University of Oregon Medical School and Dental School, designed by Architects Burns, Bear, McNeil & Schneider. Bids for the work were as follows:

<table>
<thead>
<tr>
<th>Class of Work</th>
<th>Number of Bids</th>
<th>Low Bid</th>
<th>High Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Work</td>
<td>13</td>
<td>$247,000</td>
<td>$295,055</td>
</tr>
<tr>
<td>Mechanical Work</td>
<td>9</td>
<td>56,257</td>
<td>71,191</td>
</tr>
<tr>
<td>Electrical Work</td>
<td>8</td>
<td>31,979</td>
<td>39,894</td>
</tr>
</tbody>
</table>
The project is to be financed in part from an allocation of the bond sale on which bids were taken earlier today, and from other resources outlined below. The following construction budget was proposed:

**Project Costs**

**Direct Construction:**
- General Work - Paul B. Emerick Co., Portland $247,000
- Mechanical Work - Industrial Plumbing & Heating Co., Portland 56,257
- Electrical Work - Sirianni Electric Co., Portland 31,979

Subtotal - Direct Construction Costs $335,236

Less estimated allocation to Physical Plant Service Building Addition for underground electrical service -7,000

Net $328,236

Architects' and Engineering Fees 19,444
Furnishings and Equipment 20,558
Project Contingencies 16,762

Total Project Costs $385,000

**Sources of Funds**

- Medical and Dental School Building Fee Balances $120,000
- Dental School Student Stores Account 35,000
- Sale of General Obligation Bonds, Series 1959 A 230,000

Total Sources of Funds $385,000

For the gross area of 24,466 square feet, the direct construction costs of $328,236 average $13.42 per square foot.

Upon the request of Dean Noyes and Dean Baird, the Chancellor recommended that, subject to the sale of the $9,055,000 bond issue, the budget and the financial program be approved and that appropriate Board officials be authorized to enter into construction contracts with low bidders named above.

On motion by Mr. Hart and second by Mrs. MacNaughton, the Board approved the recommendation of the Chancellor.

**ADJOURNMENT**
The meeting adjourned at 4:50 P.M.

Henry F. Cabell, President

Earl M. Pallett, Secretary