STATE BOARD OF HIGHER EDUCATION
MINUTES OF MEETING HELD AT
ROOM 338, COLLEGE CENTER, PORTLAND STATE COLLEGE, PORTLAND, OREGON

August 1, 1963

MEETING #317-1

In compliance with the July 9, 1963, 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 in Room 338, College Center, Portland State College, Portland, Oregon, on August 1, 1963.

ROLL CALL

The meeting was called to order at 10:30 A.M. by the Vice President, Mr. Chas. R. Holloway, Jr., and on roll call the following answered present:

- Mr. J. W. Forrester, Jr.
- Mr. Allan Hart
- Mr. Chas. R. Holloway, Jr.
- Mrs. Elizabeth H. Johnson
- Mr. George H. Layman
- Mr. John W. Snider

Absent: Mr. John Merrifield, Dr. Ralph E. Purvine, and Mr. Wm. E. Walsh.

OTHERS PRESENT:

- Chancellor R. E. Lieuallen;
- Mr. H. A. Bork, Vice Chancellor for Business Affairs;
- Mr. Don R. Larson, Assistant Chancellor;
- Comptroller John L. Watson;
- Mr. Wolf von Otterstedt, Assistant Attorney General;
- Mr. W. T. Lemman, Jr., Director of Business Affairs, Portland State College; and
- Mr. Eugene Bauer, Business Manager, University of Oregon Dental School.

RE ABSENCES

Mr. Merrifield was out of the state and Mr. Walsh and Dr. Purvine were absent for business reasons.

Acceptance of Bids for $9,600,000 Bond Issue

The Vice Chancellor for Business Affairs reported that at 9:00 A.M., Pacific Daylight Time, on August 1, 1963, sealed bids were received, with Mr. Gordon A. Barker of the State Treasurer's Office present, pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting of July 9, 1963, for the proposed sale of $9,600,000 par value State of Oregon, State Board of Higher Education Building Bonds, Series 1963 B. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Designated Maturities</th>
<th>Total Interest Rate</th>
<th>Add Discount or Deduct Interest Cost</th>
<th>Total Aggregate Interest Cost</th>
<th>Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of America</td>
<td>1966-1976</td>
<td>5.00%</td>
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<td></td>
<td>1977-1981</td>
<td>2.90%</td>
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<td></td>
<td>1982-1985</td>
<td>3.00%</td>
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<td></td>
<td>1986-1989</td>
<td>3.10%</td>
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<tr>
<td></td>
<td>1990-1992</td>
<td>3.20%</td>
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<td></td>
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<tr>
<td></td>
<td>1993</td>
<td>.10%</td>
<td></td>
<td>$5,592,083.34 $189,500.00 $5,781,583.34 3.0803</td>
<td></td>
</tr>
<tr>
<td>The First National Bank of Chicago and Associates</td>
<td>1966-1973</td>
<td>5.00%</td>
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<tr>
<td></td>
<td>1974</td>
<td>4.50%</td>
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<tr>
<td></td>
<td>1975</td>
<td>2.75%</td>
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<td></td>
<td>1976-1977</td>
<td>2.80%</td>
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<td></td>
<td>1978-1981</td>
<td>2.90%</td>
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<tr>
<td></td>
<td>1982-1986</td>
<td>3.00%</td>
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<td></td>
<td>1987-1990</td>
<td>3.10%</td>
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<td></td>
<td>1991-1992</td>
<td>3.20%</td>
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<tr>
<td></td>
<td>1993</td>
<td>1.00%</td>
<td>$5,569,474.96 $197,284.80 $5,760,759.76 3.069295</td>
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<td></td>
</tr>
<tr>
<td>Name of Bidder and Bond Denomination</td>
<td>Designated Maturities</td>
<td>Interest Rate</td>
<td>Total Coupon Interest Cost</td>
<td>Add Discount or Deduct Premium</td>
<td>Total Aggregate Interest Cost</td>
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<tr>
<td>The First National Bank of Oregon</td>
<td>1966-1973</td>
<td>5.00%</td>
<td>$5,573,008.34</td>
<td>$185,568.00</td>
<td>$5,758,576.34</td>
</tr>
<tr>
<td>Portland, Harris &amp; Chase Manhattan Bank and Associates</td>
<td>1993</td>
<td>1.00%</td>
<td>$5,573,008.34</td>
<td>$185,568.00</td>
<td>$5,758,576.34</td>
</tr>
<tr>
<td>Kuhn, Loeb &amp; Co. and Associates</td>
<td>1966-1976</td>
<td>5.00%</td>
<td>$5,637,183.34</td>
<td>$186,336.00</td>
<td>$5,823,519.34</td>
</tr>
<tr>
<td>Morgan Guaranty Trust Company</td>
<td>1966-1974</td>
<td>5.00%</td>
<td>$5,572,061.65</td>
<td>$180,384.00</td>
<td>$5,752,445.65</td>
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<tr>
<td>Smith, Barney &amp; Co., C. J. Devine &amp; Co. and Associates</td>
<td>1976-1977</td>
<td>2.80%</td>
<td>$5,634,505.35</td>
<td>$190,483.20</td>
<td>$5,824,988.55</td>
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<tr>
<td>First National Bank, Bankers Trust Company and Associates</td>
<td>1989-1992</td>
<td>3.20%</td>
<td>$5,611,950.01</td>
<td>$185,126.40</td>
<td>$5,797,076.41</td>
</tr>
<tr>
<td>Name of Bidder and Bond Denomination</td>
<td>Designated Maturities</td>
<td>Interests Rate</td>
<td>Total Coupon Interest Cost</td>
<td>Add Discount or Deduct Premium</td>
<td>Total Aggregate Interest Cost</td>
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<td>Halsey, Stuart &amp; Co. Inc.</td>
<td>1966-1973</td>
<td>5.00%</td>
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<tr>
<td>Continental</td>
<td>1974</td>
<td>4.25%</td>
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<td></td>
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<tr>
<td>Illinois</td>
<td>1975</td>
<td>2.75%</td>
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<td></td>
</tr>
<tr>
<td>National Bank and Trust</td>
<td>1976-1977</td>
<td>2.80%</td>
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<td></td>
</tr>
<tr>
<td>Company of Chicago and Associates</td>
<td>1978-1981</td>
<td>2.90%</td>
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<td></td>
<td>1982-1986</td>
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<td></td>
<td>1991-1992</td>
<td>3.20%</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>1993</td>
<td>1.00%</td>
<td>$5,562,808.32</td>
<td>$179,424.00</td>
<td>$5,742,232.32</td>
</tr>
</tbody>
</table>

Following the reading of the bids, the Vice Chancellor for Business Affairs indicated that the most favorable bid was that of Halsey, Stuart & Co., Inc., Continental Illinois National Bank and Trust Company of Chicago and Associates with a total aggregate interest cost of $5,742,232.32 and an effective interest rate of 3.05942 per cent. He also stated that said bid provided that bonds were to be in denominations of $5,000. He recommended, with the concurrence of the Chancellor, that said bid be accepted.

It was moved by Director Hart that the bid of Halsey, Stuart & Co. Inc., Continental Illinois National Bank and Trust Company of Chicago and Associates be accepted. Director Forrester seconded the motion. The Vice President of the Board stated that it had been moved and seconded that the Board accept the bid as indicated.

On roll call vote the Board voted on the adoption of the motion as follows:

Those voting yes: Directors Forrester, Hart, Holloway, Johnson, Layman and Snider.

Those voting no: None.

The Vice President of the Board thereupon declared the motion carried unanimously.

With the concurrence of the Chancellor, the Vice Chancellor for Business Affairs recommended that the following resolution be adopted:

**RESOLUTION**

BE IT RESOLVED that the NINE MILLION SIX HUNDRED THOUSAND DOLLARS ($9,600,000) STATE OF OREGON, STATE BOARD OF HIGHER EDUCATION BUILDING BONDS, SERIES 1963 B, sold at 98.131 on the 1st day of August, 1963, be issued to bear date the 15th day of August, 1963; to bear interest at the rate of 5.00 per cent per annum for the bonds of the issue maturing on April 15 of the years 1966 to 1973 inclusive, at the rate of 4.25 per cent per annum for the bonds of the issue maturing on April 15 of the year 1974, at the rate of
2.75 per cent per annum for the bonds of the issue maturing on
April 15 of the year 1975, at the rate of 2.80 per cent per annum
for the bonds of the issue maturing on April 15 of the years 1976
to 1977 inclusive, at the rate of 2.90 per cent per annum for the
bonds of the issue maturing on April 15 of the years 1978 to 1981
inclusive, at the rate of 3.00 per cent per annum for the bonds of
the issue maturing on April 15 of the years 1982 to 1986 inclusive,
at the rate of 3.10 per cent per annum for the bonds of the issue
maturing on April 15 of the years 1987 to 1990 inclusive, at the
rate of 3.20 per cent per annum for the bonds of the issue maturing
on April 15 of the years 1991 to 1992 inclusive, and at the rate of
1.00 per cent per annum for the bonds of the issue maturing on
April 15 of the year 1993; and

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 the regular meeting of the Board duly and legally held on the
9th day of July, 1963; and that both the principal of and 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
thereof be executed in the form prescribed in the resolution adopted
by the Board at the meeting thereof held on the 9th day of July
1963; and

BE IT FURTHER RESOLVED that the bonds be in denominations of $5,000,
as provided in the resolution adopted by the Board at the July 9,
1963 meeting; and

BE IT FURTHER RESOLVED that the resolution of July 9, 1963, of the
Board, authorizing the issuance of said bonds, and all acts per-
formed by the Board in adopting the said resolution, and by the
Secretary and Vice Chancellor for Business Affairs in connection
with the issuance and sale of the said bonds, be and they hereby
are fully approved, ratified, and confirmed.

On motion by Director Hart and second by Director Johnson, the above
resolution was adopted on roll call vote with the following voting in
favor of adoption: Directors Forrester, Hart, Holloway, Johnson,
Layman and Snider.

Those voting no: None.

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

Before the meeting adjourned, Mr. Hart urged the Board and the
Chancellor to initiate immediately studies of the long-range problems
of higher education, particularly as recommended and directed by
Senate Joint Resolution 18, by the statement on budget procedures
prepared by Representatives Hansel and Mosser and signed by other
legislators, and by the resolution directing the Board to present
to the next legislature graduate study plans for the Portland area.
Mr. Hart emphasized the fact that the Board should not leave it to the institutional executives to "build a paper program", but should assume responsibility from the beginning for this long-range planning. He suggested that the Chancellor be prepared to present at the next meeting some proposals for committees or the Board as a whole that would be a start toward long-range planning which he felt was the responsibility of the Board rather than the institutional executives. Mr. Hart also emphasized that the Board wants to get involved now and not to wait until the 1965 Legislature is in session before getting into the problems and programs to be presented and discussed with the legislature. Plans should be made so that the programs are thoroughly worked out by the time the legislature convenes in 1965.

The Chancellor stated that such a procedure would be fully consistent with what his office hoped to accomplish. He reported that at the last meeting of the institutional executives, it was recommended that at the joint meeting with the Board of Education and Board of Higher Education in September the two boards move rather vigorously into the broad study of post-high school education which would encompass the ideas involved in Senate Joint Resolution 18. In a discussion of budget procedures, the institutional executives indicated the need and desire for seeking immediate Board involvement. The Chancellor indicated that it was the intention to present a timetable on items requiring study. He expressed appreciation for the keen interest that the Board has demonstrated.

ADJOURNMENT

The meeting adjourned at 10:45 A.M.

Wm. E. Walsh, President

R. L. Collins, Secretary