Meeting #413-67

President Layman called the adjourned session of the regular State Board of Higher Education meeting of November 26, 1973, to order at 10:30 A.M., Pacific Standard Time, December 18, 1973, in Room 338, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon. The following Board members were present:

- Mr. George H. Corey
- Mr. Robert D. Holmes
- Mrs. Elizabeth H. Johnson
- Mr. Philip A. Joss
- Mr. George H. Layman
- Mr. John D. Mosser
- Mr. Loran L. Stewart
- Mr. Edward G. Westerdahl II

Absent: Mr. John V. Snider was absent for business reasons.

Others Present: Miss Valerie McIntyre and Mr. Marc Maden, newly-appointed student members of the Board were also present. They are to be sworn in as members of the Board at the January meeting.

Acceptance of Bid for $2,195,000 State of Oregon, Community College and Education Center Bonds, Series 1974 A, Article XI-G

The Vice Chancellor for Administration reported that at 9:00 A.M., Pacific Standard Time, on December 18, 1973, ten sealed bids were received, pursuant to an advertisement authorized by the Board of Higher Education at its regular meeting on November 26, 1973, for the proposed sale of $2,195,000 State of Oregon, Community College and Education Center Bonds, Series 1974 A. One bid was rejected because it did not comply with the terms of the Notice of Bond Sale, however, it was not the low bid. Present were Mr. James C. George of the State Treasury Department; and Mr. Howard Rankin of Rankin, Walsh, Ragen & Roberts, Bond Attorneys. The bonds were to be sold at not less than par value thereof. Bids received for the bonds were as follows:

<table>
<thead>
<tr>
<th>Name of Bidder</th>
<th>Designated Maturities</th>
<th>Interest Rate</th>
<th>Total Coupon Interest Cost</th>
<th>Deduct Premium</th>
<th>Total Aggregate Interest Cost</th>
<th>Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First National Bank of Oregon, Harris Trust and Savings Bank, The Northern Trust Company</td>
<td>1977-2000 2001-2004</td>
<td>5.10% 5.20%</td>
<td>$2,280,865.00</td>
<td>-</td>
<td>$2,280,865.00</td>
<td>5.1353%</td>
</tr>
<tr>
<td>United California Bank - Manager, First National Bank &amp; Trust Company of Tulsa</td>
<td>1977-1999 2000-2004</td>
<td>5.10% 5.20%</td>
<td>$2,284,115.00 308.00</td>
<td>$2,283,807.00</td>
<td>5.1419%</td>
<td></td>
</tr>
<tr>
<td>Name of Bidder</td>
<td>Designated Maturities</td>
<td>Interest Rate</td>
<td>Total Coupon Interest Cost</td>
<td>Deduct Premium</td>
<td>Total Aggregate Interest Cost</td>
<td>Effective Interest Rate</td>
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</tr>
<tr>
<td>The Oregon Bank, Seattle First National Bank, Chas. N. Tripp Inc.</td>
<td>1977-1997 1998-2004</td>
<td>5.10% 5.20%</td>
<td>$2,289,875.00 $2,289,875.00</td>
<td>-</td>
<td>$2,289,875.00</td>
<td>5.155634%</td>
</tr>
<tr>
<td>Crocker National Bank</td>
<td>1977-1980 1981-1998 1999-2000 2001-2004</td>
<td>5.00% 5.10% 5.20% 5.25%</td>
<td>$2,294,370.00 $2,299,337.50 $2,307,885.00</td>
<td>$18.00 $335.84 $25.63</td>
<td>$2,294,352.00 $2,299,001.66</td>
<td>5.1657% 5.17618%</td>
</tr>
</tbody>
</table>

Following the reading of the bids, the Vice Chancellor for Administration indicated that the most favorable bid was that of Blyth Eastman Dillon & Co., Incorporated with a total aggregate interest cost of $2,256,687.50 and an effective interest rate of 5.0809 percent per annum. He also stated that the bonds were to be in denominations of $5,000.

It was recommended that the bid of Blyth Eastman Dillon & Co., Incorporated be accepted on roll call vote.

It was moved by Director Holmes that the bid of Blyth Eastman Dillon & Co., Incorporated be accepted. The President of the Board stated that it had been moved 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 Corey, Holmes, Johnson, Joss, Mosser, Stewart, Westerdahl, and Lyman.

Those voting no: None.

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

It was recommended that the following resolution be adopted:

RESOLUTION

BE IT RESOLVED that the TWO MILLION ONE HUNDRED NINETY FIVE THOUSAND DOLLARS ($2,195,000) STATE OF OREGON, COMMUNITY COLLEGE AND EDUCATION CENTER BONDS, SERIES 1974 A sold at par on the 18th day of December, 1973, be issued to bear date the first day of January, 1974; to bear interest at the rate of 4.75 percent per annum for the bonds of the issue maturing on January 1, 1977 to 1979 inclusive, at the rate of 5.00 percent per annum for the bonds of the issue maturing on January 1 of the years 1980 to 1997 inclusive, at the rate of 5.10 percent.
per annum for the bonds of the issue maturing on January 1 of the years 1998 to 2001 inclusive, at the rate of 5.20 percent per annum for the bonds of the issue maturing on January 1 of the years 2002 to 2004; 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 November 26, 1973, and that both the principal of and interest upon the bonds be paid at the Fiscal Agency of the State of Oregon, in the City and State of New York; and

BE IT FURTHER RESOLVED that the said bonds and coupons annexed thereto be executed in the form prescribed in the resolution adopted by the Board at the November 26, 1973 meeting; 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 November 26, 1973 meeting; and

BE IT FURTHER RESOLVED that the November 26, 1973 resolution 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 of the Board and the Vice Chancellor for Administration in connection with the issuance and sale of the said bonds, including the notice of bond sale and its publication in Oregon on November 29, 1973, and December 6, 1973, be and they hereby are fully approved, ratified, and confirmed.

BE IT FURTHER RESOLVED that functions of the Secretary of the Board in preparing and providing of transcript material, and other actions relating to the bond issue shall be performed by the Secretary of the Board or by the Assistant Secretary of the Board; and correspondingly, functions of the Vice Chancellor for Administration shall be performed by the Vice Chancellor for Administration or by the Assistant to the Vice Chancellor.

It was moved by Director Mosser that the above resolution be adopted. The President of the Board stated that it had been moved that the above resolution be approved.

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

Those voting yes: Directors Corey, Holmes, Johnson, Joss, Mosser, Stewart, Westerdahl, and Layman.

Those voting no: None.

The President of the Board declared said resolution duly adopted by a unanimous vote.
Staff Report to the Committee

On August 27, 1973, the Board authorized the acceptance from the Oregon Track Club, Inc., of the final plans and specifications prepared by The Amundson Associates, Architects - Planners, for the proposed new west grandstand at Hayward Field and also authorized the soliciting of bids and the awarding of a contract for the project within an expenditure limitation of $600,000, plus donated materials. It was noted that the State Emergency Board on August 15 had approved the request to expend gift funds of $600,000, or as much thereof as may be required, and to utilize such construction materials as may be donated in addition to the other gifts for this project.

Inasmuch as the total gifts of cash and pledges for the facilities totaled approximately $520,000 by mid-October, a direct construction cost allowance of $440,056 was communicated to the architects, and various major deductive alternates were included within the bid invitation. Unfortunately, the bids received on November 15 were substantially in excess of the architects' estimates and the resources available for a construction contract. The basic quotations received from four contractors ranged from $807,549 to $925,847. Even when adjusted by all of the deductive alternates, the lowest bid could not be brought within the resources available, so all of the bids were rejected.

It was determined that one of the factors responsible for the bid overrun was the recent increase in steel prices and the difficulty in securing a firm commitment for delivery of steel. Consequently, the architects, institutional officials and representatives of the Oregon Track Club, Inc., have been investigating changes in the design of the grandstand which would be more economical and still be acceptable, probably on an appeal basis, to local building authorities having jurisdiction. There now appears to be some prospect of obtaining approval of the use of heavy timbers and other wood products in the structure. It would be expected that spectator seating would still be provided for approximately 5,000 persons and that the structure would provide a practice area beneath the stands as contemplated originally. It would also be expected that restroom facilities would be included as part of the project.

Simultaneously with the revision of plans, efforts are being made to obtain additional gifts. There are assurances that at least $200,000 will be available and efforts are currently under way to seek additional donations from the general public.

It had been the understanding of the Oregon Track Club, Inc., that the University of Oregon Athletic Department would provide, as part of the initial $600,000 campaign, a total of $60,000 from some of the special track events which would be held during the next three years or so. The first of these 'extra' meets netted $23,204, leaving a balance of $36,796 to be obtained from similar meets in the future, or from other special promotions, activities, and/or events. It is proposed by institutional officials that this amount of $36,796 be advanced from the grant-in-aid fund reserve of the Athletic Department with the understanding that repayments would be made when the anticipated future income is realized.

Staff Recommendation to the Committee

It was recommended that the appropriate Board officials be authorized to:

a. Request permission from the State Emergency Board to increase the expenditure limitation for the replacement of the west grandstand at Hayward Field at the University of Oregon to $900,000, or as much thereof as required, with the understanding that:

(1) All of the project costs would be financed from gifts through the University of Oregon Development Fund except for approximately $36,796 which is to be advanced from the grant-in-aid reserve of the University of Oregon Athletic Department; and

(2) The expenditure limitation may be exceeded by the value of such construction materials as may be donated;
b. Approve the revised plans and specifications for the project;

c. Solicit bids and award a construction contract so that the project can proceed within the revised expenditure limitation of $900,000, or as much thereof as may be required, plus donated materials;

d. Enter into a gift agreement with the University of Oregon Development Fund covering the financing plan. (It is understood that the form of the agreement would be patterned after a similar contract approved by the Board on October 24-25, 1966, executed as of November 10, 1966, for Autzen Stadium and would be subject to approval by the Board's attorney.)

Board Discussion and Action

The Board accepted the report as presented.

Whereas Committee action on the television application is not needed (because of prior Committee review and Board approval), consideration of an application for radio facilities improvements at KOAC-AM in Corvallis is required.

To meet a deadline of December 15, 1973, recently announced by the Department of Health, Education, and Welfare, OEPBS has filed an application, subject to Board approval and Emergency Board authorization, to replace the KOAC-AM transmitter and to procure and install related essential equipment.

The HEW 1974 Facilities grant program retains the 75 percent federal matching fund feature. Projected costs for the KOAC-AM project total $88,150, which will require $66,112 from HEW, and $22,038 to be provided by contributions generated by OEPBS. No state funds are requested.

The project provides for a new AM transmitter for KOAC in Corvallis, new transmission lines connecting the transmitter to the two existing towers still in fine condition, new stereo studio equipment, and new microwave transmitters to interconnect stereo between KOAC studio and KOAP-FM in Portland.

KOAC will be operating with a transmitter insuring dependability and state of the art engineering design. Over thirty years of continuous operation has rendered the present transmitter obsolete and nearly impossible to maintain since replacement parts are not being made.

The existing transmitter requires a technician to be in attendance at all times at the transmitter site. The new transmitter will have "remoting" capability which gives greater flexibility to the use of staff members. A technician, for example, can be working a shift in the studio in Corvallis and still monitor the station's transmitter at Granger.

Stereo origination equipment will insure maximum production use of personnel and programming materials at both Corvallis and Portland.

Operational quality improvements are expected with the new equipment in local production, NPR network program utilization, exchange productions, productions done for distribution nationally, etc.

Staff Recommendation:

The Director of OEPBS, with the concurrence of the Chancellor, requested that the Committee authorize OEPBS to complete its application to HEW for a grant to help finance a radio facilities improvement project at KOAC-AM, at a total project cost of $88,150.

Committee Discussion and Recommendation

The Committee on Public Service Activities recommended that the Board approve the recommendation as presented.

Board Discussion and Action

The Board approved the recommendation as presented.
President Layman said the last sentence of AR 10.160 now specified that "Each standing committee shall consist of three Board members and one alternate." He said the two new student members of the Board will be assigned to standing committees after they are sworn in at the January Board meeting. In order to provide greater flexibility in the appointment of members to the standing committees, Mr. Layman suggested that the last sentence of AR 10.160 be amended to read: "Each standing committee shall consist of three or more Board members and at least one alternate..."

The Board approved a motion by Mr. Westerdahl to amend the last sentence of AR 10.160 as proposed by Mr. Layman, subject to public hearing at the January Board meeting.

Mr. Layman said it was necessary for the Board to discuss a personnel matter during the Board luncheon.

Upon motion by Mr. Mosser, the Board voted to meet in Executive Session during the Board luncheon for the purpose of discussing a personnel matter.

The Board approved the following schedule for regular Board meetings and Board Committee meetings:

<table>
<thead>
<tr>
<th>Board Meeting Dates and Places</th>
<th>Committee Meeting Dates and Places</th>
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</thead>
<tbody>
<tr>
<td>January 22, 1974</td>
<td>Portland</td>
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<tr>
<td>March 26, 1974</td>
<td>Portland</td>
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<tr>
<td>May 21, 1974</td>
<td>Portland</td>
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<td>July 23, 1974</td>
<td>Portland</td>
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<td>September 24, 1974</td>
<td>Portland</td>
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<td>November 26, 1974</td>
<td>Portland</td>
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<td>January 21, 1975</td>
<td>Portland</td>
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<td>February 26-27, 1974</td>
<td>Portland</td>
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<td>April 23-24, 1974</td>
<td>Portland</td>
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<td>June 25-26, 1974</td>
<td>Portland</td>
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<tr>
<td>August 27-28, 1974</td>
<td>Portland</td>
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<tr>
<td>October 29-30, 1974</td>
<td>Portland</td>
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<tr>
<td>December 17-18, 1974</td>
<td>Portland</td>
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It was agreed that the committee visitation schedule would receive further consideration.

Upon motion by Mr. Mosser, the Board voted to recess the adjourned Board session until 1:45 P.M., December 18, 1973.

Following the recess, President Layman again called the adjourned session of the regular State Board of Higher Education meeting of November 26, 1973, to order at 1:45 P.M., Pacific Standard Time, December 18, 1973, in Room 338, Michael J. Smith Memorial Center, Portland State University, Portland, Oregon. The following Board members were present:

- Mr. George H. Corey
- Mr. Robert D. Holmes
- Mrs. Elizabeth H. Johnson
- Mr. Philip A. Joss
- Mr. John D. Mosser
- Mr. John W. Snider
- Mr. Loran L. Stewart
- Mr. Edward G. Westerdahl II
- Mr. George H. Layman

Others Present: Miss Valerie McIntyre and Mr. Marc Maden were also present.

President Layman said the Board had taken the case of Mrs. Margaret K. Palen under advisement following presentation of her appeal at the November 26, 1973, Board meeting. At that time, her attorney appeared before the Board, together with the Assistant Attorney General appearing on behalf of Oregon State University.

Mr. Layman said the matter had been thoroughly discussed during the Board luncheon. It was noted that the two new Board members did not take part in the discussion during the Executive Session because they had not heard the case nor participated in the original discussion.

Mr. Layman also indicated that Board members had available to them the entire record of testimony and exhibits introduced at the hearing.
Mr. Snider asked whether it had been a matter of record that the case of Mrs. Palen would be discussed at this particular meeting.

Mr. Layman responded that it was not. He said the Board at its regular meeting on November 26 took the case under advisement, subject to further action. He said it was not on the agenda but the Board was free at any time to take up the case since it was under consideration.

Upon motion by Mr. Stewart the Board voted to affirm the action of President MacVicar in the case of Mrs. Margaret K. Palen. Mr. Snider voted against the motion. It was understood the staff would make appropriate notice of the action of the Board.

ADJOURNMENT

The Board adjourned the adjourned session at 2:10 P.M. December 18, 1973.

George H. Layman, President

D. R. Larson, Secretary