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University of New Mexico Board of Regents Minutes for October 08, 1964

University of New Mexico Board of Regents

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THE MINUTES OF THE MEETING OF
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
October 8, 1964

The Regents of the University met at 5:00 P.M. on Thursday, October 8, 1964, in the President's Office.

Present: Judge Howard C. Bratton, President
Mr. Bryan G. Johnson, Vice President
Mrs. Frank A. Mapel, Secretary-Treasurer
Dr. Lawrence H. Wilkinson

Absent: Mr. Thomas R. Roberts

Also Present: President Tom L. Popejoy
Dr. Harold L. Enarson, Academic Vice President
Dr. Sherman E. Smith, Dean of Students
Mr. John Perovich, Comptroller
Mr. John N. Durrie, University Secretary
Miss Frankie McCarty, Albuquerque Journal
Mr. Leon Bennett, KOB

Also present for portions of the meeting: Mr. William W. Ellison and Mr. John Hawkins, of the firm of William W. Ellison, Architect; Mr. Van Dorn Hooker, University Architect; and Mr. Douglas Henslee, Quinn & Co.

* * * * *

Mr. Ellison, architect for the two new residence halls (Santa Ana and Alvarado Halls), summarized the construction bids which were opened earlier in the afternoon and said that the low base bid of \$1,246,509, approximately \$200,000 less than Mr. Ellison's estimate, had been submitted by the K. L. House Construction Company. This bid, he noted, compared very favorably with the low bid for construction of Santa Clara and Ocate Halls two years ago; although costing \$14,000 more than the 1962 residence halls, building costs have risen about 6 per cent since that time and the two new dormitories are completely air-conditioned, actually resulting in lower costs on a relative basis.

Acceptance of
Low Bid for
Construction
of Two New
Dormitories

Mr. Ellison also reported on an additive bid for built-in furniture, noting that there had been a \$50,000 spread between the high and low bids and that the high bid of \$167,014 came from Mr. House. Since the bid proposal stated that the contract would be awarded on the base bid only, Mr. Ellison suggested that the Regents reject all the bids for the built-in furniture and then request bids again within another month or so.

The Regents queried the advisability of having two contractors (the base bid contractor and possibly another contractor for the built-in furniture) on one job, but Mr. Ellison and Mr. Hawkins said that there would be no problem since the latter job would be handled in any event by a sub-contractor and that the furniture would be installed only after construction of the dormitories is virtually complete.

Accordingly, it was moved by Dr. Wilkinson, seconded by Mrs. Mapel, that the low bid (\$1,246,509) from K. L. House Construction Company on the base proposal for construction of the two dormitories be accepted and that all the bids for built-in furniture be rejected. Carried.

* * * * *

Legislative
Budget
Summary,
1965-67

A legislative budget summary for 1965-67 which must soon be submitted to the Board of Educational Finance was presented to the Regents.

THE UNIVERSITY OF NEW MEXICO
 Legislative Budget Summary
 1965-1967

	Budget 1964-1965	Proposed Budget 1965-1966	Proposed Budget 1966-1967
Revenue and Balances			
Student Fees, unpledged	\$ 1,775,000	\$ 2,062,200	\$ 2,270,200
State Appropriation	7,192,000	9,700,000	11,760,000
Federal Grants	70,000	60,000	60,000
Private Gifts & Grants	100,000	—	—
Miscellaneous	346,300	354,800	379,800
Total Educational & General	\$ 9,483,300	\$12,177,000	\$14,470,000
Organized Activities	714,000	735,000	750,000
Non-Educational	2,208,000	2,397,600	2,533,200
Auxiliaries	4,165,000	4,700,000	5,230,000
Research	2,302,490	2,468,500	2,635,000
Non-Instr. Organized Activities	1,039,500	1,185,000	1,250,000
Total Current Funds	\$19,912,290	\$23,663,100	\$26,868,200
Capital Outlay	13,120,000	12,800,000	4,000,000
Total Revenue & Balances	\$33,032,290	\$36,463,100	\$30,868,200

Expenditures			
Educational & General			
Administration & General	\$ 1,180,000	\$ 1,500,000	\$ 1,800,000
Instruction (Regular)	5,451,400	7,006,000	8,342,000
Instruction (Medical School)	523,600	734,000	898,000
Libraries (General & Law)	480,000	615,000	728,000
Library (Medical School)	110,000	120,000	127,000
Plant Operation	1,300,000	1,650,000	2,000,000
Off-Campus	325,000	325,000	345,000
Total Educational & General	\$ 9,370,000	\$11,950,000	\$14,240,000
Organized Activities	738,000	762,000	780,000
Non-Educational	2,537,300	2,695,000	2,735,000
Auxiliaries	3,865,000	4,390,000	4,900,000
Research	2,302,490	2,468,500	2,635,000
Non-Instr. Organized Activities	1,099,500	1,185,000	1,250,000
Total Current Funds	\$19,912,290	\$23,450,500	\$26,540,000
Capital Outlay	6,685,000	10,900,000	3,700,000
Total Expenditures	\$26,597,290	\$34,350,500	\$30,240,000

Balances			
Educational & General	\$ —	\$ 200,000	\$ 200,000
Non-Educational	—	12,600	15,700
Capital Outlay	6,435,000	1,900,000	412,500
Total Expenditures & Balances	\$33,032,290	\$36,463,100	\$30,868,200



It was noted by President Popejoy that there has been earlier discussion with Dr. McConnell as to what the BEF will support in the area of salary increases and also concerning the matter of the student-faculty ratio. The President said that increases of approximately 8 per cent per year had been figured and that a ratio of about 20 to 1 had been used. Since the enrollment for the present fall semester is not yet accurately known, he said the projections of future enrollments must of necessity be more tentative than would otherwise be the case. He suggested, therefore, that the present budget not be approved specifically but rather as a good indication of what it will be eventually, with the possibility of changes within the various categories.

It was thereupon moved by Dr. Wilkinson, seconded by Mrs. Mapel, that the legislative budget summary for 1965-67 be approved as presented, with the understanding that it is tentative and subject to change. Carried.

* * * * *

A proposal for the performance of professional services as financial advisers in connection with the bond refunding approved at the last meeting was presented to the Regents by Mr. Henslee on behalf of E.F. Hutton & Company, Quinn & Company, and Stern Brothers & Company.

Financial
Adviser for
Bond
Refunding

Board of Regents
University of New Mexico
Albuquerque, New Mexico

Gentlemen:

1. We understand that you contemplate the authorization of new money and escrow refunding of approximately \$23,500,000, and that in connection with the authorization, issuance, sale and delivery of such bonds you desire this proposal from us to perform professional services in the capacity of Financial Advisors.
2. By this proposal we offer our professional services and our facilities as Financial Advisors and agree to perform the following duties normally performed by such advisors, and to perform such other duties, as, in our judgment, may be necessary or adviseable.
 - a. To make a study of the operating results of the several income producing systems and to devise and recommend for your approval a plan of financing to cover the proposed bonds. Such plan shall include a maturity schedule and other terms and conditions, such as options of prior payment, retention of the right to

issue additional bonds and the like, as will, in our opinion, result in the issuance of the bonds under terms and conditions most advantageous to the University consistent with a minimum effective interest rate.

b. Under the direction of Chapman and Cutler, municipal bond attorneys, to be retained by you and whose fees will be paid by you, we will supervise, assist and advise you upon steps necessary to be taken in the legal issuance of the bonds and the final delivery of the bonds to the purchaser. In this connection it is understood that legal services shall also include rendition of an unqualified approving opinion as to the legality of the bonds.

c. To advise you of current bond market conditions, forthcoming bond issues and other general information and economic data which might normally be expected to influence interest rates or bidding conditions so that the date for the sale of the bonds can be set at a time which in our opinion will be favorable.

d. To prepare an Official Notice of Sale, an Official Statement, or Prospectus of the general type as attached hereto containing financial data and other information of the nature and to the extent ordinarily required by municipal securities dealers in bidding on bonds of this type, and a uniform Bidding Form. It is understood that the University will attend to the printing and postage of the Prospectus to permit mailing to a list of prospective bidders which we agree to provide.

e. To attend the printing of the bonds, which fee you will pay.

3. We agree to direct and coordinate the entire program of financing herein contemplated. It is specifically understood and agreed, however, that this obligation on our part shall not cover publication costs, or the expenses of any litigation.

4. We agree to direct and coordinate the purchase of the U.S. Government securities to be placed in escrow for the payment of the bonds involved in the advance refunding. The cost of these purchases is to be born by the University.

5. As consideration for the services rendered by us and as reimbursement for the expenses which we are to incur, it is understood and agreed that the University is to pay and we are to accept a cash fee in the amount of \$35,000.00. Such fee shall become due and payable simultaneously with the delivery of the bonds to the purchaser.

6. We will attend to the review by the general market rating services in New York of the financing program. We will attend to the necessary negotiations with the Housing

and Home Finance Agency, relative to the University bonds owned by that agency.

7. It is understood and agreed that you and the officials of your Board will cooperate with us and the heretofore mentioned bond attorneys in the passage of all necessary orders or resolutions and in the completion of all certificates required in the issuance of the bonds.

8. It is further understood and agreed that we reserve the right to submit a bid for the bonds when offered for sale; however, if you should indicate in writing to us at least thirty days prior to the marketing of each series of bonds that you do not want us to submit a bid for our own account, we will not submit a bid in our own behalf and thereby act as your exclusive agent in the sale of the bonds.

9. This agreement shall be terminated by the delivery to the purchaser of the bonds covered hereby or by the elapse of twenty-four (24) months from date of your acceptance hereof, whichever shall first occur; however, if the bonds have not been so delivered within the period specified, this agreement may be extended by mutual consent.

10. This proposal is submitted in duplicate originals. When accepted by you it will constitute the entire agreement between your Board and the undersigned for the purpose and considerations herein specified. Your acceptance will be indicated by the signature of your President, attested by your Secretary, on both copies and returning one executed copy to us.

Respectfully submitted,

E. F. Hutton & Company
Quinn & Co.
Stern Brothers & Company

By _____

ACCEPTANCE

ACCEPTED pursuant to resolution adopted by the Board of Regents of the University of New Mexico, on this the ____ day of October, 1964.

President

Secretary

President Popejoy said he had discussed this proposal in detail with Mr. Roberts and Mr. Perovich, and he expressed his appreciation for Mr. Henslee's interest as well as his expert counsel and that of his co-advisers. Discussion then centered on whether or not the advisers should be permitted to bid on the bonds, and it was the consensus that they should not do so, in order to avoid any possible conflict of interest.

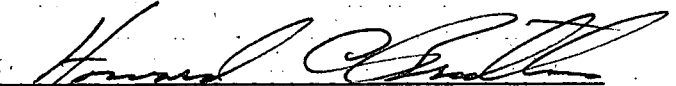
Upon the suggestion of Judge Bratton, it was thereupon moved by Mr. Johnson, seconded by Mrs. Mapel, that the proposal be approved in substance and that the President and Secretary-Treasurer of the Board be authorized to execute a contract when and as it is approved by the University attorney and the University Administration. Carried.

Judge Bratton noted that he had attended the Board of Educational Finance meeting at which President Popejoy and several of his staff submitted the University's refunding proposal. He expressed pride in the University Administration for a most professional presentation to the BEF, and Mr. Henslee said that he had been equally impressed.

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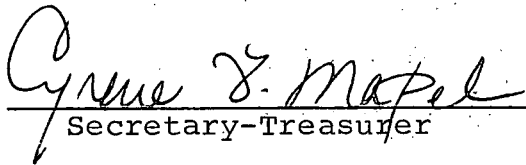
The meeting adjourned at 6:10 p.m.

APPROVED:



 President

ATTEST:



 Secretary-Treasurer