

ADJOURNED SESSION, OCTOBER 26, 1935

When the Board convened on Saturday, October 26, 1935, the following members were present: President Williams, Mr. Barr, Mr. Barrett, Mrs. Freeman, Mr. Karraker, Mr. Mayer, Mrs. Plumb.

President Willard was present; also Mr. Janata, Judge Johnson, and Professor Morey.

SYSTEM OF RETIRING ALLOWANCES

Mr. Karraker presented a recommendation of the Finance Committee:

On February 9, 1935 (Minutes, page 122), the Board of Trustees adopted a recommendation from the Finance Committee to the effect that the Board give immediate attention to the adoption of some satisfactory method of financing retiring allowances and death benefits.

The action of the Board did not specifically refer this matter to any committee. The Finance Committee, however, has discussed it in a preliminary way and is of the opinion that the Board should now proceed as rapidly as possible to a full study of this subject. As a first step in that direction, we suggest that the University Counsel be asked to review our system and render us an opinion concerning it.

We also suggest that the Board indicate definitely who is to be responsible for further work on this matter—whether the Finance Committee or a special committee.

On motion of Mr. Barrett, this matter was referred to the University Counsel for review and report.

On motion of Mr. Barr, the Finance Committee was requested to study the method of financing retiring allowances and death benefits.

REDUCED INTEREST ON GERMAN INTERNATIONAL BONDS

Mr. Karraker presented a recommendation from the Finance Committee that the Board accept interest at 4% on interest coupons due December 1, 1935, on \$5,000 of German Government International 5½% bonds due June 1, 1965, belonging to the Babcock Endowment Fund.

On motion of Mr. Barrett, this recommendation was adopted.

SALE OF WEST PENN POWER BONDS

The Finance Committee calls attention to \$10,500, par, of West Penn Power Company, first 5% bonds, due March 1, 1963, held as an investment of endowment funds. These bonds were purchased at various times at prices ranging from 98½ to 104. They are callable at 105. The market is now approximately 118.

On motion of Mr. Barrett, the Comptroller was authorized to sell these securities.

INVESTMENT OF ENDOWMENT FUNDS

Mr. Karraker presented a further recommendation of the Finance Committee that the Comptroller be authorized to purchase suitable securities with \$2,500 of uninvested endowment funds.

On motion of Mr. Karraker, this investment was authorized.

EMPLOYMENT OF ARTHUR ANDERSEN & CO.

On motion of Mr. Karraker, the employment of Arthur Andersen & Co. to audit the accounts of the University for the current fiscal year was authorized, at a cost not to exceed \$4,000; and of the Athletic Association at a cost not to exceed \$275, to be paid by the Association.

MATTERS PRESENTED BY PRESIDENT WILLARD

The Board considered the following matters presented by the President of the University.

PLANS FOR MEDICAL AND DENTAL BUILDING

(1) A statement concerning the plans for the second unit of the Medical and Dental Laboratories Building.

On motion of Mr. Barrett, the Director of the Physical Plant Department was authorized to take bids for the construction of this building, and the President of the University was authorized to approve any changes in the plans and specifications that may be necessary.

CONTRACTS FOR COAL

(2) A statement concerning the contracts for coal awarded at the meeting of September 28, 1935 (Minutes, pages 407-409).

The awards made on September 28 were on the basis of the wage scale then in existence with the understanding that an adjustment would be made in the event of any change in wage scale which might be made subsequent to that time. The wage scale was increased on October 1.

The seven parties to whom contracts were awarded at \$1.50 a ton have agreed to proceed at this price. The Tilton Mining Company has also agreed to proceed under the original price of \$1.20 a ton at the mine. The Oakwood Coal Company has indicated that its price would be \$1.00 a ton f.o.b. the mine instead of 93¢ previously quoted or \$1.80 a ton f.o.b. the plant instead of \$1.75 previously quoted. As these adjustments are considered reasonable in view of the change in the wage scale, the contract is being drawn up on that basis.

President Williams appointed Mr. Mayer and Mr. Barrett to act as a special committee to get the opinion of the University Counsel and to formulate a statement of the policy of the University in the purchase of coal.

OPERATION OF THE ILLINOIS UNION BUILDING

(3) At the meeting of the Board on July 26, there was presented a proposal that the University take over the entire Union Building. This matter was referred to a special committee appointed by the President of the Board and consisting of Messrs. Barrett, Karraker, and Pogue for a consideration of the report.

This committee met at the University on July 31 and after further consideration of the proposals, it recommended that the University officials previously authorized by the President to undertake negotiations with the Board of Directors of the University Union and the Board of Directors of the University Y.M.C.A. continue these negotiations and present to the special committee of the Board of Trustees a definite program which will have the approval of all parties concerned. It is understood that no commitment will be made until the Board of Trustees has given its approval to the plan.

The committee also recommended that a confidential appraisal of the land and building be made by disinterested parties to be used solely by the University. Estimates of the cost of this appraisal run from \$235 to \$250 depending upon the valuation. The Director of the Physical Plant Department recommends that the firm of O. P. Curran, Jr., Inc., of Chicago, be engaged to make this appraisal.

On motion of Mr. Barr, this appraisal was authorized and an appropriation of \$250, or so much thereof as may be necessary, was made from the General Reserve Fund by the following vote: Aye, Mr. Barr, Mr. Barrett, Mrs. Freeman, Mr. Karraker, Mr. Mayer, Mrs. Plumb, Mr. Williams; no, none; absent, Mr. Horner, Dr. Meyer, Mr. Pogue, Mr. Wieland.

LEGISLATION AUTHORIZING TRANSFER OF TITLE TO SITE OF MEDICAL AND DENTAL COLLEGE LABORATORIES BUILDING

(4) The University Counsel has advised that one of the requirements of the Federal Government in approving the application of the University of Illinois for funds for the Medical and Dental College Laboratories unit is that the title to the property on which the building is to be erected shall be in the sponsor, to wit, in the Board of Trustees of the University of Illinois. Title to

this land is now in the State of Illinois. The Director of the Department of Public Welfare approves of the transfer of title to the parcel of land on which the second unit of the medical building is to be erected, or, in fact, the entire site of the Research and Educational Hospital and the University buildings, if that is desirable, to the Board of Trustees of the University of Illinois. To accomplish this, enabling legislation will be necessary. I therefore recommend that the Board authorize the President of the University to secure the introduction and passage of a bill for this purpose in the first special session of the Fifty-Ninth General Assembly. The Governor's call for this session covers such legislation.

On motion of Mr. Barr, this authority was granted.

AUTHORIZATION OF LEGISLATION REAPPROPRIATING FEDERAL FUNDS

(5) A request for authority to have a bill introduced in the first special session of the Fifty-Ninth General Assembly reappropriating to the University of Illinois such additional funds as will be paid by the Federal Government into the State Treasury for the biennium 1935-1937 to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges under an Act of Congress approved June 29, 1935. The Governor's call for this session covers such legislation.

It is estimated that this reappropriation will amount to \$51,000 for the biennium.

On motion of Mr. Mayer, this authority was granted.

BEQUEST OF WILLIAM R. BRADLEY

(6) On October 13, 1933, the Board accepted a bequest of the late William R. Bradley of \$5,000 for the benefit of the University of Illinois Band. At the request of Mrs. Helen Byers Bradley, executrix, the settlement of this bequest has been postponed from time to time because of the impossibility of realizing on certain securities in the estate, with permission to defer settlement until August, 1935. Since that period has passed, the Comptroller has taken the matter up again with Mrs. Bradley, and she requests a further extension of two years from August 1, 1935. She states that any amount which is realized on the securities will be turned over to the University when received by her.

I recommend that this request be approved.

On motion of Mr. Barrett, this extension was authorized.

COOPERATION WITH THE ILLINOIS EYE AND EAR INFIRMARY FOR PROMOTION OF GRADUATE WORK IN THE MEDICAL SCIENCES

(7) It has been proposed by officials of the Illinois Eye and Ear Infirmary that a cooperative arrangement be entered into between that institution and the University of Illinois to promote graduate work in the medical sciences. This will involve the State Department of Public Welfare and the Research and Educational Hospital. The details of the plan have not yet been worked out, but in the meantime I request authority to negotiate with the parties concerned, with the understanding that any plan which may be mutually agreed upon will be subject to approval by the Board of Trustees.

On motion of Mr. Barr, this authority was given.

COMPTROLLER'S QUARTERLY REPORT

(8) The quarterly report of the Comptroller to the Board of Trustees as of September 30, 1935.

This report was referred to the Finance Committee for consideration and report.

The Board adjourned to meet at the Blackstone Hotel, in Chicago, at one o'clock p.m. on Friday, November 1, 1935.