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El Paso, Texas  
October 13, 1955  
Meeting No. 549

The Board of Regents of The University of Texas met as a Committee of the Whole in the Library of Texas Western College of The University of Texas, El Paso, Texas, on Thursday, October 13, 1955, at 2:30 p. m. with the following in attendance:

<u>Present</u>	<u>Absent</u>
Chairman Sealy	Regent Lockwood
Vice-Chairman Voyles	Regent Minter
Regent (Mrs.) Devall	Regent Sorrell
Regent Jeffers	
Regent Johnson	
Regent Oates	
President Wilson	
Assistant to the President Cox	
Secretary Thedford	

LAND AND INVESTMENT COMMITTEE MATTERS. -- Those individuals connected with, and interested in, the matters of the Land and Investment Committee were called into the meeting.

At the request of Chairman Sealy, Mr. Jeffers presented the reports of the Land and Investment Committee:

PROPOSED WATER EXPLORATION PERMIT TO PUBLIC SERVICE See Vol. IV, BOARD OF CITY OF EL PASO ON UNIVERSITY LANDS IN HUDSPETH Page 3. COUNTY, TEXAS. -- Mr. John A. Grambling, Attorney for the Public Service Board of the City of El Paso, Texas, the managing board of the City's Water Department, has requested that the Public Service Board be granted water rights in Blocks A, B, C, D, E and F, University Lands in Hudspeth County, Texas. The Public Service Board would like a water exploration permit on the area with an option for a water rights contract if and when it is determined that water is available in quantity and quality sufficient to be used as a source of supply for the City of El Paso.

It is recommended that the Board of Regents express its favorable consideration of the proposed project and its willingness to extend complete cooperation toward the accomplishing of the proposed development of further water resources for the City of El Paso on University Lands in Hudspeth County. It is further recommended that Endowment Officer Stewart be authorized to work with the Public Service Board in developing a concrete proposal for the water exploration permit to submit to the Board of Regents at its next meeting.

This report was approved by the Board upon motion of Mr. Jeffers, seconded by Vice-Chairman Voyles.

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PROPOSED LEASE TO E. P. CHAPMAN, JR., AND JOHN A. WOOD FOR REMOVAL OF DIATOMACEOUS EARTH FROM 1,143.69 ACRES, UNIVERSITY BLOCK 35, ECTOR COUNTY. -- In 1953, an inquiry was received from the law firm of Stubbeman, McRae and Sealy of Midland, apparently on behalf of E. P. Chapman, Jr., and John A. Wood, mining engineers and geologists, of Albuquerque, New Mexico, regarding a lease or permit for removal of diatomaceous earth from parts of Block 35, University Lands, Ector County. The Endowment Officer was authorized by the Board of Regents on June 26, 1953, to negotiate the terms of such a lease to be submitted to the Board for approval, and the attorneys were so advised. Apparently due to further investigation of the matter by the prospective lessees, the negotiations were dropped until June, 1955, when another inquiry was received from the attorneys. The matter is now being handled for Messrs. Chapman and Wood by the law firm of Hart, Brown, Sparks and Irwin of Austin.

See P. 259.

The acreage involved in Block 35, amounting to approximately 1,143.69 acres, is as follows: E/2 of W/2, Section 1; E/2 of W/2 and W/2 of E/2, Section 2; E/2 and NE/4 of NW/4, Section 3; W/2 of E/2, Section 4; and W/2 of NE/4, Section 7. All is under grazing lease and practically all is under producing oil and gas leases involving twelve separate operating companies. Twenty-eight producing wells are on the property.

Diatomaceous earth is a light-weight formation consisting primarily of siliceous remains of former marine life, usually found at or near the surface. Usually it is not found in pure form and is subject to some refining processes. California has commercial development for several industrial uses, but no such development is known of in Texas. Messrs. Chapman and Wood estimate the subject acreage has a minimum of 2,000,000 cubic yards of substance recoverable under their proposed lease.

The proposal of Messrs. Chapman and Wood is as follows:

1. Earth removal lease for primary term of five years and as long thereafter as digging and removal operations under the lease are conducted, with adequate provisions against removal of other more valuable minerals.
2. Bonus of \$2.50 per acre.
3. Royalty of 25¢ per cubic yard.
4. Guaranteed annual royalty of \$1.00 per acre after the first year.
5. Operating provisions satisfactory to the University with particular attention to adequate indemnification against damage from operations to the University, its grazing lessees, and its oil and gas lessees.

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It is recommended that the Endowment Officer be authorized to negotiate with Messrs. Chapman and Wood for an earth removal lease on the subject acreage with terms no less favorable to the University than those set out above, the negotiated terms to be presented in final form to the Board of Regents for consideration at the next meeting.

The Board, upon motion of Mr. Jeffers, duly seconded, accepted the report and the recommendations contained therein.

MISCELLANEOUS LAND AND INVESTMENT MATTERS (This report was adopted by the Board as reflected on Page 25 .)

Mr. Jeffers presented the following report of the Miscellaneous Land and Investment matters:

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS. --

REPORT OF PURCHASE OF SECURITIES. -- The following purchases of securities have been made for the Permanent University Fund since the report of July 8, 1955. We ask that the Board ratify and approve these transactions:

UNITED STATES GOVERNMENT BONDS PURCHASED

Issue	Par Value	Purchase Price	Yield Basis*	Principal Cost	Date of Delivery
3% U. S. Treas., due 2/15/95	\$1,000,000	100.125	2.99%	\$1,001,250.00	7/21/55
Ditto	1,000,000	100.109375	2.99	1,001,093.75	7/22/55
Ditto	1,000,000	99.875	3.01	998,750.00	7/27/55
Ditto	600,000	99.8125	3.01	598,875.00	7/28/55
Ditto	1,000,000	99.25	3.03	992,500.00	8/16/55
Ditto	400,000	98.84375	3.05	395,375.00	8/31/55
Ditto	1,000,000	100.046875	3.00	1,000,468.75	10/7/55
Totals	<u>\$6,000,000</u>			<u>\$5,988,312.50</u>	

\*Yield to maturity

TEXAS MUNICIPAL BONDS PURCHASED

Issue	Par Value	Purchase Price	Yield Basis#	Principal Cost	Date of Delivery
3-1/2% City of Greenville, Water, Sewer & Elec. Sys. Jr. Lien Rev., Series 1955, dated 6/1/55, due 6/1/85, optional 10/1/66	<u>\$50,000</u>	102.775264	3.20%	<u>\$51,387.63</u>	9/8/55

#Yield to option date - 10/1/66.

## PERMANENT UNIVERSITY FUND -- LAND MATTERS. --

LEASES AND EASEMENTS. -- The Land and Investment Committee has given consideration to the following applications for various leases and easements on University Lands. All are at the standard rate unless otherwise stated, are on the University's standard forms, and have been approved as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer. The Land and Investment Committee asks that the Board approve these applications and authorize the Chairman of the Board to execute the instruments involved:

PIPE LINE EASEMENT NO. 721, GULF REFINING COMPANY, ECTOR COUNTY, TEXAS. -- This application for a pipe line easement to Gulf Refining Company covers 309 rods of 10-inch pipe line at \$1.00 per rod in Block 35, Section 1, University Lands in Ector County, Texas, for a ten-year period beginning September 1, 1955, and ending August 31, 1965. The full consideration in the amount of \$309.00 for the ten-year period has been tendered with the application. (Renewal of Easement No. 248)

POWER LINE EASEMENT NO. 722, GULF REFINING COMPANY, ECTOR COUNTY, TEXAS. -- This application for a power line easement to Gulf Refining Company covers 160 rods of power line at 5¢ per rod per year in Block 35, Section 1, University Lands in Ector County, Texas for a ten-year period beginning September 1, 1955 and ending August 31, 1965. The full consideration in the amount of \$80.00 for the ten-year period has been tendered with the application. (Renewal of Easement No. 249)

PIPE LINE EASEMENT NO. 723, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a pipe line easement to Humble Pipe Line Company covers 104.67 rods of 4-inch pipe line at 25¢ per rod in Block 10, Sections 9 and 10, University Lands in Andrews County, Texas, for a ten-year period beginning January 1, 1955, and ending December 31, 1964. The full minimum consideration in the amount of \$50.00 for the ten-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 724, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a pipe line easement to Humble Pipe Line Company covers 153.82 rods of 4-inch pipe line at 25¢ per rod in Block 10, Sections 15 and 16, University Lands in Andrews County, Texas, for a ten-year period beginning January 1, 1955, and ending December 31, 1964. The full minimum consideration in the amount of \$50.00 for the ten-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 725, HUMBLE PIPE LINE COMPANY, ANDREWS COUNTY, TEXAS. -- This application for a pipe line easement to Humble Pipe Line Company covers 211 rods of 4-inch pipe line at 25¢ per rod in Block 1, Sections 19 and 26, University Lands in Andrews County, Texas, for a ten-year period beginning June 1, 1955, and ending May 31, 1965. The full consideration in the amount of \$52.75 for the ten-year period has been tendered with the application.

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PIPE LINE EASEMENT NO. 726, EL PASO NATURAL GAS COMPANY, UPTON COUNTY, TEXAS. -- This application for a pipe line easement to El Paso Natural Gas Company covers 5.879 rods of 6-5/8-inch pipe line at 75¢ per rod in Block 58, Section 13, University Lands in Upton County, Texas, for a ten-year period beginning August 1, 1955, and ending July 31, 1965. The full minimum consideration in the amount of \$50.00 for the ten-year period has been tendered with the application.

( ) See Page 707

PIPE LINE EASEMENT NO. 727, TEXAS GAS PRODUCTS CORPORATION, UPTON COUNTY, TEXAS. -- This application for a pipe line easement to Texas Gas Products Corporation covers 848.48 rods of 4-inch pipe line at 25¢ per rod in Block 58, Section 13, and Block 3, Sections 4, 5 and 9, University Lands in Upton County, Texas, for a ten-year period beginning August 1, 1955, and ending July 31, 1965. The full consideration in the amount of \$212.12 for the ten-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 728, TEXON GAS, INC., REAGAN COUNTY, TEXAS. -- This application for a pipe line easement to Texon Gas, Inc., covers 803 rods of 3-inch and 4-inch gas pipe line at 25¢ per rod in Block 2, Sections 2, 11 and 12, and Block 9, Sections 25, 35 and 36, University Lands in Reagan County, Texas, for a ten-year period beginning July 1, 1955 and ending June 30, 1965. The full consideration in the amount of \$200.75 for the ten-year period has been tendered with the application.

POWER LINE EASEMENT NO. 729, WEST TEXAS UTILITIES COMPANY, CRANE COUNTY, TEXAS. -- This application for a power line easement to West Texas Utilities Company covers 1725.6 rods of power line at 5¢ per rod per year in Block 30, Sections 6, 7, 8, 16, 17, 21 and 28, and Block 31, Section 1, University Lands in Crane County, Texas, for a ten-year period beginning June 1, 1955, and ending May 31, 1965. The full consideration in the amount of \$862.80 for the ten-year period has been tendered with the application. (Renewal of Easement No. 246)

RESIDENCE SITE EASEMENT NO. 730, C. M. ESCUE, ET AL (SEVEN LESSEES), ECTOR COUNTY, TEXAS. -- This application for a residence site easement to Gulf Oil Corporation employees C. M. Escue, J. D. Lancaster, R. B. Griffith, G. F. Bunger, E. R. Catlin, E. R. Crockett, and W. P. Dow (Mr. W. P. Dow having subsequently transferred his interest to N. W. Hester) covers a 5.72-acre tract in the northeast part of the S/2 of the S/2 of Section 1, Block 35, University Lands in Ector County, Texas. This is part of a 162.075-acre site under lease to Gulf Oil Corporation under Camp Site Easement No. 401, but the 5.72-acre tract described above is being released by Gulf. The period covered for the residence site easement is for one year beginning September 1, 1955, and ending August 31, 1956, with an option to extend and renew from year to year, but not to exceed a total period of ten years from September 1, 1955, by payment in advance of the annual rental in the amount of \$175.00 for the tract. This tract is to be used for private residences, and lessees are to be given the right to construct and maintain necessary and desirable appurtenances, including drilling of water wells. Lessees may remove improvements owned by them but shall not remove water well casings or interfere with water wells drilled. Charges connected with the operation and maintenance of the premises, including taxes and other assessments, are to be borne by the lessees. The full consideration in the amount of \$175.00 for the first year's rental has been tendered with the application.

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RESIDENCE SITE EASEMENT NO. 731, H. M. SMITH AND J. W. PAINTER, ECTOR COUNTY, TEXAS. -- This application for a residence site easement to Gulf Oil Corporation employees H. M. Smith and J. W. Painter covers a 480' by 200' tract of land in the southwest corner of the S/2 of Section 1, Block 35, University Lands in Ector County, Texas. This is part of a 162.075-acre site under lease to Gulf Oil Corporation under Camp Site Easement No. 401, but the 480' by 200' tract described above is being released by Gulf. The period covered for the residence site easement is for one year beginning September 1, 1955, and ending August 31, 1956, with an option to extend and renew from year to year, but not to exceed a total period of ten years from September 1, 1955, by payment in advance of the annual rental in the amount of \$50.00 for the tract. This tract is to be used for private residences, and lessees are to be given the right to construct and maintain necessary and desirable appurtenances, including drilling of water wells. Lessees may remove improvements owned by them but shall not remove water well casings or interfere with water wells drilled. Charges connected with the operation and maintenance of the premises, including taxes and other assessments, are to be borne by the lessees. The full consideration in the amount of \$50.00 for the first year's rental has been tendered with the application.

BUSINESS SITE EASEMENT NO. 732, P. O. VANDERHORST, PECOS COUNTY, TEXAS. -- This application for a business site easement to P. O. Vanderhorst covers a 2-acre tract running parallel with the highway in Block 16, Section 31, University Lands in Pecos County, Texas, to be used as a filling station and cafe site. This easement is for a period of one year beginning January 1, 1956, and ending December 31, 1956, with an option to extend and renew the lease from year to year, but not to exceed a total period of ten years from January 1, 1956, by payment in advance of the annual rental in the amount of \$100.00. The consideration for the first year's rental in the amount of \$100.00 has been tendered with the application. (Renewal of Easement No. 255)

PIPE LINE EASEMENT NO. 733, SOUTHERN UNION GAS COMPANY, WARD COUNTY, TEXAS. -- This application for a pipe line easement to Southern Union Gas Company covers 650 rods of 4-inch pipe line at 25¢ per rod in Block 17, Sections 38, 39 and 40, University Lands in Ward County, Texas, for a ten-year period beginning September 1, 1955, and ending August 31, 1965. The full consideration in the amount of \$162.50 for the ten-year period has been tendered with the application. (Renewal of Easement No. 250)

BUSINESS SITE EASEMENT NO. 734, ESTES CONSTRUCTION COMPANY, REAGAN COUNTY, TEXAS. -- This application for a business site easement to Estes Construction Company covers a 200' by 200' tract of land in Block 11, Section 7, University Lands in Reagan County, Texas, to be used as a construction yard. This easement is for a period of one year beginning August 1, 1955, and ending July 31, 1956, with an option to extend and renew the lease from year to year, but not to exceed a total period of ten years from August 1, 1955, by payment in advance of the annual rental in the amount of \$150.00. The consideration for the first year's rental in the amount of \$150.00 has been tendered with the application. (Easement No. 539 on same tract, held by Stephenson and Craig, terminated as of July 31, 1955)

PIPE LINE EASEMENT NO. 735, PHILLIPS PETROLEUM COMPANY, CRANE COUNTY, TEXAS. -- This application for a pipe line easement to Phillips Petroleum Company covers 301.48 rods of 4-inch gas pipe line at 25¢ per rod in Block 35, Section 14, University Lands in Crane County, Texas, for a ten-year period beginning October 1, 1955, and ending September 30, 1965. The full consideration in the amount of \$75.37 for the ten-year period has been tendered with the application.

ASSIGNMENT OF GRAZING LEASE NO. 580, PECOS COUNTY, TEXAS, FROM CLAYTON W. WILLIAMS TO BUCK HARRIS. -- This application for assignment of Grazing Lease No. 580 from Clayton W. Williams to Buck Harris covers 4,530 acres in that part of Sections 33 and 34 located north of railroad, Block 27; and Sections 4, 5, 6, 8, 9, 16, 17 and that part of Sections 7 and 18 located north of railroad, Block 28, University Lands in Pecos County, Texas. This grazing lease is for a ten-year period beginning July 1, 1947 and ending June 30, 1957, at the rate of 22¢ per acre per year, annual rental in the amount of \$996.60 to be paid in semiannual installments in advance on the first day of January and July. No bonus is being paid or received in connection with the assignment of this grazing lease. The standard assignment fee of \$25.00 and the \$1.00 General Land Office filing fee have been tendered with the application.

RELEASE OF PART OF ACREAGE HELD UNDER CAMP SITE EASEMENT NO. 401, GULF OIL CORPORATION, ECTOR COUNTY, TEXAS. -- Gulf Oil Corporation has applied for permission to release a 5.72-acre tract in the northeast part of the S/2 of the S/2 of Section 1, Block 35, University Lands in Ector County, Texas, and a 480' by 200' tract in the southwest corner of the S/2 of Section 1, Block 35, University Lands in Ector County, Texas, these tracts being part of the 162.075-acre tract held by Gulf Oil Corporation under Camp Site Easement No. 401, which easement expires January 31, 1984, covering the S/2 of the S/2 of Section 1, Block 35, University Lands in Ector County, Texas. Because of a change in housing policy, Gulf will no longer maintain privately owned houses of its employees on this part of the acreage under Easement No. 401 and, therefore, wishes to release the two portions as described above of this surface easement in order that its employees may continue to reside on these premises but under separately and privately negotiated easements approved by the Board of Regents. (See Easement Nos. 730 and 731 above)

RELINQUISHMENT OF WATER LEASE CONTRACT NO. 49, STANOLIND OIL AND GAS COMPANY, ET AL, ANDREWS COUNTY, TEXAS. --- Stanolind Oil and Gas Company has filed an Instrument of Relinquishment with the General Land Office, surrendering to the Board of Regents all rights, title and interest held under Water Lease Contract No. 49, issued jointly to Stanolind Oil and Gas Company, Champlin Refining Company, Humble Oil & Refining Company and Superior Oil Company, covering the SW/4 of Section 9, Block 11, University Lands in Andrews County, Texas, this contract having been granted for a period of ten years beginning September 1, 1951, and ending August 31, 1961, unless relinquished prior thereto.

PIPE LINE EASEMENT NO. 736, EMPIRE SOUTHERN GAS COMPANY, ANDREWS AND MARTIN COUNTIES, TEXAS. -- This application for a pipe line easement to Empire Southern Gas Company covers 3,640 rods

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of 8-5/8-inch natural gas pipe line at \$1.00 per rod in Block 14, Section 7; Block 3, Sections 7, 8, 9, 13, 14 and 15; Block 8, Section 18; and Block 7, Sections 33, 34 and 35, University Lands in Andrews County, Texas, for a ten-year period beginning September 1, 1955, and ending August 31, 1965. The full consideration in the amount of \$3,640.00 for the ten-year period has been tendered with the application. (Renewal of Easement No. 251)

PIPE LINE EASEMENT NO. 737, TEXAS GAS PRODUCTS CORPORATION, UPTON COUNTY, TEXAS. -- This application for a pipe line easement to Texas Gas Products Corporation covers 1,848.48 rods of 8-inch and 10-inch gas gathering pipe line at \$1.00 per rod in Block 58, Section 13, and Block 3, Sections 5, 8, 17, 20 and 29, University Lands in Upton County, Texas, for a period of ten years beginning August 1, 1955, and ending July 31, 1965. The full consideration in the amount of \$1,848.48 for the ten-year period has been tendered with the application.

PIPE LINE EASEMENT NO. 738, PHILLIPS PETROLEUM COMPANY, ECTOR AND CRANE COUNTIES, TEXAS. -- This application for a pipe line easement to Phillips Petroleum Company covers 694.5 rods of 3-inch and 4-inch pipe line at 25¢ per rod in Block 35, Sections 1, 10 and 12, University Lands in Crane and Ector Counties, Texas, for a ten-year period beginning September 1, 1955, and ending August 31, 1965. The full consideration in the amount of \$173.63 for the ten-year period has been tendered with the application.

BUSINESS SITE EASEMENT NO. 739, R. S. MERONEY, REAGAN COUNTY, TEXAS. -- This application for a business site easement to R. S. Meroney covers a 200' by 200' tract of land in Section 7, Block 11, University Lands in Reagan County, Texas, to be used as a site for a welding shop. The easement is for a period of one year beginning August 1, 1955, and ending July 31, 1956, with an option to extend and renew the lease from year to year, but not to exceed a total period of ten years from August 1, 1955, by payment in advance of the annual rental in the amount of \$150.00. The consideration for the first year's rental in the amount of \$150.00 has been tendered with the application. (Easement No. 660 on same tract, held by Carl Bewick, permitted to expire by its terms on July 31, 1955)

POWER LINE EASEMENT NO. 740, EL PASO ELECTRIC COMPANY, EL PASO COUNTY, TEXAS. -- This application for a power line easement to El Paso Electric Company covers 2,079 rods of power line right-of-way at 5¢ per rod per year in Block L, University Lands in El Paso County, Texas, for a ten-year period beginning November 1, 1955, and ending October 31, 1965. The easement includes the right to construct an ingress and egress road for maintenance purposes on a 0.2295-acre plot in Survey 1, Block L. The total consideration for the ten-year period in the amount of \$1,039.50 has been tendered with the application.

GRAZING LEASE NO. 703, SCHARBAUER CATTLE COMPANY, ANDREWS AND GAINES COUNTIES, TEXAS. -- This application for renewal of part of Grazing Lease No. 564 to Scharbauer Cattle Company covers 79,367.4 acres of land in Sections 5 to 10, inclusive, 19 to 24, inclusive, 33 to 38, inclusive, and 47 to 49, inclusive, Block 6; Sections 1 to 42, inclusive, Block 5; Sections 1 to 18, inclusive, Block 8;

Sections 5 to 10, inclusive, 19 to 21, inclusive, and part of Sections 23 and 24, Block 7; Sections 1 to 4, inclusive, 9 to 16, inclusive, 21 to 28, inclusive, 34 to 39, inclusive, and part of Sections 5, 8, 17, 20, 29, 33, and 40, Block 4; and Sections 1 to 3, inclusive, 10 to 15, inclusive, and part of Sections 4 and 9, Block 3, University Lands in Andrews and Gaines Counties, for a period of five years beginning January 1, 1956, and ending December 31, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 27-1/2¢ per acre for the first year and 33¢ per acre for the remaining four years, aggregate sum of which is in the amount of \$126,591.00, to be paid in semiannual installments as follows: \$10,913.02 on January 1, 1956, and July 1, 1956; and \$13,095.62 on January 1 and July 1 of each succeeding year until and including July 1, 1960. (Renewal of part of Grazing Lease No. 564)

GRAZING LEASE NO. 704, ARNOLD P. SCHARBAUER, ANDREWS, MARTIN, GAINES AND DAWSON COUNTIES, TEXAS. -- This application for renewal of Grazing Lease No. 565 and part of Grazing Lease No. 564 to Arnold P. Scharbauer covers 24,828.6 acres of land in Sections 1 to 4, inclusive, 11 to 18, inclusive, 25 to 32, inclusive, and 39 to 46, inclusive, Block 6; and Sections 1 to 4, inclusive, 11 to 18, inclusive, and part of Sections 25, 26, 27 and 28, Block 7, University Lands in Andrews, Martin, Gaines and Dawson Counties, Texas, for a period of five years beginning January 1, 1956, and ending December 31, 1960, with an option to renew the lease for another period of five years at negotiated terms. Rental is at the rate of 27-1/2¢ per acre for the first year and 31¢ per acre for the remaining four years, aggregate sum of which is in the amount of \$37,615.30, to be paid in semiannual installments as follows: \$3,413.93 on January 1, 1956, and July 1, 1956; and \$3,848.43 on January 1 and July 1 of each succeeding year until and including July 1, 1960. (Renewal of all of Grazing Lease No. 565 and part of Grazing Lease No. 564)

REVISION OF PIPE LINE RIGHT-OF-WAY UNDER EASEMENT NO. 53, PASOTEX PIPE LINE COMPANY, HUDSPETH COUNTY, TEXAS. -- This application covers a request by Pasotex Pipe Line Company for a revision of its pipe line right-of-way under Easement No. 53, granted to the company for a term of fifty years from July 1, 1928. Under the provisions of the easement, Pasotex is given the right to lay additional lines adjacent to and parallel with the first one laid upon formal application therefor to and approval thereof by the Board of Regents, the rental for such additional lines being at the rate of 25¢ per linear rod. The terms of the easement also provide that the right-of-way of the lines shall lie within a 33-foot strip, such strip to lie 16-1/2 feet equally on each side of an existing telephone line of the lessee. Pasotex has applied for the provisions of Easement No. 53 to be amended so as to provide for the location of the 33-foot strip to be changed to 1-1/2 feet south and 31-1/2 feet north of the existing telephone line so as to permit the company to change the size of one of the now existing 8-inch lines to a 20-inch line, it being felt that the laying of such a large line would be impossible without getting off their present right-of-way of 16-1/2 feet on either side of the telephone line. Pasotex plans not only to remove the 8-inch line to be replaced by a 20-inch line but also plans to remove the other 8-inch line to make room for renewal later when necessary. Pasotex agreed that, if allowed to proceed with the changing of the line without delay, which permission has been granted, the company would take full responsibility for the payment of the current standard University rate of \$1.50 per linear rod for a 20-inch line for a 10-year

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period for the revised right-of-way. It is recommended that an amendment be granted to Easement No. 53 so as to permit Pasotex to lay the 20-inch line within a 31-1/2 foot strip north of the existing telephone line with the other 1-1/2 feet of the 33-foot strip to lie south of the existing telephone line as requested, at the rate of \$ 1.00 per rod for 3,980.56 rods of 20-inch line for a 10-year period, with the further provision that any pipe line south of the existing telephone line shall be removed. It is further recommended that the Chairman of the Board be authorized to execute such an amendment upon its approval as to form by the University Land and Trust Attorney and as to content by the University Endowment Officer.

PROPOSED REVISION OF "REQUIRED OPERATING AND REPORTING PROCEDURES UNDER UNIVERSITY OIL AND GAS LEASES AND GEOPHYSICAL EXPLORATION PERMITS." -- In order to bring up-to-date the Required Operating and Reporting Procedures under University Oil and Gas Leases and Geophysical Exploration Permits, dated December 1, 1953, initially approved by the Board of Regents at the October and December, 1953, meetings, each of the department heads for University Lands was asked to make suggested revisions. All department heads have reported that use of the operating and reporting procedures has been a major contribution toward stabilizing the operating and reporting procedures with the various oil operators and exploration permittees and that certain changes regarding clarification of procedures and additions to maximum damage schedules have become necessary. The following changes and additions have been made:

1. Paragraph A. 4, page 1; paragraph B. 2, page 2; and paragraphs D. 1. a. and D. 1. b., pages 2 and 3, have been clarified so as to prevent misunderstanding as to their requirements.
2. Maximum damage fee for oil and gas operators, E. 1. d., page 3, for pipe line construction, has an added maximum damage charge of 10¢ per rod for water and fuel lines used for drilling purposes and removed when well is completed.
3. A maximum damage fee for oil and gas operators has been added as E. 1. e., page 3, for telephone and power lines, at \$50.00 per mile.
4. A maximum damage fee for geophysical exploration permittees has been added as D. 1. c., page 6, for seismic weight-dropping, at \$25.00 per day.

(A copy of the revised edition of the Required Operating and Reporting Procedures, dated October 15, 1955, is in Secretary's Files, Vol. III. Page 99)

It is recommended by the Land and Investment Committee that the Board adopt the revised operating and reporting procedures, dated October 15, 1955, and authorize the University Geologist in Charge to distribute mimeographed copies to all oil and gas operators and geophysical exploration permittees.

(This report was explained in detail by Mr. Jeffers and was adopted by the Board by a separate motion of Mr. Jeffers, seconded by Mr. Johnson.)

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## TRUST AND SPECIAL FUNDS -- INVESTMENT MATTERS. --

## REPORT OF PURCHASES, SALES AND REDEMPTION OF SECURITIES. --

The following purchases, sales and redemption of securities have been made for the Trust and Special Funds since the report of July 8, 1955. We ask that the Board ratify and approve these transactions:

Date	PURCHASES Security	Total Cost
7/15/55	\$30,000 par value U. S. 2-3/8% Treasury Bonds, due June 15, 1958, purchased at 99.84375 to yield 2.44% to maturity. Interest paid to 7/18/55 (Lila Belle Etter Estate)	\$ 29,953.13
	55 Shares El Paso Natural Gas Company Common Stock purchased at 45-1/4 per share	2,514.31
	50 Shares General Motors Corporation Common Stock purchased at 124-5/8 per share (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	6,270.66
7/20/55	\$970,000 par value U. S. 2-3/8% Treasury Bonds, due June 15, 1958, purchased at 99.703125 to yield 2.47% to maturity. Interest paid to 7/22/55 (Board for Lease of University Lands)	967,120.31
7/25/55	100 Shares American Can Company Common Stock purchased at 42 per share	4,236.00
	100 Shares F. W. Woolworth Company Capital Stock purchased at 52-1/8 per share (Hogg Foundation: W. C. Hogg Fund)	5,252.71
7/26/55	70 Shares American Telephone & Telegraph Company Capital Stock purchased at 187-1/4 per share (Funds Grouped for Investment)	13,157.81
	100 Shares Pacific Lighting Corporation Common Stock purchased at 40-5/8 per share (Hogg Foundation: W. C. Hogg Fund)	4,097.81
7/27/55	37 Shares Colgate-Palmolive Company Common Stock purchased at 58-1/4 per share	2,179.27
	100 Shares Colgate-Palmolive Company Common Stock purchased at 58 per share	5,840.80
	100 Shares Pacific Lighting Corporation Common Stock purchased at 41-3/8 per share	4,173.19

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Date	PURCHASES (Continued) Security	Total Cost
7/27/55	90 Shares Standard Oil Company of California Capital Stock purchased at 95-5/8 per share (Hogg Foundation: W. C. Hogg Fund)	\$ 8,653.26
7/28/55	\$10,000 par value U. S. 3% Treasury Bonds of 1995, due February 15, 1995, purchased at 99.65625 Net to yield 3.02% to maturity. Interest paid to 7/29/55 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	9,965.63
	60 Shares Standard Oil Company of New Jersey Capital Stock purchased at 143 per share (Funds Grouped for Investment)	8,622.12
8/30/55	\$26,000 par value U. S. 3% Treasury Bonds of 1995, due February 15, 1995, purchased at 98.9375 Net to yield 3.04% to maturity. Interest paid to 8/31/55 (Archer M. Huntington Museum Fund)	25,723.75
	16,000 par value Ditto (Student Property Deposit Scholarship Fund)	15,830.00
	100 Shares Air Reduction Company, Inc., Common Stock purchased at 34-3/4 per share	3,507.38
	100 Shares Colgate-Palmolive Company Common Stock purchased at 54-1/2 per share	5,490.45
	100 Shares National Biscuit Company Common Stock purchased at 41-3/8 per share	4,173.19
	100 Shares Phelps Dodge Corporation Capital Stock purchased at 62-1/2 per share (Hogg Foundation: Varner Properties)	6,291.25
	100 Shares General Foods Corporation Common Stock purchased at 82 per share	8,243.20
	200 Shares Parke, Davis & Company Capital Stock purchased at 42-3/8 per share	8,547.38
	100 Shares Standard Oil Company of California Capital Stock purchased at 90 per share (Hogg Foundation: W. C. Hogg Fund)	9,044.00
	50 Shares General Motors Corporation Common Stock purchased at 127 per share (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	6,389.53

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Date	PURCHASES (Continued) Security	Total Cost
8/31/55	100 Shares The Borden Company Capital Stock purchased at 65-1/2 per share	\$ 6,591.55
	100 Shares Continental Can Company Common Stock purchased at 79-3/8 per share (Hogg Foundation: W. C. Hogg Fund)	7,980.44
	100 Shares Commonwealth Edison Company Common Stock purchased at 46-1/8 per share	4,650.56
	100 Shares Continental Can Company Common Stock purchased at 79-3/8 per share (Hogg Foundation: Varner Properties)	7,980.44
9/1/55	30 Shares American Telephone & Telegraph Company Capital Stock purchased at 179-1/2 per share (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	5,416.80

## SALES AND REDEMPTION

Date	Security	Net Proceeds
10/ /55	\$2,100 par value Phillips Petroleum Co. 3.70% Sinking Fund Debentures of 1983 at 104.875 (Rosalie B. Hite Endowment for Cancer Research)	\$ 2,201.33
10/ 3/55	37 Rights for American Telephone & Telegraph Company Capital Stock (Joseph Lindsey Henderson Textbook Collection)	138.38
	4 Rights, Ditto (Hogg Foundation: W. C. Hogg Fund)	14.96
	4 Rights, Ditto (Funds Grouped for Investment)	14.96
10/ /55	100 Shares General Foods Corporation \$3.50 Cumulative Preferred Stock, at \$101 per share plus accrued dividends to date of redemption (Hogg Foundation: W. C. Hogg Fund)	10,100.00

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - PROPOSED CONVERSION OF WILLIAM HEUERMANN FUND FROM TEMPORARY INVESTMENT FUND TO PERMANENT ENDOWMENT FUND FOR CANCER RESEARCH. -- The various distributions from the residue of the Estate of William Heuermann, Deceased, have been placed in a temporary fund and invested in United States Government securities, pending determination as to whether or not the proceeds from the residue of the Estate would be needed for construction of permanent improvements or would be used to establish a permanent endowment fund, the income from which could be used for cancer research. As of August 31, 1955, the fund consisted of the following:

Cash . . . . .	\$ 45,252.60
Government Securities . . . . .	173,848.40
 Total Fund	 <u>\$ 219,101.00</u>

Dr. R. Lee Clark, Director of the M. D. Anderson Hospital and Tumor Institute, has now determined that the proceeds of the Estate will not be needed for construction purposes and has recommended that a permanent endowment fund be established with the income therefrom to be used for purposes of cancer research upon ~~the~~ <sup>the Director's</sup> recommendation as to the specific uses, approved in the usual manner by proper administrative officials and by the Board of Regents. See P. 271.

According to the terms of the will of William Heuermann, the residue of the Estate was to be liquidated by the Executor and the proceeds paid over to the Board of Regents "for cancer research purposes by the M. D. Anderson Hospital for Cancer Research at Houston, Texas." There still remain certain assets to be liquidated by the Executor, the original estimate of the residue to be turned over to the University being approximately \$230,000.00.

It is recommended that a permanent endowment fund be created from the proceeds received from the liquidation of the residue of the Estate, including those already received and those yet to be received, such fund to be entitled "The William Heuermann Endowment Fund for Cancer Research," and that the Endowment Officer be authorized to invest the present cash on hand in common stocks selected from the following list, the particular stocks to be purchased and the timing of such purchases to be subject to the approval of the Vice President for Fiscal Affairs:

<u>Industry</u>	<u>Common Stock of</u>	<u>Current Price*</u>	<u>Current Yield</u>
Banks	Chase-Manhattan Bank (N. Y.)	52-3/8	4.23%
Utilities	Consolidated Edison of New York	49-3/8	4.85
Drugs	Parke, Davis and Company	38-7/8	4.24
Petroleum	Standard Oil Co. of California	89	3.36
Electrical	Westinghouse Electric Company	61	4.10
Metals (Non-Ferrous)	International Nickel Co. of Can.	81-3/4	4.28
Railroads	Union Pacific	166-1/2	4.20

\*Close for September 29, 1955.

## TRUST AND SPECIAL FUNDS -- BEQUEST AND ESTATE MATTERS. --

MEDICAL BRANCH - A. C. McLAUGHLIN ESTATE - PROPOSED FEE TO BE PAID TO C. K. RICHARDS FOR SERVICES RENDERED IN CONNECTION WITH SETTLEMENT OF THE ESTATE. -- The University received a statement, dated May 13, 1955, in the amount of \$2,500.00, from C. K. Richards, Attorney-at-Law, Austin, Texas, for various services performed for the University, including out-of-pocket expenses, etc., in connection with the Estate of A. C. McLaughlin, Deceased, See Page 569 from September, 1953, to date. Mr. Richards was employed by the Board of Regents at its meeting on September, 12, 1953, such services to be compensated for on a reasonable basis to be fixed by the Board of Regents upon submission of a statement by Mr. Richards. At the July, 1955, meeting of the Land and Investment Committee, it was decided that Mr. Richards' fee seemed to be somewhat excessive and Endowment Officer Stewart was directed to request Mr. Richards to furnish the University with an itemized statement of the services and expenses covered by his statement. Mr. Richards pointed out to Mr. Stewart that it would be very difficult, due to the manner in which the work was handled, for him to submit an itemized statement of expenses and services, but he did outline in writing, as shown below, the various services rendered by him subsequent to August 31, 1953:

1. Investigation of and briefing the liability of the University for payment of both Federal and State Inheritance taxes in the Colorado Estate;
2. Work on motion for rehearing filed by Appellants in the Supreme Court of the State of Colorado;
3. Work on settlement of estate tax matter on Estate of Mrs. McLaughlin; and
4. Services rendered in final disposition of California Estate.

Since part of the initial work was done prior to August 31, 1953, while Mr. Richards was still an Assistant Attorney General of Texas, Mr. Richards has agreed that the fee should be reduced and has indicated that a fee of \$1,500.00 would be satisfactory. Accordingly, it is recommended that Endowment Officer Stewart be authorized to pay a fee of \$1,500.00 to Mr. Richards, such fee to be paid out of Account No. 82320, The James W. McLaughlin Fellowship Fund.

MEDICAL BRANCH - A. C. McLAUGHLIN ESTATE - PROPOSED COMPROMISE SETTLEMENT OF STATE OF COLORADO INHERITANCE TAX. -- Under date of August 30, 1955, the University's Colorado legal counsel reported that the State of Colorado Inheritance Tax Commissioner had held that the McLaughlin Estate was taxable under Colorado Statutes, the total tax and interest on the Colorado portion of the Estate amounting to \$116,559.56, but that as a result of a tentative compromise settlement effected the tax and interest would be reduced to \$51,519.11, such compromise payment to be tendered to the Commissioner by September 15, 1955. The legal counsel strongly urged acceptance of the settlement, pointing out the hazards to the University in litigating the question in Colorado and particularly considering the risk of having the original appraised values reopened and perhaps incurring a larger tax than the figures first set out. Pursuant to the action of the Board of Regents at its March 12, 1955, meeting, authorizing the Endowment Officer to advise the University's Colorado legal counsel that the Board

would prefer to have a compromise settlement of the inheritance tax question in the event the Attorney General and Tax Commissioner of Colorado should hold that the University is liable for the tax and that the Board would like for the legal counsel to present the best settlement that could be effected for consideration of the Board before any litigation would be authorized by the Board, the above-stated compromise settlement was approved by Chairman Sealy of the Board, Chairman Jeffers of the Land and Investment Committee, and by the Attorney General of the State of Texas. The legal counsel was then advised that it would be in order for the compromise tax payment to be tendered to the Inheritance Tax Commissioner by September 15 out of the reserve which Administrator Stuart McLaughlin had set aside for such purpose and that ratification of such payment would be recommended to the Board of Regents at the October, 1955, meeting. Proceedings in the Probate Court are necessary to close the matter, it being estimated that this will be completed by the end of November.

The Land and Investment Committee recommends that the Board ratify the above action.

**TEXAS WESTERN COLLEGE - CASH BEQUEST UNDER WILL OF BERTHA M. FULLER, DECEASED.** -- Mrs. Bertha M. Fuller died in September, 1953, leaving a will which has been probated in Dona Ana County, New Mexico, and under which will she bequeathed \$2,500.00 in cash to Texas Western College, \$2,500.00 to the Providence Hospital of El Paso, and \$1,500.00 to the Southwestern Children's Home of El Paso. The residue estate, consisting principally of a farm of approximately 570 acres in the Mesilla Valley area of Dona Ana County, New Mexico, near Mesquite, was devised to a sister of Mrs. Fuller who has since died leaving her estate, including her interest in Mrs. Fuller's estate, to her three children, C. M. Ferguson, James D. Ferguson and Mary Jane Rogers. Mrs. Fuller's estate was and still is heavily in debt, and the executors have been unable to make any payment on the cash bequests and have applied to the court for authority to sell the farm. It appearing that such sale would leave little if anything for the residuary devisees, and perhaps only partial payment of the cash bequests, the Fergusons have proposed to give their personal notes to the remaining unsecured creditors and to those receiving cash bequests and to arrange refinancing of the mortgage indebtedness on the farm. Evidence has been submitted that with proper management of the farm, everything except the first mortgage, in the amount of \$95,000.00, can be paid. Notes totalling approximately \$25,000.00 for the unsecured debts and cash bequests will be payable on or before December 31, 1957, bearing interest at 6% per annum, and will be secured by a deed of trust on the farm, the lien securing these notes, however, being inferior to the first mortgage of \$95,000.00 and a second mortgage of \$25,000.00. A Notice of Satisfaction of Claims to be filed with the District Court of Dona Ana County, New Mexico, as a basis for setting aside the application for sale of the farm, has been submitted, ahead, executed by the unsecured creditors and by Providence Hospital and Southwestern Children's Home.

The Land and Investment Committee recommends that the Board of Regents approve joinder in this arrangement and that the Chairman be authorized to execute the Notice of Satisfaction of Claims upon approval of this instrument, the deed of trust and the note as to content by the Endowment Officer and as to form by the University Land and Trust

Attorney, and that President Holcomb of Texas Western College be authorized to deliver the executed Notice of Satisfaction of Claims to the Fergusons upon delivery of the note in the amount of \$2,500.00, payable to Texas Western College on or before December 31, 1957, bearing interest at 6% per annum, and signed by C. M. Ferguson, James D. Ferguson and Mary Jane Rogers, or by their duly authorized attorney-in-fact.

M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE - ESTATE OF SOPHIE CAROLINE STEVES, DECEASED. -- Miss Sophie Caroline Steves, lifetime resident of Fayetteville, Texas, died May 15, 1955, leaving a will as follows:

"This is my will and in my own handwriting. Should I own any bank stock of the Farmer's National Bank of Fayetteville, Texas, or any other bonds, stock or certificates at my death I hereby direct that same be sold and the proceeds derived from the sale of said stock, bonds or certificates to be included with the remainder of my estate.

"I bequeath my estate (including the proceeds derived from the sale of bonds, stock or certificates as stated above) of which and when I die possessed to the Anderson Cancer Research Hospital of Houston, Texas.

"The Farmer's National Bank of Fayetteville, Texas shall act as executors of my will and estate without bond and without any court control."

The will was probated on June 13, 1955, in Fayette County and Dr. R. Lee Clark, Director of the M. D. Anderson Hospital and Tumor Institute, furnished with a certified copy of the will together with a copy of Letters Testamentary, issued to the Farmers National Bank of Fayetteville, Texas, Independent Executor named in the will. The Inventory and Appraisalment of the Estate showed a value of \$43,800.33 for the gross Estate. In due course, the Executor liquidated the securities in the Estate as directed in the will and also liquidated miscellaneous small items of personal property and has furnished the University with a check in the amount of \$32,541.12, representing the amount due the University from such liquidation after payment of debts and expenses as detailed below:

Receipts from sale of personal property or from interest and dividends on stocks and bonds in the Estate . . . . .	\$38,063.17
Less:	
Debts and claims of the Estate, including	
Probate Court Costs . . . . .	\$1,876.41
Attorney's Fees and Expenses . . . . .	1,690.57
Executor's Commission . . . . .	<u>1,955.07</u> . . . . . <u>5,522.05</u>
Net Value of Personal Property Liquidated, after Payment of Debts and Expenses . . . . .	<u>\$32,541.12</u>

The Executor has turned over to the University for disposition a miscellaneous collection of jewelry of little real value, appraised by a

qualified Austin, Texas, jewelry manufacturer as having a wholesale value of approximately \$35.00, and a collection of fifty-two very old Edison Phonograph records, appraised by the Music Department of the University and by an Austin record shop as being worthless since the records are old, heavy, thick and of 80 RPM speed requiring an old Edison phonograph to play them.

The remainder of the Estate consists of Miss Steves' homestead, being all of Lots Nos. 19 and 20 in Block 3, Fayetteville, Fayette County, Texas, the inventory value thereof being \$4,000.00. The Executor is attempting to sell the property at the best possible price and believes it should bring \$6,000.00 or perhaps more.

Since Miss Steves in her will made no provision for maintenance of the Steves' family cemetery plot where her grave is located, the Ladies Cemetery Association of Fayetteville, Texas, a voluntary unincorporated organization, has inquired as to whether or not the Anderson Hospital would consider setting aside some special fund for this purpose. Miss Steves left no surviving relatives closer than cousins and none of the cousins live in the immediate area. She was interested in the work of the Cemetery Association and served as an officer for over twenty years. The other graves on the plot are those of her mother and father, her only sister and her sister's husband. Her sister left no children, and a good part of Miss Steves' Estate came from her sister's husband. The officers of the Cemetery Association have in trust a number of funds which are invested, the income from which investments is used to maintain in a suitable manner various plots in the cemetery. It has been suggested that the sum of \$500.00 be set aside out of the Estate in trust with the officers of the Ladies Cemetery Association and their successors and the income from investment thereof used by the Association to maintain the Steves' family plot.

The following recommendations are made for the consideration and approval of the Board of Regents:

1. That the net proceeds turned over to the University be accepted by the Board and used, with the exception of \$500.00, to establish "The Sophie Caroline Steves Endowment Fund for Cancer Research" and that such fund be added to the University's Funds Grouped for Investment at the next entry date of December 1, 1955.

2. That the sum of \$500.00 be turned over to the officers of the Ladies Cemetery Association of Fayetteville, Texas, and their successors in office, under a trust instrument to be prepared by the University Land and Trust Attorney and approved as to content by the Vice President for Fiscal Affairs and the Endowment Officer.

3. That the Endowment officer be authorized to sell the various pieces of jewelry to the Austin, Texas, jewelry manufacturer at his appraised value and to destroy the record collection as worthless.

4. That the Chairman of the Board be authorized to execute a proper receipt and release for the net proceeds received from the Executor's liquidation of the personal property upon approval as to form by the University Land and Trust Attorney and as to content by the Endowment Officer.

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5. And that, in order to facilitate sale of the residence property in Fayetteville, the Chairman of the Board be authorized to execute a contract of sale and subsequently a deed to the property upon payment in full of the purchase price, if any offer is received of not less than \$5,500.00 all cash gross to the University, such purchase offer to be subject to the approval of the Chairman of the Land and Investment Committee, the Vice President for Fiscal Affairs, and the Endowment Officer, the contract of sale and deed to be approved by the University Land and Trust Attorney as to form and by the Endowment Officer as to content. It is further recommended that the Endowment Officer be authorized to pay the Farmers National Bank of Fayetteville, Texas, the customary broker's commission of 5% out of the proceeds on any sale of the property made by the bank.

TRUST AND SPECIAL FUNDS -- REAL ESTATE MATTERS. --

HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND - PROPOSED JOINDER BY BOARD OF REGENTS IN OIL AND GAS LEASE TO C. E. MURDOCK, TRUSTEE, ON CERTAIN LANDS IN UNION COUNTY, ARKANSAS. -- Mr. Wm. B. Ferguson has submitted an oil and gas lease, dated August 1, 1955, and already executed by Miss Ima Hogg Mrs. Margaret Wells Hogg, life tenant under the will of Thomas E. Hogg, and Mrs. Alice N. Hanszen, whereby those lessors and the Board of Regents of The University of Texas, Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, would lease to C. E. Murdock, Trustee, all of their interests in the following tracts in Sections 8 and 9, Township 16 South, Range 15 West, Union County, Arkansas: (a) NW/4 of SE/4, Section 8, less 5 acres; (b) 5 acres in the northwest corner of the NE/4 of SE/4, Section 8; (c) 10 acres out of the SW/4 of the NE/4, Section 8; (d) SW/4 of NW/4, Section 9; and (e) south 16 acres of the SE/4 of NE/4, Section 8, comprising a total of 106 acres, more or less. These lessors are the owners jointly of one-fourth of the minerals under all tracts except (e) and of one-eighth of the minerals under (e), their total interest amounting to 24.5 mineral acres, of which the Hogg Foundation: W. C. Hogg Memorial Fund owns one-fourth or 6.125 mineral acres. The lease is for one year and as long thereafter as oil or gas is produced. Royalty is one-eighth on oil and gas. No bonus is being paid, but the lease provides for payment, in addition to the royalty, of \$400.00 to the lessors from 1/16th of 7/8ths of the first oil produced. The lessee is attempting to secure similar leases in the area to enable him to negotiate for the drilling of a well on the acreage under which the Hogg interests lie.

The Land and Investment Committee recommends that the Board of Regents approve joinder in this lease and authorize the Chairman to execute such lease upon approval as to form by the University Land and Trust Attorney and as to content by the Endowment Officer.

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TEXAS WESTERN COLLEGE - RATIFICATION OF GROUND LEASE TO WESTERN GMC TRUCKS, INC., ON COTTON ESTATE PROPERTY, EL PASO, TEXAS. -- Under date of August 3, 1955, Business Manager A. A. Smith of Texas Western College submitted a proposed ground lease on 2,854 acres of the Cotton Estate Property in El Paso, Texas, to Western GMC Trucks, Inc., at \$75.00 per month per acre, or \$214.05 monthly for a term of twenty years, with an option to renew for another ten years at a negotiated rental, improvements to remain the property of the lessee with right of removal at the expiration of the lease. The prospective lessee was quite anxious to secure approval of the lease by September 1, 1955, in order that he could begin improvements on the property. Pursuant to Mr. Smith's request that an attempt be made to obtain approval of the lease prior to the October meeting of the Board, material was sent out to the Chairman of the Board and to all members of the Land and Investment Committee, all of whom returned approval of the proposed ground lease. The lease was approved as to form by the University Land and Trust Attorney and as to content by the Vice President for Fiscal Affairs and by the Endowment Officer. The lease was then executed by the Chairman of the Board, dated September 1, 1955, and duly executed copies distributed to all parties concerned. The Land and Investment Committee recommends that the Board ratify and approve the above-described ground lease to Western GMC Trucks, Inc.

HOGG FOUNDATION: VARNER PROPERTIES - RATIFICATION OF FILING OF SUPPLEMENT "U" INCOME TAX RETURN FOR FISCAL YEAR ENDED JULY 31, 1955. -- U. S. Treasury Department-Internal Revenue Service Form 990-T for the fiscal year ended July 31, 1955, has been filed prior to the deadline date of October 15, 1955, with the Bureau of Internal Revenue, which return shows that there is no Supplement "U" indebtedness outstanding and, therefore, no tax payable for the fiscal year. Mr. Benjamin L. Bird, tax counsel in this matter, advised that the return should be filed, marked "final return," and showing the full income during the fiscal year from all Varner properties producing business lease rents as described in Section 514 (b) I. R. C. 1954. Mr. Bird further advised attaching to the return as an exhibit a statement briefly outlining the acquisition of the Varner properties and the complete discharge of the obligations due Mrs. Hanszen, Mrs. Hogg and Mrs. Howard and the release of lien of Miss Ima Hogg on those properties considered as Supplement "U" properties under the Internal Revenue Code, such properties being the Finnigan (Texas State Hotel) Property, Bettis Building (Mitchell Property), and the Great Southern Property (Varner Building; now sold). Mr. Bird submitted the form of this exhibit to be attached to the return and advised attaching a copy of each of the four releases. Upon approval as to form by the University Land and Trust Attorney and as to content by the Vice-President for Fiscal Affairs, the Comptroller and the Endowment Officer, the income tax return was executed and filed by Endowment Officer Stewart in accordance with Mr. Bird's advice. It is recommended by the Land and Investment Committee

that this action be ratified and approved by the Board.

HOGG FOUNDATION: VARNER PROPERTIES - REPORT ON STATUS OF DOCUMENTARY STAMP TAX RULING ON CONVEYANCES BY BOARD OF REGENTS. -- At the July 8, 1955, meeting of the Board, Endowment Officer Stewart was authorized to make reimbursement to the purchasers of the Varner Building, Gunter Property, and Negley Property, if the State Attorney General should rule that the purchasers were liable for Federal Documentary Stamp Taxes on the deeds of conveyances from the Board of Regents and that the University could legally reimburse such purchasers for the stamps required to be affixed to the deeds from the Hogg Foundation: W. C. Hogg Memorial Fund. Subsequent to the receipt of an opinion from the State Attorney General that the Board of Regents is vested with authority, in making the sale of such properties, to contract with the grantee as part of the consideration for which the property is sold for the University to assume and pay for the revenue stamps which otherwise the grantee would be required to pay, Endowment Officer Stewart, with the approval of the Vice President for Fiscal Affairs and the Land and Trust Attorney, has reimbursed the following purchasers in the amounts as set out below for documentary stamps purchased, affixed to the deeds and cancelled by the Federal Bureau of Internal Revenue: ) See P. 27

Pappas Co., Inc., purchaser of the Varner Building for a total net consideration of \$550,000.00	\$ 605.00
Paul E. Wise Co., Inc., for David C. Bintliff, Trustee, purchaser of the Gunter Property for a total net consideration of \$1,120,000.00	1,232.00
James D. Landauer Asso- ciates, Inc., for John W. Aitken, Trustee, purchaser of the Negley Property for a total net consideration of \$530,000.00	<u>583.00</u>
Total Reimbursement by University for Documentary Stamps	<u><u>\$2,420.00</u></u>

The above report is given to the Board for information.

HOGG FOUNDATION: VARNER PROPERTIES - ADOPTION OF RESOLUTION ON SALE OF MAGNOLIA FEE PROPERTY AND ASSIGNMENT OF STERNENBERG LEASEHOLD. -- The Board accepted the offer of Paul E. Wise, Trustee, or his nominee, on March 12, 1955, for the purchase of the fee title to the Magnolia Property and the assignment of the lease rights under the Sternenberg Leasehold, for a total purchase price of \$300,000.00 cash net to the University. In closing the sale, Paul E. Wise furnished the name of his nominee as Tramain Corporation and the deed and assignment papers were duly made out to the corporation, the transaction having been completed on September 28, 1955. However, the survey made by J. S. Boyles for the purpose of the sale, showed two small encroachments onto the Magnolia Property as compared with the description of the property used in the contract of sale and as shown in prior deeds and conveyances. Since the purchaser was buying both the Magnolia Property and an assignment of the Sternenberg Leasehold from the University, he was willing to ignore the boundary questions if the deed from the Board of Regents conveying the Magnolia Property should include ". . . and in addition to the land so particularly described, all of the right, title, and interest of the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation -- W. C. Hogg Memorial Fund, in and to any of the land located in Block 442, S. S. B. B., City of Houston, Harris County, Texas . . .". The transaction was closed on the basis that the Board of Regents would adopt a resolution setting out the name of the corporation and the encroachment question. Accordingly, it is recommended that the Board adopt the resolution as set out below:

RESOLUTION OF THE BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS

"WHEREAS, the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation -- W. C. Hogg Memorial Fund, heretofore accepted the offer made to it by Paul E. Wise, as Trustee for purchaser, to purchase property in Houston, Harris County, Texas, known as the Magnolia Fee Property and the Sternenberg Leasehold Property, and resolution to such effect was duly adopted at the meeting of said Board held on March 12, 1955; and

WHEREAS, such resolution authorized the Chairman of the Board to execute and deliver a general warranty deed to the Magnolia Fee Property and an assignment of the above described Sternenberg Leasehold Property to Paul E. Wise or his nominee or nominees upon payment of the agreed purchase price; and

WHEREAS, the said Paul E. Wise duly furnished the name of his nominee, Tramain Corporation, and upon payment in cash by the purchaser of the balance of the agreed purchase price, the Chairman of the Board executed and delivered a general warranty deed to the Magnolia Property and an assignment of the Sternenberg Leasehold to said Tramain Corporation covering the above property, and it is the desire of the parties that said action be now approved and ratified by this Board, particularly in regard to the description of said property as carried in said deed and assignment:

RESOLVED, That all the acts of the Chairman of this Board in executing and delivering for and in behalf of the Board of Regents of The University

of Texas, as Trustee of the Hogg Foundation -- W. C. Hogg Memorial Fund, to Tramain Corporation a general warranty deed conveying said Magnolia Fee Property having a frontage of 129-5/12 feet on Main Street and a depth on Gray Avenue of 60 feet, together with all improvements thereon, and being the same property conveyed by Magnolia Petroleum Company to Varner Realty Company by deed dated May 1, 1927, recorded in Volume 717, page 384, Deed Records of Harris County, Texas, and being also the same property described as Parcel No. 6 in deed dated July 31, 1952, from Varner Company to the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation -- W. C. Hogg Memorial Fund, recorded in Volume 2478, page 269, Deed Records of Harris County, Texas, and in addition to the land so particularly described, all of the right, title, and interest of the Board of Regents of The University of Texas, as Trustee of the Hogg Foundation -- W. C. Hogg Memorial Fund, in and to any of the land located in Block 442, S. S. B. B., City of Houston, Harris County, Texas, and also in executing and delivering to said Tramain Corporation an assignment of said Sternenberg lease, being the lease dated December 18, 1919, recorded in Volume 59, page 380, of the Contract Records of Harris County, Texas, between Mrs. Emma B. Sternenberg, as Lessor, and Will C. Hogg and Earl Wharton, as Lessees, be and the same are hereby in all things approved, confirmed and ratified; and that the form and contents of such deed and assignment be and the same are hereby approved and validated."

**EDITH FLY HILDEBRAND ESTATE - OFFER OF MALCOLM GESCHIEDLE FOR PURCHASE OF 299-ACRE FARM TRACT IN GONZALES COUNTY, TEXAS.** -- An offer has been received from Malcolm Gescheidle for the purchase at \$55.00 per acre all cash of the 299-acre farm tract out of the Jonathan Cottle and E. Kelley Surveys, Gonzales County, Texas, this tract being a part of the Edith Fly Hildebrand Estate bequeathed to the University to establish The Dr. Walter Junius Hildebrand Scholarship Fund for benefit of the Medical Branch. An earnest money check in the amount of \$1,000.00 has been submitted with the offer. The University would retain a one-half non-participating mineral interest.

A current appraisal of the land, made by Mr. Earl Bouldin of Gonzales, Texas, under the supervision of the University Endowment Officer, is at \$65.00 per acre with all of the minerals and indicating that the minerals would be worth around \$10.00 per acre speculative value. The only improvements are outside fences, one well and windmill, and one hay barn of little value. The only all-weather access is by a gravel road fronting approximately 600 feet on one end of the tract. The tract is approximately 4 miles by road southwest of Gonzales, Texas, two miles south of the Guadalupe River and one mile west of Highway 183. It is rolling, mesquite-chaparral, black land of about average quality for that area. Its best cotton production is around one-half bale to the acre with average of about one-third bale, and average corn production is 25 to 30 bushels per acre. Approximately 200 acres has been farmed but, for the past 15 years or so, only 85 to 100 acres have been planted. Most of the land was terraced at one time, but terraces have not been maintained. Erosion is very noticeable, and clearing will be necessary to till acreage not now being planted.

Book value of the land, going back to the appraisal in Mrs. Hildebrand's estate in 1953, is \$23,920.00 or \$80.00 per acre. Opinion in the area is to the effect that values there have declined \$10.00 to \$15.00 per

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acre for this type of land since 1953.

Mr. Gescheidle holds the farm and grazing lease on the tract, renewable from year to year unless cancelled by either party, at a cash rental of \$700.00 annually. Acreage owned by him or his brother adjoins this tract on at least two sides.

An oil and gas lease on the tract, held by Standard Oil Company of Texas at the time of Mrs. Hildebrand's death, was dropped on September 1, 1953, by failure to pay rental. In July, 1953, the Board of Regents approved a mineral lease on the tract to Walter R. Taber for a primary term of five years at \$1.00 per acre annual rental with no bonus other than the first year's rental paid in advance. Annual rental was paid in 1955 by Barron Kidd of Dallas. Lone Star Production Company drilled approximately 3/4ths mile to the east of this tract to 5,500 feet and abandoned the test and is reported to have dropped its leases. The nearest production is about 3-1/2 miles northwest where a producing oil well was brought in more than a year ago. Reports are that this well is going to salt water and that three other wells in that immediate area have been dry. The nearest established production to the Hildebrand tract is in the Waelder Field over ten miles to the northeast.

It is recommended that the offer of Mr. Gescheidle be declined and that the Endowment Officer be authorized to make him a counter offer at \$70.00 per acre with the University to retain one-half of the minerals, fully participating, and that Mr. Gescheidle be given until November 15, 1955, to accept this offer by posting earnest money of \$1,000.00. Abstract would be furnished the purchaser and the exact acreage determined by survey at the University's expense. It is further recommended that the Chairman be authorized, if Mr. Gescheidle so accepts the counter offer, to execute a contract of sale and later a deed to Mr. Gescheidle upon his payment of the balance of the purchase price, subject to approval of both instruments by the University Land and Trust Attorney as to form and by the Endowment Officer as to content.

**CAROLINE MILLS WOOD ESTATE - PROPOSED JOINDER BY BOARD OF REGENTS AS CONTINGENT REMAINDERMAN IN SALE TO ST. LOUIS-SOUTHWESTERN RAILWAY LINES OF A 25-FOOT STRIP OF LAND IN NAVARRO COUNTY, TEXAS.** -- Under the provision of the will of Miss Caroline Mills Wood of Corsicana, Texas, who died on January 22, 1950, the Board of Regents of The University of Texas is named contingent beneficiary as to the remainder interest in three tracts of land containing approximately 1,023 acres in Navarro County, Texas, the life tenant being Miss Annie Lee Robbins. In the event Miss Robbins should die without leaving children or descendants of deceased children, the fee simple title to the three tracts shall pass to and vest in the Board of Regents to establish the Roger Q. Mills Scholarship Fund. The University has received an offer from the St. Louis-Southwestern Railway Lines for the purchase of a strip approximately 25 feet wide by 370 feet long, located in the northerly part of a 296-acre tract in the Jehu Peoples Survey, this tract being one of the three tracts mentioned above, for a total consideration of \$75.00, this price being better than \$300.00 per acre, with the minerals to be retained by the sellers. The strip lies adjacent to the railroad and is needed for construction of a drainage ditch. The attorneys for Miss Robbins have advised that she is willing to accept the offer of the railway company on the basis of \$75.00 for the strip, the

minerals to be retained by the sellers, with Miss Robbins to receive 1/2 of the total purchase price or the sum of \$37.50 for her life interest in the 25-foot strip, the other 1/2 of the purchase price to be paid to the University. The purchaser has further agreed to place a fence on the dividing line between the 25-foot right-of-way strip and the property owned by Miss Robbins and the University.

It is recommended that the Board of Regents approve joining in the sale of the 25-foot strip to the railway company and authorize the Chairman to execute the deed on behalf of the University covering the strip sold upon payment by the purchaser of the price offered, such instrument to be approved as to form by the University Land and Trust Attorney and as to content by the Endowment Officer.

**HOGG FOUNDATION: THOMAS E. HOGG ESTATE - PROPOSED JOINDER BY BOARD OF REGENTS IN RELEASE AND RELINQUISHMENT TO D. B. VICTOR OF RIGHT TO USE SURFACE OF FARM TRACT NO. 9, BLOCK H, BURTON AND DANFORTH FARM TRACTS, SAN PATRICIO COUNTY, TEXAS, FOR MINERAL EXPLORATION, DEVELOPMENT AND OPERATING PURPOSES.** -- Mr. Wm. B. Ferguson has submitted a release and relinquishment instrument whereby Mrs. Margaret Wells Hogg as life tenant under the will of Thomas E. Hogg, Miss Ima Hogg, Mrs. Alice N. Hanszen, and the Board of Regents, Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, as remainderman under the will of Thomas E. Hogg, as owners of all the oil, gas and other minerals in and under Lot or Farm Tract 9, Block H, Burton and Danforth Farm Tracts, San Patricio County, Texas, would release, relinquish, and surrender and waive unto D. B. Victor all of the rights of the mineral owners to use the surface of the land for oil, gas and other mineral exploration, development and operating purposes. The University owns the remainder interest after the death of Mrs. Margaret Wells Hogg in an undivided 1/6th of the oil, gas and other minerals in Tract 9. This release is made with the understanding that D. B. Victor as the owner of the adjoining Tract 10, Block H, has conveyed to the Ingleside Land Company the right to drill directionally through the subsurface of Tract 10 for the purpose of exploring for and producing minerals under Tract 9, and that Ingleside Land Company will in turn convey to the mineral owners in and under Tract 9 the right to develop and produce such minerals from Tract 10. The need for this release and relinquishment has arisen due to an exchange by Ingleside Land Company of the surface of Lot 9 to D. B. Victor for a like interest in the adjoining Lot 10 for the purpose of inducing Sunray Mid-Continent Oil Company to erect a refinery on a large surface tract which includes Tract 9. It is believed advantageous not only to Ingleside Land Company but also to the mineral owners to have this refinery erected and operated.

The instrument submitted by Mr. Ferguson has been approved as to form by the University Land and Trust Attorney and as to content by the Endowment Officer. It is recommended that the Board of Regents approve joinder by the University in this release and relinquishment and authorize the Chairman to execute the instrument on behalf of the Board as Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund.

Adoption of Report. -- The foregoing report was adopted and the actions therein were approved and/or ratified upon motion of Mr. Jeffers, seconded by Vice-Chairman Voyles.

Mr. Jeffers, Chairman of the Land and Investment Committee, presented the following reports, each of which was adopted by a separate motion.

**HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND - PROPOSED JOINDER BY BOARD OF REGENTS IN OIL AND GAS LEASE TO BIRDWELL AND SON DRILLING COMPANY ON LEON WEAVER MINERAL PROPERTY, COLEMAN COUNTY, TEXAS.** -- Mr. Wm. B. Ferguson has submitted an oil, gas and mineral lease, dated August 24, 1955, and already executed by Miss Ima Hogg, Mrs. Margaret Wells Hogg as life tenant under the will of Thomas E. Hogg, and Mrs. Alice N. Hanszen, whereby those lessors and the Board of Regents of The University of Texas, Trustee of the Hogg Foundation: W. C. Hogg Memorial Fund, would lease to Birdwell and Son Drilling Company all of their interest in a tract of 233.9 acres in the south of the A. Gable Survey in the Leon Weaver Mineral Property in Coleman County, Texas. These lessors are the owners jointly in one-fourth of the minerals under the tract which amounts to 58.47 mineral acres, of which the Hogg Foundation: W. C. Hogg Memorial Fund owns one-fourth or 14.62 mineral acres. The lease is for a primary term of five years and as long thereafter as oil, gas or other mineral is produced. Royalty is one-eighth on oil and gas. No bonus consideration is being paid for the lease since this would be a salvage operation in the midst of several dry holes that have been drilled in past years. Delay rentals are provided at \$1.00 per acre per year, the University's one-sixteenth mineral interest in the tract amounting to \$14.62 delay rental per year, payable one year from date of the instrument if drilling operations are not commenced and annually thereafter in advance to defer drilling operations.

The Land and Investment Committee recommends that the Board of Regents approve joinder in this lease and authorize the Chairman to execute such lease upon approval as to form by the University Land and Trust Attorney and as to content by the Endowment Officer.

The Board approved this report upon motion of Mr. Jeffers, seconded by Vice-Chairman Voyles.

**TEXAS WESTERN COLLEGE - PROPOSED GROUND LEASE TO FRONTIER LUMBER COMPANY, INC., ON COTTON ESTATE PROPERTY, EL PASO, TEXAS.** -- A proposed ground lease has been submitted by President Holcomb of Texas Western College on 2.46 acres of the Cotton Estate Property in El Paso, Texas, to Frontier Lumber Company, Inc., at \$73.00 per acre per month, or \$179.58 monthly for a term of twenty years, beginning January 1, 1956, and ending December 31, 1975, with an option to renew for another twenty years at a negotiated rental. Improvements are to remain the property of the lessee with right of removal at the expiration of the lease. President Holcomb and Assistant Business Manager Fisk have recommended that the proposed lease, negotiated by Coles Brothers, rental agent for the Cotton Estate Property, be approved.

Accordingly, the Land and Investment Committee recommends that the Board of Regents approve the ground lease as outlined above and authorize the Chairman of the Board to execute the lease instrument upon its approval as to form by the University Land and Trust Attorney and as to content by the Endowment Officer.

Mr. Jeffers moved the adoption of the foregoing report; Mr. Johnson seconded the motion, which carried.

**HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND, VARNER PROPERTIES - CITY OF SAN ANTONIO AD VALOREM TAX QUESTION.** -- Upon a motion duly made and seconded, the Board approved the following report:

The San Antonio City Council at its meeting held on September 29, 1955, voted to deny the petition of the Board of Regents of The University of Texas for tax exemption of the three Varner Properties in San Antonio, Texas, namely, the Central Company Property, now under contract of sale to Gross National Bank; the Gunter Property, sold in 1954 to David C. Bintliff, Trustee; and the Negley Property, sold in 1954 to James D. Landauer Associates of New York City. Such action was taken despite the recommendation of the San Antonio City Attorney that the City could not tax the State of Texas, and, hence, The University of Texas as an agency of the State, and also contrary to the recognition by the Bexar County tax officials that the University was tax exempt. () See P. 376

Based on due consideration of the matter, it is the consensus of opinion that a suit should be filed for a declaratory judgment in the matter. Accordingly, it is the recommendation of the Land and Investment Committee that the Vice President for Fiscal Affairs, the University Land and Trust Attorney, and the Endowment Officer be authorized to take up the matter with the Attorney General of the State of Texas and if the Attorney General approves the filing of a suit for declaratory judgment to establish the tax-exempt status of The University of Texas, that Messrs. Dolley, Gaines and Stewart be authorized to work with the Attorney General in his filing of such suit.

**HOGG FOUNDATION: W. C. HOGG MEMORIAL FUND, VARNER PROPERTIES - SENS LEASEHOLD.** -- Among the Varner Properties acquired in 1952 is the leasehold covering Lots 1 and 2, Block 18, SSBB, City of Houston, on the northeast corner of Congress and Milam and fronting 100 feet on each street. The lease originally with Otto Sens as lessor is for 99 years from January 1, 1920, with the University as present lessee to pay rental of \$700.00 per month, plus taxes and insurance, throughout the remaining term of the lease. Mr. Sens is deceased, and the present lessors are Mrs. Herbert S. Autrey and Miss Elma Schneider, his nieces, both of Houston. They are represented in the matter by Mr. H. S. Autrey.

The University's book value of the property, being the higher of two appraisals at the time of the acquisition of the Varner Company, is \$2,000.00. However, at the time of the acquisition, a liability of \$100,000.00 was set up on the books of the University to cover all of the obligations under the lease which provides for maintaining improvements on the property at the time of the lease of a value

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of not less than \$25,000.00 and, in addition, the obligation to make additional improvements to cost not less than \$30,000.00 by October, 1956. The nature and condition of the improvements, the fire hazards, declining rental values in the neighborhood, and the undesirability of the University's spending money for additional improvements have been set out in some detail in prior minutes of the Board of Regents.

The three remaining tenants, being a hotel, a tavern, and a sandwich shop, all lower-class establishments, are month-to-month tenants. Net loss to the University on this property after payment of rental, taxes, maintenance and insurance is running between \$4,500.00 and \$5,000.00 annually. Based on a survey of parking rates and rentals in the area, it is estimated that the subject ground space will yield approximately \$4,800.00 annual rental as a parking lot which will mean a net loss to the University after rental and taxes of approximately \$4,500.00 annually. Cost of removing the old buildings and leveling the lot is estimated at approximately \$3,000.00.

Messrs. Dolley, Gaines and Stewart have conferred with Mr. Autrey, representing the lessors, on the problems of this leasehold. Though appreciating the problems of the University, the lessors have given no indication of a willingness to negotiate for cancellation of the lease or for sale of the property to the University at reasonable figures. However, they have said they will consent to the University's removing the buildings and converting the property to a parking lot upon deposit by the University of acceptable securities with a value of not less than \$55,000.00 to insure performance of the improvement obligations in the lease.

The Land and Investment Committee recommends that the Vice President for Fiscal Affairs and the Endowment Officer be authorized to arrange with the lessors for such deposit or escrow with any Houston bank on which they may agree with lessors, to select securities from the investments of the Hogg Foundation: W. C. Hogg Memorial Fund - Varner Properties, with a market value of approximately \$55,000.00 and acceptable to the lessors, and to deposit said securities under an agreement to be executed by the lessors, the depository bank, and the University, and that the Chairman of the Board of Regents be authorized to execute on behalf of the University such escrow or depository agreement when approved as to content by the Endowment Officer and as to form by the University Land and Trust Attorney. The agreement is to provide for income on the securities to be paid to the University during the term of the deposit and for delivery of the securities to the lessors upon final termination of the lease unless improvements of a value of not less than \$55,000.00 are erected by the lessee during the term of the lease. It is further recommended that upon consummation of the deposit arrangement, the Vice President for Fiscal Affairs and the Endowment Officer be authorized to accept bids for removal of the buildings and leveling of the lot and to contract for such work and thereafter to negotiate for a parking lot rental agreement which will be presented to the Board of Regents for approval.

This report was adopted by the Board upon motion of Mr. Jeffers, seconded by Mrs. Devall.

RESOLUTION TERMINATING AMENDATORY LOAN AGREEMENT WITH THE HOUSING AND HOME FINANCE AGENCY FOR PROJECT TEX. 41-CH-11 - MEDICAL BRANCH. -- As you know, the \$2,512,000.00 par value Board of Regents of The University of Texas (Medical Branch) Dormitory Revenue Bonds, Series 1955, dated September 1, 1955, were sold to private capital, the bonds being delivered and payment received therefor on September 7, 1955. Loan advances in the total amount of \$875,250.00, made by the Housing and Home Finance Agency under the provisions of the amendatory loan agreement between HHFA and the University for Project Tex. 41-CH-11 - Medical Branch, were paid back with accrued interest thereon in the amount of \$29,493.80, on September 8, 1955, from the proceeds of the bond issue. According to the terms of the amendatory loan agreement, sale of the bonds to private capital and repayment of the HHFA advances automatically terminated the loan agreement with HHFA. However, in order to formally close out the agreement, it is recommended that the following resolution terminating the amendatory loan agreement under Project Tex. 41-CH-11 - Medical Branch be adopted by the Board of Regents and that Endowment Officer Stewart be authorized to forward the necessary certified copies of such resolution to the Housing and Home Finance Agency:

RESOLUTION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS TERMINATING THE AMENDATORY LOAN AGREEMENT WITH HOUSING AND HOME FINANCE AGENCY OF THE UNITED STATES OF AMERICA

The University of Texas  
Project Tex. 41-CH-11 -  
Medical Branch  
Galveston, Texas  
Contract No. H-172

WHEREAS, an amendatory loan agreement was entered into, dated September 1, 1954, and adopted and approved by the Board of Regents of The University of Texas on October 29, 1954, between the Board of Regents of The University of Texas, called the "Borrower", and the Housing and Home Finance Agency of the United States of America, called the "Government", said amendatory loan agreement being known as Contract No. H-172, whereby the Government agreed to lend to the Borrower a total sum of \$2,512,000.00 to finance the construction of housing and food facilities, known as Project No. Tex. 41-CH-11, at the Medical Branch of the University in Galveston, Texas; and

WHEREAS, under the aforesaid agreement, the Borrower agreed to sell and the Government agreed to purchase \$2,512,000.00 par value Board of Regents of The University of Texas (Medical Branch) Dormitory Revenue Bonds, consisting of \$1,167,000.00 par value Series "A" bonds and \$1,345,000.00 par value Series "B" bonds, the Government's bid being at the rate of 3.01% for the Series "A" bonds and 3-1/4% for the Series "B" bonds; and

WHEREAS, the aforesaid amendatory loan agreement further provided that the Borrower should call for bids from sources other

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than the Government and that should any bidder or bidders offer to purchase all of the bonds or any portion thereof at an interest cost of not more than 1/10 of 1% per annum higher than the Government bid on the Series "A" bonds and of not more than 1/4 of 1% per annum higher than the Government bid on the Series "B" bonds, then the bonds or any such portion thereof should be sold to any such bidder or bidders; and

WHEREAS, the Borrower received a bid from private investors at an effective interest rate of 3.28968% for the total issue of \$2,512,000.00 par value of bonds, which rate was under the 3.32% maximum weighted average interest rate at which the bonds could be sold to the public under the terms of the amendatory loan agreement; and

WHEREAS, the Borrower sold the entire issue of \$2,512,000.00 par value of bonds dated September 1, 1955, to private capital and did deliver the bonds and receive payment in full therefor on September 7, 1955; and

WHEREAS, under the aforesaid amendatory loan agreement, the Government did advance to the Borrower prior to the sale of the bonds the sum of \$875,250.00 to aid in the construction of Project Tex. 41-CH-11, and the Borrower did pay back to the Government out of the proceeds of the sale of the bonds the sum of \$875,250.00 with accrued interest from the date of each advance to September 8, 1955, the total amount of accrued interest paid being \$29,493.80; and

WHEREAS, the aforesaid amendatory loan agreement provided that in the event of sale of all the bonds to a purchaser or purchasers other than the Government, then the aforesaid agreement should terminate except with respect to obligations thereunder between the Borrower and the Government as of the date of the sale of such bonds;

NOW, THEREFORE, BE IT RESOLVED that in accordance with the aforesaid amendatory loan agreement that the Board of Regents of The University of Texas as Borrower does hereby terminate such agreement as of September 8, 1955, the date on which the Borrower repaid the advances in full with accrued interest made by the Government under said amendatory loan agreement.

ADOPTED AND APPROVED by the Board of Regents of The University of Texas this the 15th day of October, 1955.

The Board adopted unanimously the foregoing report and the resolution, upon motion of Mr. Jeffers, seconded by Mr. Johnson.

TEXAS WESTERN COLLEGE - PROPOSED BANK NOTE TO FINANCE CONSTRUCTION OF PERMANENT IMPROVEMENTS FROM AD VALOREM TAX REVENUES, ARTICLE VII, SECTION 17, CONSTITUTION OF TEXAS, AND ADOPTION OF NECESSARY RESOLUTION. -- The following report was adopted by the Board upon motion of Vice-Chairman Voyles seconded by Mr. Johnson.

() See Page 37.

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Pursuant to authorization granted at the October 29, 1954, meeting of the Board, for Acting President Smith with the advice and help of the Endowment Officer to enter into loan negotiations with the El Paso National Bank and/or The First National Bank in Dallas for the borrowing of up to a maximum of \$400,000.00 in 2% bank notes to finance the construction of permanent improvements at Texas Western College, such note or notes to be repaid out of the College's pro rata share of the 5¢ ad valorem tax revenues for the first ten-year period ending December 31, 1957, as provided in Article VII, Section 17 of the State Constitution, the following financing plan has been worked out with the El Paso National Bank:

It is proposed that a note in the total amount of \$400,000.00, dated November 1, 1955, and maturing December 31, 1957, will be issued by the Board of Regents to the El Paso National Bank. The Bank will disburse such loan to Texas Western College in installments upon requisitions signed by the Chairman of the Board of Regents and the Business Manager of the College, the loan to bear interest only on the amount disbursed from the date of disbursement to the date of repayment at the rate of 2% per year. The College will reserve the right to make payment in whole or in part on the note at any time prior to maturity after ten days' written notice to the payee of the note.

The required form of note, the resolution to be adopted by the Board authorizing the issuance of the note, and other necessary delivery papers, have been prepared by McCall, Parkhurst and Crowe, legal counsel approved by the Board at the October 29, 1954, meeting. All such papers have been approved as to content by President Dysart E. Holcomb of Texas Western College, Vice President for Fiscal Affairs Dolley, and Endowment Officer Stewart, and as to form by Land and Trust Attorney Gaines.

It is recommended by the Land and Investment Committee that the Board authorize the issuance of the note by the adoption of the resolution quoted below, and also authorize the Chairman of the Board to execute the note, the resolution authorizing the issuance thereof, and any other necessary delivery papers prepared and approved as outlined above. It is further recommended that President Holcomb and Endowment Officer Stewart be authorized to do all things necessary to effect the delivery of the note to the bank on November 1, 1955, or as soon thereafter as practicable.

#### RESOLUTION

By the Board of Regents of The University of Texas authorizing in behalf of Texas Western College of The University of Texas the issuance of a Note in the aggregate amount of \$400,000.00, bearing interest at the rate of 2% per annum, maturing December 31, 1957, to provide funds for the purpose of acquiring, constructing and initially equipping buildings and other permanent improvements for Texas Western College of The University of Texas, prescribing the form of the Note, pledging to the payment of the interest and principal thereof that part of the money allocated to the College from the continuing tax levied by the Constitution under Article VII,

Section 17 subject to pledges heretofore made securing bonds and notes issued in behalf of the College, providing for the execution and delivery of said Note, prescribing the duties of the Officers of the Board and of the State in reference thereto, and making certain covenants with respect to securing payment of said Note and interest.

WHEREAS, heretofore the Board of Regents of The University of Texas (hereinafter called the "Board"), under a resolution adopted July 7, 1949, authorized the issuance of \$820,000.00 of Texas Western College of The University of Texas Constitutional Tax Bonds, Series 1949, (hereinafter called the "Bonds") bearing 3% and 1-1/4% interest, pledging to the payment thereof all of that part of the taxes levied for the first ten years under Article VII, Section 17 of the Constitution, for the benefit of Texas Western College of The University of Texas, and pledging such tax resources so long as any of the Bonds are outstanding and unpaid; and

WHEREAS, in Section 14, sub-section (4) of the resolution authorizing the Bonds the right was expressly reserved in behalf of the Board as follows:

"After full provision shall have been made by accumulating in the Interest and Sinking Fund sufficient money available for the purpose, which can be used for no other purpose, to pay all of the Bonds and interest calculated thereon to maturity, the Board reserves the right to use money in excess thereof for such purposes as may be permitted under the Provision of the Constitution."

; and

WHEREAS, the Board has authority under the cited provision of the Constitution to issue notes in behalf of the College secured by a pledge of such tax resources, provided: said pledge is inferior in all respects to the pledge securing the Bonds; that no payment of the interest on or principal of such notes shall be made until all of the Bonds have been paid or until sufficient money has been accumulated in the Interest and Sinking Fund for the Bonds, which can be used for no other purpose, to pay all of the bonds and interest thereon until maturity; and that said notes be scheduled to mature on or before December 31, 1957; and

WHEREAS, the Comptroller of Public Accounts has made an estimate that \$421,957.52 is the amount which will, after full payment of all of the Bonds, be and become available to the College for the payment of the principal of and interest on said \$400,000.00 Note by December 31, 1957; and

WHEREAS, the Board has accepted a proposal from El Paso National Bank, El Paso, Texas, under the terms of which it will purchase from the Board the Note of the Board issued in behalf of the Texas Western College of The University of Texas in the amount which according to an estimate by the Comptroller of Public Accounts can be retired by its maturity date (December 31, 1957); and

WHEREAS, in accordance with such estimate as to available revenues the Board may issue said Note bearing interest at the rate of 2% per annum, taking into consideration the right and the obligation of the Board to make installment payments on said Note as the funds become available, and taking into consideration the right of the Board to make withdrawals of the purchase price of said Note in installments, in the principal amount of \$400,000.00;

BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS:

1. The foregoing preamble of this resolution is hereby adopted as a part of the resolution proper.
2. That the promissory note (herein sometimes called the "Note") be executed by the Board, acting by and through its Chairman, and that the Note be attested by the Secretary of the Board, in substantially the following form:

PROMISSORY NOTE

\$400,000.00

DATED: November 1, 1955

THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS  
(In behalf of Texas Western College of The University of Texas, El Paso, Texas)

FOR VALUE RECEIVED, on December 31, 1957, the Board of Regents of the University of Texas (hereinafter called the "Board"), acting for and in behalf of Texas Western College of The University of Texas (hereinafter called the "College"), acknowledges itself indebted to and hereby promises to pay to the order of El Paso National Bank, El Paso, Texas, the sum of Four Hundred Thousand (\$400,000.00) Dollars, together with interest thereon at the rate of Two Per Centum (2%) per annum, on Principal Outstanding, as hereinafter defined.

The principal amount of the loan of \$400,000.00 shall be disbursed to said College by the bank in such sums and at such times as the College shall request; each disbursement to be made immediately upon receipt of a written request signed by the Chairman of the Board of Regents and the Business Manager of the College.

"Principal Outstanding," as used in this note, means the amount disbursed to the College less payments applied to principal as hereinafter provided.

The Board reserves the right to make payments hereon at any time prior to maturity, after ten days written notice to the payee of this note, and each such payment shall be applied first to interest then accrued, with the remainder applied to principal. The Board agrees that funds available to the College for such purpose, from taxes collected and allocated under Article VII, Section 17 of the Constitution, will be applied to the payment of interest on and principal of this note on each occasion that the College receives notice from the Comptroller of Public accounts of the State of Texas or from the Treasurer of the State of Texas that such

funds are available therefor in the State Treasury. Withdrawals and principal and interest payments shall be noted in the space provided on the back of this note.

BOTH PRINCIPAL AND INTEREST pertaining hereto shall be payable in lawful money of the United States at El Paso National Bank, El Paso, Texas, out of all funds available and to be available to the College from the collection of taxes levied for the year 1957 and prior thereto under Article VII, Section 17 of the Constitution of the State of Texas, subject to the pledges heretofore made to secure payment of the Series 1949 Bonds issued for the benefit of the College.

FOR THE PURPOSE of securing payment of this note, the Board hereby irrevocably pledges, transfers and assigns to the payee or holder all of the right, title and interest which it now has, or which in the future it may have, in and to all the funds available to the College from the collection of such tax levied for the first ten (10) years under Article VII, Section 17, of the Constitution, to the full extent that such funds are in excess of the requirements for any outstanding bonds heretofore issued for the College payable from such source. No payment of principal or interest shall be made on this note until all outstanding bonds heretofore issued against such tax resources shall have been paid in full or until money has been set aside in the interest and sinking fund therefor sufficient to pay the principal thereof and interest to the maturity thereof.

THIS NOTE is issued for the purpose of acquiring, constructing and initially equipping buildings, or other permanent improvements at the College, pursuant to a resolution authorizing this note, duly adopted by the Board under authority of Article VII, Section 17 of the Constitution of Texas.

The holder of this note shall never have the right to demand payment of this obligation out of any funds other than those expressly pledged to its payment, but nothing herein shall be construed to prohibit the borrower from making payment thereof out of any funds within its control which may at the time be lawfully used for such purpose.

IT IS HEREBY CERTIFIED that the indebtedness evidenced by this note does not exceed any constitutional or statutory limitation.

The principal outstanding of this note will continue to bear interest at the rate of 2% per annum until finally paid.

IN TESTIMONY WHEREOF, the Board of Regents of The University of Texas, in behalf of Texas Western College of The University of Texas, has caused the seal of said Board to be hereon impressed and this note to be signed by the Chairman of the Board and attested by the Secretary of the Board, as of the 1st day of November, 1955.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS

BY \_\_\_\_\_  
Chairman

(SEAL)

ATTEST:  
\_\_\_\_\_  
Secretary

<u>DATE</u>	<u>WITHDRAWALS</u>	<u>PRINCIPAL PAYMENT</u>	<u>INTEREST PAYMENT</u>	<u>BALANCE DUE</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

3. In determining the amount ~~allowable~~ to said College deductions have been made for any notes which shall have been issued heretofore for the benefit of said College and which are still outstanding and unpaid, including the principal amount of any such note or notes and the interest scheduled to mature thereon prior to maturity date thereof.
4. The Chairman of the Board and the Secretary of the Board are hereby directed to execute said Note and to deliver said Note to the order of El Paso National Bank, El Paso, Texas, upon receipt of proper evidence that said Bank has made payment for said Note, or in the alternative has set up appropriate credit in behalf of said College in the principal amount thereof so that such funds are available for use of said College in the principal amount of the Note.
5. That the proceeds from such Note shall be available for disbursement by El Paso National Bank, El Paso, Texas, upon receipt of a written request specifying in each instance the amount of the required disbursement, signed by the Chairman of the Board of Regents and the Business Manager of the College. Funds thus withdrawn shall be placed in the depository of the College.
6. Upon advice from the Comptroller of Public Accounts of the State of Texas that money is available for the making of a payment upon said Note it shall be the duty of the Business Manager of the College to notify El Paso National Bank, El Paso, Texas, in writing, that a payment is to be made on said Note, as to interest or principal, or as to both principal and interest, and to notify the Comptroller of Public Accounts to make such payment ten days thereafter, upon assurance of evidence satisfactory to the Comptroller of Public Accounts that any and all such payments shall be noted at the place reserved on said Note for the making of such entries.
7. The proceeds from such Note shall be used only for the purpose of acquiring, constructing and initially equipping buildings or other permanent improvements at the College and in accordance with the rules and regulations of the Board and pursuant to applicable laws.

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8. For the purpose of securing payment of said Note the Board hereby irrevocably pledges, transfers and assigns to the payee or holder of such Note all of the right, title and interest which the Board now has or which in the future it may have, in and to all of the funds available to such College from the collection of such tax to the full extent that such funds are in excess of the requirements of any outstanding Bonds heretofore issued for the benefit of such College and payable from such source, and in excess to the requirements of any Notes which may have been issued in behalf of such College, and which may be outstanding at the time of the authorization of such Note. No payment of the principal or interest shall be made on said Note until all outstanding Bonds (and notes) heretofore issued against such tax resources shall have been paid in full or until money has been set aside in the interest and sinking fund therefor sufficient to pay the principal thereof and interest to the maturity thereof. It is expressly provided that to the extent that any notes are outstanding for the benefit of said College the principal amount of the Note herein authorized has been fixed so as not to interfere with the superior obligation to pay such outstanding note.
9. After examination of the records and the facts, the Board finds that there are no notes presently outstanding secured by a pledge of the tax resources from which the Note authorized hereby is to be paid.
10. The holder of the Note authorized by this resolution shall never have the right to demand payment of said obligation out of any funds other than those expressly pledged to the payment thereof, but nothing herein shall be construed as to prohibit the Board from making payment thereof out of any funds within its control which may at the time be lawfully used for such purpose.
11. The principal of said Note will continue to bear interest at the rate of 2% per annum until finally paid.
12. The Business Manager of the College shall file a certified copy of this Resolution with the Comptroller of Public Accounts.
13. The Chairman of the Board, the Business Manager of the College, the President of the College, and the

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Secretary of the Board, are hereby directed to do any and all things necessary to accomplish the purposes of this resolution, and the Comptroller of Public Accounts of the State of Texas is hereby requested to take the steps necessary to assure compliance with the terms of this Resolution and the term of the Note.

ADOPTED AND APPROVED this the \_\_\_\_\_ day of October, 1955.

\_\_\_\_\_  
Chairman of the Board of Regents of  
The University of Texas

ATTEST:

\_\_\_\_\_  
Secretary, Board of Regents of The  
University of Texas

TEXAS WESTERN COLLEGE - RATIFICATION OF USE OF LEGAL SERVICES OF McCALL, PARKHURST AND CROWE IN CONNECTION WITH ISSUANCE OF BANK NOTE UNDER ARTICLE VII, SECTION 17, CONSTITUTION OF TEXAS. -- Under date of May 28, 1954, the Board of Regents selected the firm of McCall, Parkhurst and Crowe to handle the necessary legal proceedings in connection with the then proposed bond financing plan of the colleges sharing in the proceeds of the 5¢ ad valorem tax authorized under Article VII, Section 17, Constitution of Texas, and approved the payment of a fee of \$1.00 per bond plus 25¢ per bond for additional services in connection with the efforts of the legal firm to reestablish the eligibility of the proposed bonds as bank investments in unlimited amounts. Subsequent to this meeting, a financing plan for the issuance of notes to the El Paso National Bank and/or The First National Bank in Dallas has been worked out and negotiations for the issuance of such notes was authorized by the Board at its meeting held on October 29, 1954. McCall, Parkhurst and Crowe agreed to handle the legal proceedings for the note on the same fee basis as authorized on May 28, 1954, at \$1.00 per \$1,000 par value of notes issued, the 25¢ additional fee not being necessary under the note financing plan, plus any out-of-pocket expenses incurred, and has proceeded with the preparation of the necessary papers.

It is recommended that the Board ratify the use of the services of McCall, Parkhurst and Crowe in connection with the authorization, issuance, delivery and approval of the proposed note and authorize the Chairman of the Board to enter into a letter agreement with the legal firm for such services at the rate of \$1.00 per \$1,000 par value of note or a total fee of \$400.00 for services, plus out-of-pocket expenses incurred, the total statement for the firm's services to be paid out of proceeds of the note issue.

Mr. Jeffers moved the adoption of the foregoing report, which was duly seconded and carried.

RECESS: -- The Board recessed at 4:15 p. m.

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Friday, October 14, 1955

The Board reconvened at 9:30 a. m. in the Library, Texas Western College, El Paso, Texas, as a Committee of the Whole with the following in attendance:

<u>Present</u>	<u>Absent</u>
Chairman Sealy	Regent Lockwood
Vice-Chairman Voyles	Regent Minter
Regent (Mrs.) Devall	Regent Sorrell
Regent Jeffers	
Regent Johnson	
Regent Oates	
President Wilson	
Assistant to the President Cox	
Secretary Thedford	

#### MEDICAL BRANCH

REPORT OF INTERIM EXECUTIVE OFFICER, DOCTOR T. G. BLOCKER, JR. -- Doctor T. G. Blocker, Jr., Interim Executive Officer of the Medical Branch, who was asked into the meeting, presented an encouraging report. Doctor Blocker reported that the Interim Executive Committee was functioning extremely well and pointed out that as Interim Executive Officer he had brought before this committee all ideas and problems that were called to his attention. He further informed the Board that the Medical Branch is now operating within its budget.

Doctor Blocker retired from the meeting.

SALARY, DOCTOR T. G. BLOCKER, JR. -- Since Doctor T. G. Blocker, Jr., as Interim Executive Officer of the Medical Branch has virtually all the responsibilities of a full time director, President Wilson recommended that the salary of Doctor T. G. Blocker, Jr., be increased to \$15,000 for twelve months, effective October 1, 1955, and continue as long as Doctor Blocker acts in the capacity of Interim Executive Officer, the additional \$7,500 to come from the salary appropriated for the Director. This recommendation was approved by the Board upon a motion duly made and seconded.

REPORT, BED-OCCUPANCY, MEDICAL BRANCH. -- Doctor G. A. W. Currie, Hospital and Facilities Administrator, came into the meeting and reported briefly on the bed-occupancy at the John Sealy Hospital and pointed out that the relative number of empty beds is less at the present time than it was a year ago when there were 100 less beds in operation at the John Sealy Hospital.

Doctor G. A. W. Currie retired from the meeting.

#### SOUTHWESTERN MEDICAL SCHOOL

POLICY RE FACULTY MEMBERS, SOUTHWESTERN MEDICAL SCHOOL, IN TEACHING HOSPITALS. -- At the request of Chairman Sealy, Doctor A. J. Gill, Dean of The University of Texas Southwestern Medical School, was

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called into the meeting. Doctor Gill recommended the following policy for full time faculty members of The University of Texas Southwestern Medical School:

A full time faculty member of The University of Texas Southwestern Medical School may not hold any office in any hospital staff or may not serve in any official position or as a member of any official staff position or advisory body in any hospital which The University of Texas Southwestern Medical School uses in any way for the teaching of Medical Students without the continuing approval of the Dean of The University of Texas Southwestern Medical School.

This policy was adopted upon motion of Mr. Jeffers, duly seconded.

Dean Gill retired from the meeting.

#### M. D. ANDERSON HOSPITAL

COOPERATIVE VENTURE BETWEEN BAYLOR UNIVERSITY COLLEGE OF MEDICINE AND THE UNIVERSITY OF TEXAS M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE; DOCTOR A. CLARK GRIFFIN. --

Upon recommendation of President Wilson, the Board, upon motion of Doctor Oates, seconded by Vice-Chairman Voyles, approved an exploratory cooperative venture between Baylor University College of Medicine and The University of Texas M. D. Anderson Hospital and Tumor Institute whereby Doctor A. Clark Griffin would serve in his present position at The University of Texas M. D. Anderson Hospital and Tumor Institute and would also serve as head of the Department of Biochemistry at Baylor University College of Medicine, each position on a part-time basis. The salary, time allotment, and other details of the appointment will be reported to the Board at the December meeting.

ESTABLISHMENT, UNIVERSITY CANCER FOUNDATION, M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE. -- Upon a recommendation of Doctor R. Lee Clark, Jr., concurred in by President Wilson and upon motion of Mrs. Devall, seconded by Doctor Oates, the Board adopted the following resolution providing for the establishment of the University Cancer Foundation in accordance with the Augmentation Plan for The University of Texas M. D. Anderson Hospital and Tumor Institute which was adopted January 29, 1955:

WHEREAS, there exists a clear and specific need for means to finance research and education in medicine and its related fundamental sciences at The University of Texas M. D. Anderson Hospital and Tumor Institute in addition to regular budgetary provisions, and

WHEREAS, it is the desire of interested persons to set up the facilities to encourage and assist in such financing,

IT IS NOW RESOLVED, that the Board of Regents of The University of Texas approves the establishment of, and hereby establishes, The University Cancer Foundation to more effec-

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tively carry out the purposes and objectives of the M. D. Anderson Hospital and Tumor Institute. The University Cancer Foundation shall be a University Trust Foundation, a non-profit organization for educational and scientific purposes of which the Board of Regents shall be Trustees.

AND FURTHER, that the purposes of said Foundation shall be:

1. To organize and pursue educational functions in order to create and disseminate knowledge of health, especially as it pertains to neoplastic and allied diseases to lay, professional, scientific, and ancillary professional persons of our own and other pertinent populations.
2. To promote, organize, conduct, support, and otherwise encourage medical and scientific investigation that may result in health benefits to mankind. Especial emphasis is placed on research that may relieve humanity of the burden of neoplastic and chronic diseases.

AND FURTHER, that the purposes, in addition, shall be to foster and promote the growth, progress and development of research and graduate study in medicine and its related fundamental sciences, and to encourage the making of gifts to the University Cancer Foundation by deed, grant, will, or otherwise, for purposes agreeable to the Board of Regents, and the obtaining contracts for any purpose appropriate to the work of The University of Texas M. D. Anderson Hospital and Tumor Institute, subject to the approval of the Board of Regents upon recommendation of its duly constituted officers or agencies.

AND FURTHER, that the Board of Regents agrees to accept in trust any and all money or property, real or personal, given to or subscribed for The University Cancer Foundation of The University of Texas under circumstances acceptable to the Board of Regents subject to the provisions hereinafter set out.

While the Board of Regents of The University of Texas shall be the Trustees of the Foundation, there shall also be a Board of Visitors composed of persons especially interested in the objectives of the Foundation and the activities of The University of Texas M. D. Anderson Hospital and Tumor Institute, and a Medical Board made up of not less than five, or more than nine, members of the Executive Council of the M. D. Anderson Association of Physicians.

The Board of Visitors shall have duties pertaining to public relations, securing gifts, grants, bequests and donations, and shall assist in furthering the purposes of the Association of Physicians and the Foundation in regard to research, education and patient care. They shall have other duties as delegated to them by the Board of Regents of The University of Texas

For appointment  
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upon the recommendation of the Medical Board. The members of the Board of Visitors shall be appointed by the Board of Regents of The University of Texas upon recommendation of the Medical Board. Five members shall be appointed each year after the appointment of the first members to the Board. Five of the members first appointed shall serve for one year, five for two years, and five for three years, and any appointments may be renewed. Appointments made after the appointments of the first members shall be for a term of three years.

The Medical Board shall have duties pertaining to the recommendations for the disposition and use of all monies that have accumulated for the use of the University Cancer Foundation. This shall include the internal disposition of monies to The University of Texas M. D. Anderson Hospital and Tumor Institute as well as the approval and recommendation for the use of any gifts or grants for other educational agencies or individuals. The Medical Board shall recommend to the Director of The University of Texas M. D. Anderson Hospital and Tumor Institute an annual budget for the expenditures of money in the Foundation and for any use that may arise during the course of the year that has not been previously budgeted.

While the Board of Visitors shall be apprised of the proposed use of funds and their general consultation and advice procured for the use of said funds, the final approval of the disposition of the funds shall be obtained on the recommendation of the Director of The University of Texas M. D. Anderson Hospital and Tumor Institute to the Board of Regents of The University of Texas.

It is the intent of the Association of Physicians to convey any surplus from its operation to the University Cancer Foundation in recognition of, and as just compensation for, the tangible and intangible benefits that have been utilized by the Association of Physicians in the operation of the referred practice and the use of the facilities of The University of Texas M. D. Anderson Hospital and Tumor Institute. These funds along with the other funds of the Foundation shall be devoted solely to the furtherance of research and study in medicine (undergraduate, graduate and postgraduate) and its related fundamental sciences at The University of Texas M. D. Anderson Hospital and Tumor Institute, and in other educational and research institutions, and in field work and travel as it promotes development of the research programs of members of the Association of Physicians. They shall not be used for the ordinary expenses of The University of Texas M. D. Anderson Hospital and Tumor Institute.

A donation to the Foundation may be made for a specific purpose and may be given the name of the donor or other designation specified by the donor; e. g., the Richard Doe Fund of the University Cancer Foundation; or may be given as undesignated funds which shall be used in accordance with provisions hereinafter set out.

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The Board of Regents, upon the recommendation of the Medical Board of the University Cancer Foundation, shall hold, manage, control, sell, exchange, lease, convey, mortgage, or otherwise encumber, invest, reinvest, and generally shall have power to dispose of in any manner and for any consideration and on any terms, the said gifts, funds, or property in their discretion and shall from time to time pay out of the income, or if the income be insufficient, out of the principal all expenses of trust and all expenditures incurred in furthering the purposes of the trust, except as otherwise indicated in agreements between the Board of Regents and a contracting agency, or other party. (Per Judge Gaines' letter of May 30, 1955.)

Neither any donation to the University Cancer Foundation nor any fund or property arising therefrom in whatever form it may take shall ever be any part of the Permanent University Fund nor shall the Legislature have power or be in anywise authorized to change the purpose thereof or to divert such donation, fund, or property from those designated purposes.

Doctor Clark was at the meeting when the University Cancer Foundation was approved.

#### POSTGRADUATE SCHOOL OF MEDICINE

ACCEPTANCE OF ENDOWMENT, JAMES J. AND UNA T. TRUITT CHAIR FOR STUDY OF CARDIOLOGY, THE UNIVERSITY OF TEXAS POSTGRADUATE SCHOOL OF MEDICINE. -- The Board, upon recommendation of President Wilson, and on motion of Doctor Oates, seconded by Mr. Johnson, accepted from Mrs. Una T. Truitt in accordance with the terms of the Trust Indenture a gift of the annual proceeds from the James J. and Una T. Truitt Medical Educational Trust, The Second National Bank of Houston, Trustee, and established the James J. and Una T. Truitt Endowed Chair for the Study of Cardiology in The University of Texas Postgraduate School of Medicine with instructions that the proceeds as received be deposited in a separate trust account to be known as The James J. and Una T. Truitt Chair for the Study of Cardiology and expended upon authorization by the Dean of the Postgraduate School of Medicine. (A copy of the Trust Indenture is in Secretary's Files, Vol. II, Page 105)

The Board further requested that their gratitude and appreciation be extended to Mrs. Una T. Truitt for her generosity and interest in The University of Texas Postgraduate School of Medicine.

AGREEMENT BETWEEN TRUSTEES OF ST. LUKE'S EPISCOPAL HOSPITAL AND THE UNIVERSITY OF TEXAS POSTGRADUATE SCHOOL OF MEDICINE. -- President Wilson presented to the Board a proposed agreement between the Trustees of St. Luke's Episcopal Hospital and The University of Texas Postgraduate School of Medicine which Doctor Grant Taylor had negotiated pursuant to authorization from the Medical Affairs Committee which met in Houston on Tuesday, August 23. The Board upon motion of Mr. Jeffers, duly seconded, authorized the Chairman of the Board to execute this agreement which had been approved as to form and content by Mr. Jeffers.

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## CENTRAL ADMINISTRATION

FINAL APPROVAL, AMENDMENT TO RULES AND REGULATIONS, BOARD OF REGENTS; THE UNIVERSITY OF TEXAS ADMINISTRATIVE ORGANIZATION. -- Prior to the meeting President Wilson sent to each member of the Board with his recommendation a proposed revision of administrative organization. This statement of administrative organization conforms certain portions of the Rules and Regulations of the Board of Regents to the Administrative Reorganization implemented in September, 1954, and authorized by the Board of Regents as reflected on Page 3, Volume II, Permanent Minutes.

The Board upon a motion duly made and seconded waived its rule under Part I, Page 13, Chapter V, Section 2 that amendments to the Rules and Regulations lie over for thirty days before final approval; and the Board upon motion of Vice-Chairman Voyles, seconded by Mr. Johnson, approved for final adoption the following as a part of the Rules and Regulations and repealed all rules, orders, and regulations heretofore enacted by the Board which are in conflict with this statement:

### THE UNIVERSITY OF TEXAS ADMINISTRATIVE ORGANIZATION

#### General Statement

The President of the University is the chief administrative officer of The University of Texas system. The chief administrative officer of each component unit in the system, acting in a line capacity for the operations of his entire unit, reports only to the President, and is responsible only to the President.

Officers of the Central Administration serve primarily as staff officers for the entire system. In that capacity, each officer is responsible for planning and policy formulation in his particular field and each serves as advisor in his area to the President. In addition, each Central Administration officer is expected to advise and consult with the officials of the component units in his particular field of competence.

The principal officers of the Central Administration staff are: President (ex officio), Assistant to the President, Vice-President for Academic Affairs, Vice-President for Developmental Services, Vice-President for Medical Affairs, Vice-President for Fiscal Affairs, Comptroller, Endowment Officer, and Budget Officer.

The chief administrative officers of the component units are: Vice-President of the Main University, Director of the Medical Branch at Galveston, President of Texas Western College, Director of the M. D. Anderson Hospital and Tumor Institute, Dean of the Dental Branch, Dean of the Southwestern Medical School, and Dean of the Postgraduate School of Medicine.

The duties and responsibilities of these officers are outlined below.

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### President

The President of The University of Texas is the chief administrative officer of the University system. He advises and counsels with the Board of Regents in establishing and promulgating basic policies for the government and operation of the University. Specifically, his responsibilities include:

1. Acting as executive agent of the Board of Regents in implementing policies of the Board.
2. Recommending budgets for the operation of the University system.
3. Nominating to the Board of Regents the officers of Central Administration and the chief administrative officers of the component institutions.
4. Acting as the official medium of communication between the Board of Regents and the officers, staffs, faculties, and students of the component institutions of the University.
5. Representing the University with the Legislature.
6. Serving as an ex officio member of all institutional faculties of The University of Texas.

The President reports to and is responsible to the Board of Regents.

### Assistant to the President

The Assistant to the President is a staff officer who acts as executive assistant to, and personal representative of, the President. At the direction of the President, he represents the University in its relations with the Legislature, state agencies, and other educational institutions. He performs such additional general and special duties as the President may delegate to him.

### Vice-President for Academic Affairs

The Vice-President for Academic Affairs is a staff officer whose primary responsibility is to advise the President on academic matters relating to The University of Texas system or any of its component institutions. He has, in addition, such other duties as the President may designate.

The Vice-President for Academic Affairs reports to and is responsible to the President.

### Vice-President for Developmental Services

The duties and responsibilities of the Vice-President for Developmental Services include both staff and administrative functions.

As a staff officer his general function is to advise the President on developmental planning and public relations for the University system. Specifically, he is expected to assist in (a) the formulation of policies and procedures, and (b) the development of improved practices in:

1. Long-term planning of facilities and programs.
2. Public and alumni relations.
3. Private fund development.
4. Administrative organization.

As an administrative officer, he has supervisory line responsibility over the following offices: (a) News and Information Service, (b) Director's Office, University Development Board, (c) Studies and Planning Office. Subject to delegation by the President, he has executive authority for:

1. Coordinating and collecting planning information; direction of specific planning studies.
2. Coordinating private fund development activities; conducting negotiations for private funds.
3. Maintaining liaison with the University Development Board and the Ex-Students' Association.
4. Supervision of developmental publications.

The Vice-President for Developmental Services reports to and is responsible to the President.

#### Vice-President for Medical Affairs

The basic function of the Vice-President for Medical Affairs is to advise the President concerning programs and activities in medical and dental education. As a member of the President's staff, he consults with the chief administrative officers of the health education units and recommends procedures for coordinating and systematizing policies and practices.

His responsibilities as a staff officer include giving advice, counsel, and guidance with regard to:

1. Long-range planning of medical and dental education programs, including staffing and physical facilities, to minimize duplication and maximize resource utilization in meeting service needs.
2. Development of fiscal policies; operational procedures; program analysis and evaluation.

His specific responsibilities as a line officer include serving as a deputy of the President when so designated and undertaking special assignments for the President's Office.

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The Vice-President for Medical Affairs reports to and is responsible to the President.

#### Vice-President for Fiscal Affairs

The duties and responsibilities of the Vice-President for Fiscal Affairs include both staff and administrative functions.

As a staff officer, his general function is to advise the President as to all fiscal and business management activities of the University system. Specifically, he is expected:

1. To formulate procedures governing the preparation of and review of all budgets and to develop an effective method of presenting approved budgets to state agencies.
2. To plan an effective system of expenditure control by means of regulations, internal audits, and periodic financial reports.
3. To aid in developing improved practices and procedures in all areas of business management.

As an administrative officer, he has supervisory line responsibility over the following offices in Central Administration: University Lands - Legal and Surveying, Endowment Office, and Office of the Comptroller. With respect to these offices, he recommends budgets and changes in approved budgets for the consideration of the President.

The Vice-President for Fiscal Affairs reports to and is responsible to the President.

#### Comptroller

The duties and responsibilities of the Comptroller include both staff and administrative functions. As a staff officer, his general function is to advise and consult with the Vice-President for Fiscal Affairs and the President, with reference to all business operations of The University of Texas system which are not specifically assigned to the Endowment Office. These business operations include:

1. Accounting, auditing and reporting, and budgetary control.
2. Receipt, disbursement and custody of moneys.
3. Procurement and purchasing.
4. Operation and maintenance of physical plant and management of auxiliary and service enterprises.
5. Advice and consultation with the chief executive officer of each component institution, the Vice-President for Fiscal Affairs, and the President, with reference to the appointment or removal of the Business Manager of each component institution and the Auditor of the Main University.

As an administrative officer he has direct supervisory responsibility over certain business activities. These activities include:

1. Administration and general supervision of new construction and other permanent improvements, including repair and remodeling projects involving the proposed expenditure of \$20,000 or more; consultation, advice and working with the consulting and associate architects employed by the Board of Regents, subject to the terms and conditions of contracts entered into by the Board of Regents with these architects; and service as an ex officio member of the Faculty Building Committee of each component institution.
2. Supervision, with the assistance of the Branch College Auditor, of post-auditing and accounting system work at each component institution.
3. Supervision of the Workmen's Compensation insurance program and all other staff benefit programs.
4. Direct responsibility for the following specific duties: approval of all accounting records, forms, procedures, or financial reports; negotiation of all depository agreements with banks; approval and signing of lease contracts for building space; approval of insurance policies; review and recommendatory approval of the business aspects and overhead rates in research and other contracts with outside agencies; and joint custodianship with the Main University Auditor of securities owned by University of Texas Funds which are not on deposit in the State Treasury.

The Comptroller reports to the Vice-President for Fiscal Affairs, and through that officer to the President.

#### Endowment Officer

The Endowment Officer is the business officer of The University of Texas in immediate charge of the following areas of administration:

1. The investment of all funds owned by the University.
2. The management and supervision of all endowment properties of The University of Texas, including University Lands.
3. The investment of and administration of all trust funds and other properties held in trust by the Board of Regents of The University of Texas.
4. The issuance of bonds or other evidence of indebtedness of The University of Texas as authorized by law.

The Endowment Officer reports to and is responsible to the Vice-President for Fiscal Affairs and through that officer to the President.

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**Budget Officer**

In general, the work of the Budget Officer is concerned with improving and standardizing budgetary procedures of the University system. Specifically, his duties and responsibilities include:

1. Recommending procedures to be followed (a) in scheduling budget preparation, (b) in compiling budgets to assure uniformity of coverage and format, and (c) in providing effective review of budgets at all administrative levels.
2. Preparing and recommending budget-writing instructions and forms.
3. Developing more effective methods of presenting completed budgets.
4. Assisting in processing all budgets submitted by the institutional heads.
5. Conducting budget research studies in such areas as: salary supplementation, maintenance and equipment allocations, and physical plant expenditures.
6. Assisting in devising more effective methods of expenditure control.
7. Planning financial report forms designed to reveal periodically the current rate of spending from budgeted funds at each component unit.

The Budget Officer reports to and is responsible to the Vice-President for Fiscal Affairs.

**Auditor**

The Auditor, Main University, is the accounting officer for the Main University and for Central Administration. Specifically, his duties and responsibilities include:

For Main University --

1. Collection, custody, and disbursement of institutional funds.
2. Maintenance of accurate accounting records and control of expenditures in accordance with approved budgets and University regulations.
3. Maintenance of an effective program of internal audit.
4. Preparation of periodic financial reports; and continuing study to improve practices and procedures.
5. Assisting in the preparation of budgets as directed by the institutional head.

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For Central Administration --

1. Custody of, accounting for, and financial reporting of, all funds handled by the Auditor's Office for the component institutions outside of Austin, and for Central Administration, Permanent University Fund, and Available University Fund.
2. Joint custodianship with the Comptroller of securities owned by University of Texas Funds which are not on deposit in the State Treasury.

On Main University matters the Auditor, Main University, reports to and is responsible to the Business Manager of The Main University and through him to the Vice-President of the Main University; on other matters he reports to and is responsible to the Comptroller and through him to the Vice-President for Fiscal Affairs.

#### Chief Administrative Officers of Component Units

##### Vice-President of the Main University

The Vice-President of the Main University serves as the chief administrative officer of the Main University (including the Institute of Marine Science and the McDonald Observatory) under the direction of the President. In cooperation with the President he:

1. Develops, with faculty assistance, plans and policies for the program and the administration of the Main University in accordance with policies of the Board of Regents.
2. Interprets University policy.
3. Develops and administers student welfare policies.
4. Recommends appropriate budgets, and supervises expenditures under approved budgets.
5. Nominates all members of the faculty and staff, except as otherwise delegated; and recommends removal of any staff member for cause.
6. Ensures that the business affairs and physical property under his general supervision are properly managed.
7. Serves as ex officio member of all faculties of the Main University, and presides at meetings of the General Faculty and the Faculty Council at the request of the President.
8. Appoints all faculty and staff committees unless otherwise provided.

The Vice-President of the Main University reports to and is responsible to the President.

### Other Component Units

The chief administrative officer of each component unit serves under the direction of the President, and has access to the Board of Regents through the President. Within the policies and regulations of the Board of Regents and under the supervision of the President, the chief administrative officer of each unit has general authority and responsibility for the administration of that unit.

Specifically, the chief administrative officer is expected, with appropriate participation of the staff, to:

1. Develop and administer governing policies for the program, organization, and operations of the unit.
2. Interpret University policy to the staff, and interpret the unit's program and needs to the President and to the public.
3. Recommend appropriate budgets and supervise expenditures under approved budgets.
4. Nominate and recommend for retention or dismissal all members of faculty and staff, and maintain efficient personnel programs.
5. Establish proper management of services to students or patients.
6. Ensure efficient management of business affairs and physical property; recommend additions and alterations to the physical plant.
7. Serve as presiding officer at official meetings of faculty and staff of the unit, and as an ex officio member of each college or school faculty (if any) within the unit.
8. Cause to be prepared and submitted to the President, and through him to the Board of Regents, statutes and amendments thereto for the governance of the unit.
9. Assume initiative in developing long-term plans for the program and physical facilities of the unit.

The chief administrative officer of each component unit reports to and is responsible to the President.

### Business Manager

The general function of the Business Manager of each component institution, acting under the direction of the chief administrative officer, is to conduct all business activities of his particular institution. Specifically, his duties and responsibilities include:

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1. Collection, custody, and disbursement of institutional funds.
2. Maintenance of accurate accounting records, and control of expenditures in accordance with approved budgets and University regulations.
3. Maintenance of an effective program of internal audit.
4. Procurement and purchasing.
5. Operation and maintenance of physical plant(1). Amended 9/21/56.
6. Supervision of auxiliary and service enterprises.
7. Preparation and processing of government research and other contracts(2).
8. Preparation of periodic financial reports; and continuing study to improve business practices and procedures.
9. Assisting in the preparation of budgets as directed by the institutional head.

The Business Manager reports to and is responsible to the Chief administrative officer of his component institution, except at the Medical Branch, Galveston, where he reports to and is responsible to the Hospital and Facilities Administrator.

#### Advisory Councils

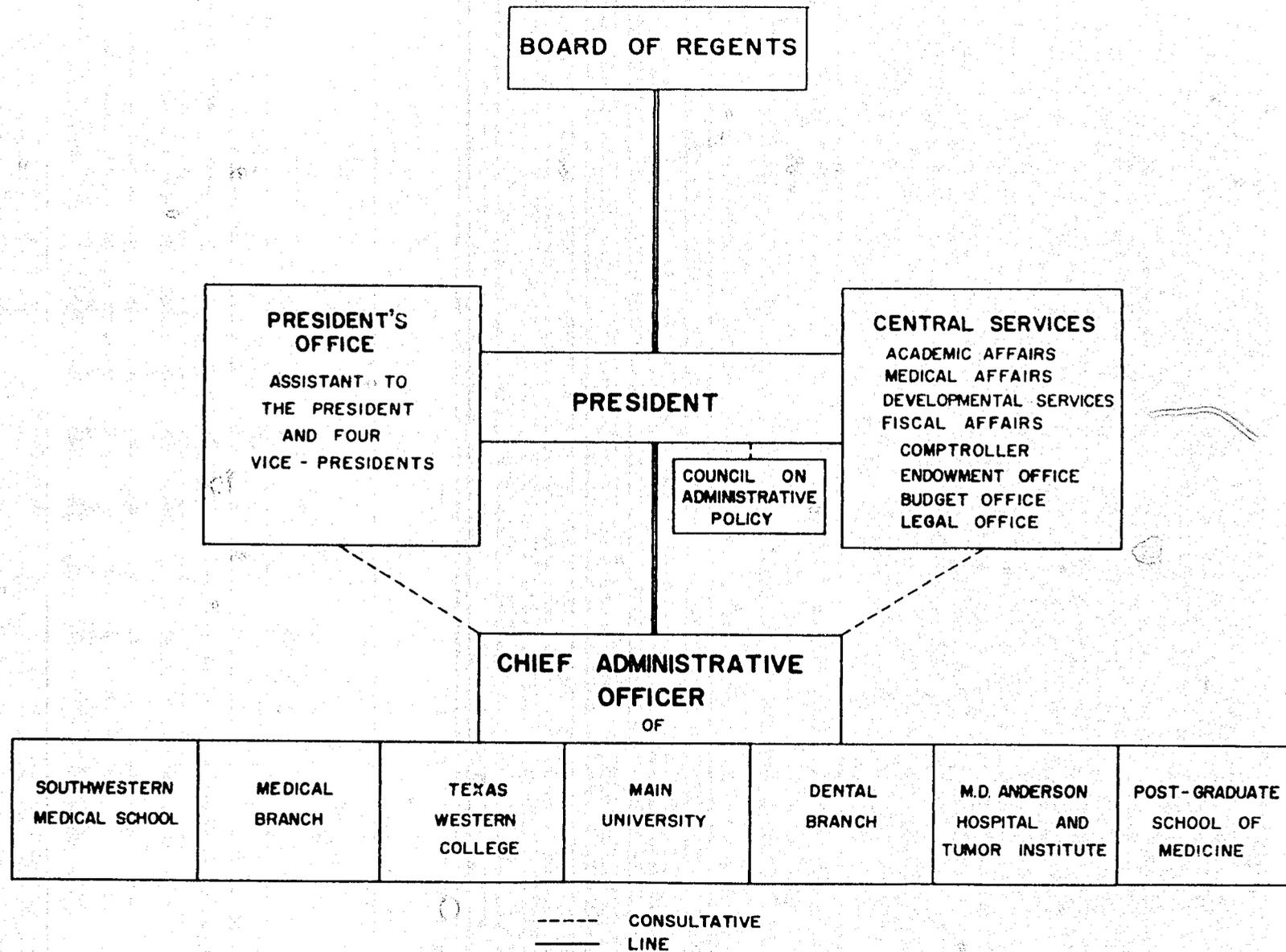
1. Council on Administrative Policy. To advise with the President at periodic intervals upon matters of system policy, the Council on Administrative Policy is established. It is composed of the President (the Chairman), the chief administrative officer of each component unit, the Vice-Presidents, the Assistant to the President, and the Comptroller. Meetings are held at the call of the President, who prepares the agenda.
2. Business Management Council. To advise the Vice-President for Fiscal Affairs in his area of staff responsibility for budgeting, business management, physical plant operation, and systems of expenditure control, the Business Management Council is established. It is composed of the Vice-President for Fiscal Affairs, (Chairman), the Business Manager of each component unit, the Comptroller, the Endowment Officer, the Budget Officer, and the Auditor (Main University). Meetings are held at the call of the Vice-President for Fiscal Affairs, who prepares the agenda.

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(1) At the Medical Branch at Galveston, this function is the responsibility of the Hospital and Facilities Administrator.

(2) At the Main University government research contracts are processed by the Office of Government Sponsored Research.

**SCHEMATIC DIAGRAM**  
**FLOW OF AUTHORITY AND RESPONSIBILITY**

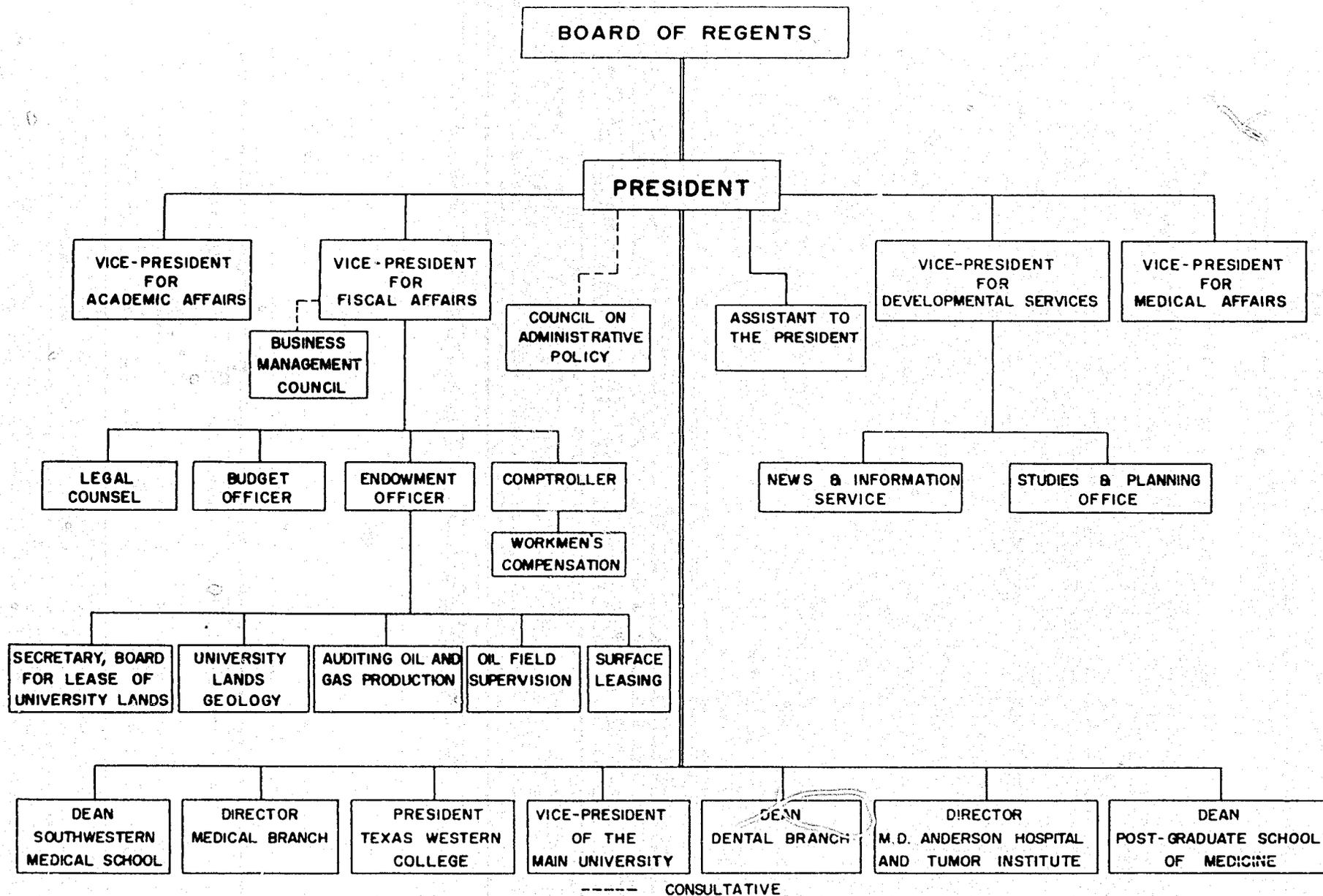


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CHART OF ADMINISTRATIVE ORGANIZATION



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APPROVAL, FISCAL REGULATIONS, THE UNIVERSITY OF TEXAS SYSTEM. --Vice-Chairman Voyles moved that the Board approve Fiscal Regulations as prepared by The Central Administration Staff, September 1, 1955, in accordance with Subsection "c" of Section 18, Article V, House Bill 140, 54th Legislature, Regular Session. The motion was seconded by Mr. Johnson and carried. (A copy is in the Secretary's Files, Volume III. *Page 1*)

#### MAIN UNIVERSITY

POLICY, SELECTIVE ADMISSIONS. --Pursuant to the Admission Policy Recommendations adopted by the Board of Regents July 8, 1955, President Wilson prior to the meeting had furnished to each member of the Board a Report of Faculty Committee on Admissions Testing. A copy of this report is in the Secretary's Files, Volume III, *Page 112*. This report included in addition to recommendations the action that had already been taken regarding selective admissions and the plans for the testing program.

After the Board had discussed in full this report, it concurred in the recommendation of the faculty and administration; and approved, upon motion of Vice-Chairman Voyles, seconded by Mrs. Devall, the report and the recommendations contained therein for the implementation of the Selective Admission Policy, the specific recommendation being that a student must have a satisfactory rank in his high school graduating class and that he have an acceptable score on a uniform aptitude test in addition to the existing requirements for admission to the University as an undergraduate.

RESTRICTIONS ON STUDENTS' POSSESSION AND MAINTENANCE OF AUTOMOBILES. --President Wilson presented to the Board of Regents "The Students' Parking Report to the Regents." The Regents expressed appreciation for the report and for the interest of the students. However, since it is the Board's belief that the recently adopted regulation is for the best interest of the students of the University, it decided to abide at this time by its original decision and not to amend the restriction in any manner. See Secretary's Files, Vol. III, *Page 140*. See P. 396

IMPLEMENTATION OF EXECUTIVE COMMITTEE RECOMMENDATION; SUPPLEMENT TO 1955-56 MAIN UNIVERSITY ANNUAL BUDGET. --President Wilson furnished each member of the Board with a copy of a supplement to the 1955-56 Main University Annual Budget. This supplement was a report of the implementation of Item 6(c) authorized by the ratification of the Regents' Executive Committee Report, Permanent Minutes, Volume II, Page 735.

The Board received this implementation report and approved its contents, effective September 16, 1955, upon a motion duly made and seconded. (A copy of this supplement is in the Secretary's Files, Volume III. *Page 75*)

RECESS. --The Board recessed at 12:30 p. m.

The Board reconvened at 1:45 p. m. as a Committee of the Whole with the same membership in attendance and Doctor J. C. Dolley, Vice-President for Fiscal Affairs.

## CENTRAL ADMINISTRATION

GENERAL POLICY, 1956-57 ANNUAL BUDGETS; MEMORANDA CONCERNING GENERAL BUDGET. -- Upon recommendation of Vice-President Dolley, concurred in by President Wilson, and on motion of Mr. Johnson, seconded by Vice-Chairman Voyles, the Board adopted the following for The University of Texas System: ( See P. 73

1. General Policy in Preparation of 1956-57 Annual Budgets

The second year of the biennium affords relatively little opportunity for additional improvement of salaries or expansion of services. Accordingly, departments are requested to recommend very few merit advances for members of the teaching and professional staff and these recommended advances should be held to a range relatively modest in amount. Merit advances recommended for classified personnel should not exceed a maximum of 50% of the total institutional staff and such recommendations should be limited to one step in the promotional scale. Only in the most exceptional situations should salary advances in excess of these limits be recommended.

In applying the general budget policy in the preparation of annual budgets for 1956-57, the merit system of promotion and salary increases for both academic and classified and/or non-academic personnel will be continued. For non-academic or classified personnel, changes in job classifications should be recommended only when thoroughly justified. Such changes will not be considered as merit increases and will not necessarily apply to the 50% limitation on salary increases. All divisions are to take into account the "up-or-out" rule and any other tenure considerations which are pertinent.

2. Memoranda Concerning General Budget - All Branches of The University of Texas 1956-57

The "pink sheet" rules and regulations, as amended, applicable to the 1955-56 annual budget of each component institution shall be included in the 1956-57 annual budgets with the following revisions:

Item 1. Eliminate the column in the printed budget that included rates at which expenditures were made by line items for "third year" comparative purposes. Include these data for review purposes in the working papers supporting the budget. (Sample forms available.)

Item 5. Eliminate the institutional option of a 10% carryover of appropriation balances. Item 5 shall read as follows: "All appropriations not actually expended or encumbered by August 31 will automatically lapse to the Unappropriated Balance Account."

POLICY, BOARD OF REGENTS RE ACADEMIC STANDING OF FACULTY. -- Chairman Sealy reiterated for the record that the policy of the current Board of Regents is to improve as rapidly as is possible and as far as is feasible the standing of the Faculty of the University and the University itself in the academic world and that the current Board not only is willing but also is expecting to divert such funds as will be necessary out of the Available Fund to accomplish this purpose.

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DEVELOPMENTAL AFFAIRS AND PUBLIC RELATIONS COMMITTEE MATTERS. --

Comptroller Sparenberg, Mr. William B. Saunders, Miss Maebess Matthews, and others interested in items to come before the Developmental Affairs and Public Relations Committee came into the meeting.

REPORT FOR DEVELOPMENTAL AFFAIRS AND PUBLIC RELATIONS COMMITTEE. -- At the request of Chairman Sealy, Comptroller Sparenberg presented the following report on developmental affairs, all of which were adopted by one motion of the Board as reflected on Page 62 .

ACCEPTANCE OF DORMITORY FOR WOMEN, MAIN UNIVERSITY. -- On August 16, 1955, a final inspection was made of Blanton Dormitory at which the following were present either for part or for all of the inspection:

President Logan Wilson, Vice-President James C. Dolley, Vice-President C. Paul Boner, Comptroller Charles H. Sparenberg, William B. Saunders, and F. C. McConnell, representing the University.

Representatives of the following:

Consulting Architect, Mark Lemmon  
Associate Architect, Jessen, Jessen, Millhouse, and Greeven  
Mechanical Engineers, Zumwalt and Vinther  
General Contractor, S. O. and C. D. Yarbrough Construction Company  
Plumbing Contractor, V. R. Wattinger  
Heating, Air Conditioning, and Ventilating Contractor, Young and Pratt  
Electrical Contractor, O. H. Cummins Electric Company

After the inspection trip, a "punch list" was compiled by the Architects of all items requiring attention before final payments could be made. Final payment has now been made to all contractors in full or with the retainage of small amounts, pending correction of certain minor deficiencies as listed by the Architects, which retainage will be paid upon certification by the Architects that the small deficiencies have been corrected.

It is recommended that the board approve the acceptance of this building and the payment therefor as reported above.

ACCEPTANCE OF DORMITORY FOR MEN AND CAFETERIA, MAIN UNIVERSITY. -- On August 16, 1955, a final inspection was made of Moore Hall and Varsity Cafeteria at which the following were present either for part or for all of the inspection:

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President Logan Wilson, Vice-President James C. Dolley, Vice-President C. Paul Boner, Comptroller Charles H. Sparenberg, William B. Saunders, F. C. McConnell, and W. F. O'Zee, representing the University.

Representatives of the following:

Consulting Architect, Mark Lemmon  
Associate Architect, Page, Southerland, and Page  
Mechanical Engineers, Zumwalt and Vinther  
General Contractor, R. P. Farnsworth and Company, Inc.  
Heating, Air Conditioning, and Ventilating Contractor, Boyer and Lagow  
Electrical Contractor, O. H. Cummins Electric Company

After the inspection trip, a "punch list" was compiled by the Architects of all items requiring attention before final payments could be made. Final payment has now been made to all contractors in full or with the retainage of small amounts, pending correction of certain minor deficiencies as listed by the Architects, which retainage will be paid upon certification by the Architects that the small deficiencies have been corrected.

It is recommended that the Board approve the acceptance of these buildings and the payment therefor as reported above.

ACCEPTANCE OF ENGLISH BUILDING, MAIN UNIVERSITY. --

On August 29, 1955, a final inspection was made of the English Building at the Main University at which the following were present either for part or for all of the inspection:

Comptroller Sparenberg and William B. Saunders, representing the University.

Representatives of the following:

() See P. 243

Associate Architect, Broad and Nelson  
Mechanical Engineers, Zumwalt and Vinther  
General Contractor, J. M. Odom  
Electrical Contractor, Dean Johnston  
Plumbing, Heating, Air Conditioning, and Ventilating Contractor, Natkin and Company

A representative of the Consulting Architect, Mark Lemmon, had already made his inspection before this date. After the inspection trip, a "punch list" was compiled by the Architects of all items requiring attention before final payments could be made. Approval has now been given by the Architects for final payment to all the contractors in full or with the retainage of small amounts pending correction of certain minor deficiencies as listed by the Architects, which retainage will be paid upon certification by the Architects that the minor deficiencies have been corrected.

It is recommended that the Board approve the acceptance of this building and the payment therefor as reported above.

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RATIFICATION OF APPROVAL OF PRELIMINARY PLANS AND EXECUTION OF CONTRACT WITH ASSOCIATE ARCHITECT FOR R. O. T. C. BUILDING, MAIN UNIVERSITY. -- At the Regents' Meeting held July 8, 1955, a Committee was appointed to approve the preliminary plans for the R. O. T. C. Building at the Main University. After approval of these plans as prepared by Mark Lemmon, Consulting Architect, by the Faculty Building Committee of the Main University, by Dr. H. Malcolm Macdonald representing the R. O. T. C. groups on the Main University Campus, and by Comptroller Sparenberg and President Wilson, the Committee appointed by the Board also approved the plans. This Committee consisted of Mr. Lee Lockwood, President Wilson, Vice-President Boner, and Comptroller Sparenberg. The Associate Architect selected by the Board at the last meeting, Atlee B. and Robert M. Ayres of San Antonio, was instructed to proceed with the preparation of final plans and specifications to be presented to the Board for approval at a later date. The contract with Atlee B. and Robert M. Ayres has been prepared by the Comptroller's Office, approved as to legal form by Judge Scott Gaines, and executed by Chairman Tom Sealy and Ayres and Ayres.

() See P. 59

It is recommended that the Board ratify the action taken by the Committee in approving the preliminary plans on the R. O. T. C. Building, the execution of the Associate Architect's Contract with Atlee B. and Robert M. Ayres, and the action taken by the Comptroller in instructing the Associate Architect to proceed with the preparation of final plans and specifications.

AWARD OF CONTRACTS FOR PRESS BOX ELEVATOR AT TEXAS MEMORIAL STADIUM, MAIN UNIVERSITY. -- At the Regents' Meeting held March 12, 1955, an appropriation was set up in the amount of \$30,000.00 to cover the overall cost, including Engineering Fees, of a Press Box Elevator in the Texas Memorial Stadium at the Main University, and Comptroller Sparenberg was authorized to advertise for bids and award contracts within the amount appropriated. Bids have been received and opened in accordance with this authorization, as shown on Page 63, and it is found that the acceptance of the low bids will bring the total cost of the project slightly over the \$30,000.00. There is, however, a balance in the appropriation for Floodlighting the Stadium, which was also appropriated at the March meeting, and it is recommended that \$3,000.00 be transferred from Account No. 94000, Memorial Stadium - Stadium Lighting Project to Account No. 94010, Memorial Stadium - Press Box Elevator. It is further recommended that contract awards be made to the low bidders, as follows, with authority to Chairman Sealy to sign the contracts involved:

() See Page 63

Elevator Hoistway (For the Elevator for the Press Box): W. D. Anderson Company, Austin, Texas (Base Bid)	\$18,300.00
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Elevator for the Press Box: Otis Elevator Company, Dallas, Texas	13,657.00
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Total Recommended Contract Awards	<u>\$31,957.00</u>
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The addition of \$3,000.00 to the appropriation for the Press Box Elevator will adequately cover the contract awards recommended above, the Engineering Fees, incidental expenses, such as advertising for bids, etc., and a small allowance for contingencies.

**SALE AND REMOVAL OF RESIDENCE ON SITE OF NEW R. O. T. C. BUILDING, MAIN UNIVERSITY.** -- At the Regents' Meeting held April 10, 1954, approval was given not to sell the house at 209 East 22nd Street, although it had originally been included in a group of houses approved for sale at the meeting held February 27, 1954. This decision was made after consideration of a request to that effect from the Athletic Council, since the house was occupied by Mrs. J. M. Griffith, Food Service Supervisor II for Hill Hall. This house is located on part of the site which has been selected for the R. O. T. C. Building, and since the preliminary plans for this building have already been approved and work has been started on the final plans and specifications, it will be necessary in the near future to have the house removed in order to have the site cleared for construction of the new building.

0 See P. 245

It is recommended that authorization be given to the Business Manager of the Main University to call for bids for the sale and removal of the house at 209 East 22nd Street and to award a contract to the highest acceptable bidder, with the proceeds of the sale to be credited to Account No. 78001 - Real Estate Rentals - Sale of Houses.

**RATIFICATION OF APPROVAL OF FINAL PLANS AND SPECIFICATIONS ON ADMINISTRATION BUILDING AT TEXAS WESTERN COLLEGE.** -- At the Regents' Meeting held July 8, 1955, a Committee was appointed to approve the final plans and specifications for the Administration Building at Texas Western College, with authorization to Comptroller Sparenberg to advertise for bids after the approval of the Committee was secured. This Committee consisted of Mr. Lee Lockwood, President Wilson, President Holcomb, and Comptroller Sparenberg.

0 See P. 64

On August 24, 1955, after approval of final plans and specifications by the Faculty Building Committee of Texas Western College, President Holcomb, Comptroller Sparenberg, and President Wilson, the Committee appointed by the Board also approved the plans and specifications, and the advertisement for bids was placed by Comptroller Sparenberg so that the bids might be considered at the next meeting of the Board.

It is recommended that the action of the Committee as noted above be ratified by the Board.

**AWARD OF CONTRACT FOR ADMINISTRATION BUILDING AT TEXAS WESTERN COLLEGE.** -- In accordance with authorization given at the Regents' Meeting held July 8, 1955, bids for the construction of a new Administration Building at Texas Western College were received, opened, and tabulated on October 4, 1955, as shown on Page 64. These bids have been considered by the Architects, Davis and Foster, President Holcomb of Texas Western College, and Comptroller Sparenberg, and it is their recommendation that the

contract award be made to the low bidder as set out below, with authorization to the Chairman of the Board to sign the contract involved:

J. E. Morgan and Sons, El Paso, Texas	
Base Bid - Lots Nos. 1 through 4	\$313,772.00
Alternates Nos. 2 through 9	13,040.00
Total Recommended Contract Award	<u>\$326,812.00</u>

The original estimate made by the Architects for the construction of this building was \$290,260.00. Since that time there have been a number of changes in the plans made at the request of Texas Western College and at the suggestion of the Architects, and these changes have resulted in the increased cost. The final plans and specifications do not include provision of an elevator for this building; changes made include a change in the location of the building, approximately 2,200 additional square feet in area, considerable additional heat insulation in the attic, a much better system of refrigerated air conditioning, adequate air conditioning and ventilation in the basement so that it can be fully utilized, and certain built-in equipment for the Business Office and the Registrar's Office. It is believed by all concerned that these and other changes will add a great deal to the appearance and functional value of the building.

The funds needed to pay for the construction contract and the Architect's Fees for this building are to come from Constitutional Tax Note money, and a separate recommendation is being made to the Board through the Land and Investment Committee for the issuance of these Notes in an amount more than sufficient to cover the cost of the recommended contract award and the Architect's Fees thereon.

REPORT ON TRADE OF PROPERTY BY TEXAS WESTERN COLLEGE AND CITY OF EL PASO. -- At the Regents' Meeting held July 8, 1955, approval was given by the Board to a trade of certain property between Texas Western College and the City of El Paso, with authorization to the Chairman of the Board to sign whatever deeds were necessary, upon approval thereof by University Attorney Scott Gaines, with the further stipulation that the transaction must be completed before September 1, 1955. In order to record the consummation of this transaction, the following report is given.

One indenture dated August 25, 1955, covering the transfer and exchange of the pieces of property involved was prepared and signed by both the Chairman of the Board of Regents and the Mayor of the City of El Paso. It was understood that the Board of Regents would attempt to secure from the American Smelting and Refining Company a release of certain restrictions which the Company had placed on the property in its deed to the University; however, the Company was not willing to furnish such a release. The City of El Paso then agreed to furnish the University an instrument stating that the City would accept the property subject to the restrictions originally imposed by the Company, and this instrument has now been delivered. This instrument releases the Board of Regents from so much of the warranty in the indenture as

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relates to the restrictions upon said property in the Deed and Correction Deed from the American Smelting and Refining Company. The documents are in the process of being recorded in the Deed Records of El Paso County.

This transaction results in the transfer from the Board of Regents to the City of El Paso of 105.36 acres, more or less, subject to certain exceptions and restrictions, and the transfer from the City of El Paso to the Board of Regents of 105.664 acres, more or less, subject to certain water easements, reservations, and restrictions.

REPORT AND RATIFICATION OF CHOICE OF ARCHITECT, APPROVAL OF PLANS AND SPECIFICATIONS, AND AWARD OF CONTRACT FOR REMODELING AND REPAIRING CHILDREN'S HOSPITAL AT THE MEDICAL BRANCH. -- At the Regents' Meeting held July 8, 1955, authorization was given to proceed with all phases of the work necessary to have a contract signed by the end of the fiscal year 1954-55 for the Remodeling and Repairing of the Children's Hospital at the Medical Branch. In accordance with this authorization the following actions have been taken:

0 See Page 65.

1. Cameron Fairchild and Associates of Houston was employed as the Architect for this project.
2. The plans and specifications as prepared by the Architect and the Physical Plant staff of the Medical Branch were approved by Comptroller Sparenberg and President Wilson.
3. Bids were called for and received on August 25, 1955, as shown on Page 65, and contract award was made to the low bidder, Straus-Frank Company of Houston, Texas, as follows:

Base Bid	\$188,653.00
Deduct Alternate No. 2	- 2,260.00
Contingency Allowance to be included in the contract for use only upon authorization of Architect and Owner	<u>4,030.00</u>
Total Contract Award	<u><u>\$190,423.00</u></u>

4. The Contract was dated August 29, 1955, was signed on behalf of the University by the Chairman of the Board, and has been delivered to the Contractor and work order issued on the project.

It is recommended that the Board ratify and approve the actions taken as listed above.

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**RATIFICATION OF CONTRACT WITH THE BOARD OF HOSPITAL MANAGERS OF THE DALLAS COUNTY HOSPITAL DISTRICT FOR TUNNEL CONNECTION BETWEEN CLINICAL SCIENCE BUILDING AND PARKLAND MEMORIAL HOSPITAL.** -- At the Regents' Meeting held March 12, 1955, authorization was given to Mr. Sealy to negotiate an agreement with the governing board of the new Dallas City-County Hospital for the University to construct a tunnel connecting the new Clinical Science Building and the hospital building. Later, Mr. Sealy delegated this authority to Dean Gill and Comptroller Sparenberg. Negotiations were actually held in Dallas by Doctor Gill and Vice-President Dolley, acting for himself and Comptroller Sparenberg. An agreement was prepared by Judge Scott Gaines, which has now been signed by Chairman Sealy for the Board of Regents and the Chairman of the Board of Hospital Managers of the Dallas County Hospital District and approved by the Commissioners' Court of Dallas County.

() See Page 67.

It is recommended that the agreement as reported above be ratified by the Board.

**RATIFICATION OF CONTRACT FOR REMOVAL OF CERTAIN TEMPORARY BUILDINGS AT OLD SITE OF SOUTHWESTERN MEDICAL SCHOOL.** -- At the Regents' Meeting held July 8, 1955, authorization was given to proceed with advertising for bids for the removal of all or parts of certain temporary buildings on the old site of Southwestern Medical School. In accordance with this authorization the buildings were advertised for sale and removal in The Dallas Morning News on August 10, 14, and 28, 1955, and bids received and opened by Mr. E. A. Gell, Business Manager of Southwestern Medical School, on August 29. Only one bid was received, that of H. L. Harvey Equipment Company of Fort Worth, which proposed to pay the school the sum of \$1,358.00 for the buildings. Award of a contract was made to Mr. H. L. Harvey with the concurrence of Dean Gill and Comptroller Sparenberg, and a contract has been signed on behalf of the University by Dean Gill and delivered to the Contractor.

It is recommended that the Board ratify the award and signature of this contract as reported above.

**Adoption of Report.** -- Upon motion of Mrs. Devall, seconded by Mr. Johnson, the Board adopted the foregoing report, thereby approving the recommendations and ratifying the actions contained therein.

**RECESS.** -- The Board recessed at 2:30 p. m. to reconvene in regular session.

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TABULATION OF BIDS

ELEVATOR HOISTWAY, ELEVATOR FOR THE PRESS BOX, TEXAS MEMORIAL STADIUM, THE UNIVERSITY OF TEXAS, AUSTIN, TEXAS  
 BIDS: 10:30 A. M., Central Standard Time, Thursday, October 6, 1955.

<u>NAME</u>	<u>BASE BID</u>	<u>ALT. NO. 1 DEDUCT</u>	<u>WORKING DAYS</u>	<u>CHECK OR BOND</u>	<u>REMARKS</u>
W. D. ANDERSON	18,300.00	1,300.00	60 or 20 after Elevator Installed	B. 5%	
JOHN BROAD CONSTRUCTION CO.	22,850.00	1,250.00	30 - after Elevator Installed	B. 5%	
ROLAND MOORE	18,600.00	1,400.00	100 -	B. 5%	Manufacturer's Delivery of Material in 4 Months
D'CONNELL AND MORTON	25,592.00	1,300.00	150 -	B. 5%	

TABULATION OF BIDS

ELEVATOR FOR THE PRESS BOX, TEXAS MEMORIAL STADIUM, THE UNIVERSITY OF TEXAS, AUSTIN, TEXAS  
 BIDS: 10:30 A. M., Central Standard Time, Thursday, October 6, 1955.

<u>NAME</u>	<u>AMOUNT</u>	<u>WORKING DAYS</u>	<u>CHECK OR BOND</u>	<u>REMARKS</u>
HUNTER-HAYES ELEVATOR CO.	14,843.00	140	B - 5%	
OTIS ELEVATOR COMPANY	13,657.00	135	B - 5%	Hoistway and Service Available

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## AN ADMINISTRATION BUILDING

## TEXAS WESTERN COLLEGE OF THE UNIVERSITY OF TEXAS

CONTRACTOR	C. H. Leavell and Company	Robert E. McKee, General Contractor, Inc.	J. E. Morgan and Sons	Ponsford Brothers
BID BOND, ETC.	Oct. 10 Bid Bond 5%	Bid Bond 20000	Bid Bond 20000	Bid Bond 17500.00
LOT 1	334514.	308900.	302157.	317760.
LOT 2	5250.	5050.	4370.	3745.
LOT 3	#1 VC Pipe 3575.00	4040.00	24" Conc. 2400.00	24" R. Conc. 2050.00
LOT 4	5043.00	5040.00	4845.00	7250.00
ALTERNATE 1	- 4125.00	- 3800.00	- 2965.00	- 1700.00
ALTERNATE 2	† 120.00	† 130.00	† 250.00	No. Chg.
ALTERNATE 3	† 1238.00	† 1590.00	† 1390.00	† 2100.00
ALTERNATE 4	† 1945.00	† 1240.00	† 1550.00	† 1310.00
ALTERNATE 5	† 1680.00	† 1820.00	† 870.00	† 1725.00
ALTERNATE 6	† 1334.00	† 1420.00	† 1490.00	† 1370.00
ALTERNATE 7	† 4951.00	† 5000.00	† 4680.00	† 5475.00
ALTERNATE 8	† 15037.00	† 1100.00	† 1640.00	† 1520.00
ALTERNATE 9	† 1066.00	† 1900.00	† 1170.00	† 1500.00
EXCAVATION	20.00	- 1.50 † 20.00	5.00	- 2.50 † 12.00
CONCRETE	15.00	- 9.00 † 20.00	15.00	- 12.50 † 27.00
REINFORCING	.12	- .07 † .13	.15	- .10 † .15
FORMS	.60	- .20 † .75	.60	- .25 † .75
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TABULATION OF BIDS  
 REMODELING OF THE CRIPPLED CHILDREN'S HOSPITAL  
 THE UNIVERSITY OF TEXAS MEDICAL BRANCH -  
 GALVESTON, TEXAS

Bids received in Austin - August 25, 1955

## General Contractors

	Natkin & Co.	O'Rourke Construction Co.	Southwestern Construction Co.	Straus- Frank Company
BASE BID	203,532.00	219,900.00	209,550.00	188,653.00
LT. BID #1 Omit Cooling Tower and Connect to John Sealy Condens. Water Circuit	+ 3,670.00	No Change	+ 200.00	+ 398.00
LT. BID #2 Omit Air Cond. Mach. and Con- nect to John Sealy Chilled Water System	- 9,180.00	- 4,800.00	- 2,900.00	- 2,260.00
LT. BID #3 Alternate 3rd Floor Plan	+ 4,850.00	+ 4,320.00	+ 6,020.00	+ 5,903.00
LT. BID #4 Drop Ceiling on Alternate #3	+ 3,400.00	+ 3,950.00	+ 4,100.00	+ 3,526.00
LT. BID #5 Nurse's Call System	+ 570.00	+ 652.00	+ 620.00	+ 570.00
LT. BID #6 Separate Oxygen Supply - This Bldg.	+ 750.00	+ 733.00	+ 715.00	+ 675.00
LT. BID #7 Connect to Cooling Tower on Gail Borden Bldg.	+ 2,230.00	+ 7,190.00	+ 5,880.00	+ 6,122.00
LT. BID #8 Omit Air Cond. Mach. and Con- nect to Exist. Chilled Water System - Gail Borden	- 7,700.00	+ 8,285.00	+ 6,122.00	No. Bid
REMARKS:	B - 5% - 180 calendar days	B - 5% - 180 calendar days	B - 5% - 180 calendar days	B - 5% - 150 calendar days

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Saturday, October 15, 1955

The Board reconvened in regular session at 9:45 a. m. in the Library, Texas Western College, El Paso, Texas, with the following in attendance:

Present

Chairman Sealy  
Vice-Chairman Voyles  
Regent (Mrs.) Devall  
Regent Jeffers  
Regent Johnson  
President Wilson  
Assistant to the President Cox  
Secretary Thedford

Absent

Regent Lockwood  
Regent Minter  
Regent Sorrell  
Regent Oates

MEDICAL BRANCH

BOARD'S REQUEST FOR AUGMENTATION PLAN FOR MEDICAL BRANCH. --The Board requested Doctor T. G. Blocker, Jr., and his staff to devise and present for approval within the next eighteen months an augmentation plan similar to the plans of the other medical branches of The University of Texas, together with the staff's idea of overall compensation. A clearly stated plan is necessary to comply strictly with Section 15, Article V, H. B. 140, 54th Legislature, Regular Session.

At this point Vice-President Dolley, Vice-President Haskew, Comptroller Sparenberg, Doctor Holcomb, Doctor Gill, Doctor Olson, and other administrative officials came into the meeting.

DEVELOPMENTAL AFFAIRS AND PUBLIC RELATIONS COMMITTEE MATTERS. --Chairman Sealy asked Comptroller Sparenberg to present the following report:

APPOINTMENT OF ARCHITECTS FOR PROPOSED EXPANSION OF UNION BUILDING AT TEXAS WESTERN COLLEGE. -- President Holcomb of Texas Western College has recommended, which recommendation has been concurred in by Comptroller Sparenberg, Vice-President Dolley, and President Wilson, that an appropriation of \$3,000.00 be made from Current Funds - General Unappropriated Surplus of Texas Western College to employ the firm of Davis and Foster, Architects, to prepare preliminary plans and cost estimates for an expansion of the Student Union Building at the College.

0 See P.  
692.

It has been pointed out by President Holcomb that the present Student Union facilities are entirely inadequate for present and anticipated future enrollments, and that there is now a State law (Senate Bill 359, 54th Legislature) permitting the issuance of revenue bonds secured by a compulsory student fee for the purpose of constructing a new student activities building or improving an existing one. It is understood that Regents' approval must be obtained before any student fee may be levied,

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and there is also the possibility that the College will want to call for a student referendum before levying such a fee. There is also a possibility the project might be financed under a new Federal law.

In order to expedite the project, however, it is recommended that the appointment of Davis and Foster to prepare preliminary plans and cost estimates be approved at this time, their fee for such services to be 1% of the estimated cost of the construction work involved in the expansion project. It is further recommended that if the proposed expansion of the Union Building and financing thereof are eventually approved by the Board of Regents, Davis and Foster be appointed as Architects for the project, their total fee to be 5% of the cost of construction for plans, specifications, and supervision, including 1% for preliminary plans and cost estimates.

The Board approved the foregoing report upon motion of Vice-Chairman Voyles, seconded by Mr. Johnson.

**APPROVAL OF FINAL PLANS AND SPECIFICATIONS FOR CLINICAL SCIENCE BUILDING AT SOUTHWESTERN MEDICAL SCHOOL AND AUTHORITY TO ADVERTISE FOR BIDS.** --The final plans and specifications for the Clinical Science Building at Southwestern Medical School have been prepared by Mr. Mark Lemmon, and the General Plans and the Laboratory Equipment Plans have been checked by Doctor Gill, Mr. Gell, and others of Southwestern Medical School and the Comptroller's Office. Some changes relating mainly to built-in and movable equipment have been requested in these plans which have already been made by Mr. Lemmon's office or are in the process of being made. The check of the Mechanical Plans and Electrical Plans has not yet been completed, due to lack of time since their completion, but will be soon. In order to get the plans in the hands of the State Board of Control for approval as soon as possible, so that the taking of bids may be expedited, it is recommended that the Board of Regents approve the final plans and specifications for the Clinical Science Building as prepared by Mr. Mark Lemmon, subject to a final check by Doctor Gill and by the Comptroller's Office. () See Page 242.

There will be a meeting of the State Board of Control on October 26, 1955, at which time these plans and specifications are to be considered, under the provisions of Senate Bill No. 7, First Called Session, 53rd Legislature. In order to give the Contractors as much time as possible to prepare bids on the project and still take bids in time for consideration by the Board of Regents at the meeting to be held December 2 and 3, it is recommended that authority be given to Comptroller Sparenberg, if the plans and specifications are approved by the Board of Control on October 26, 1955, to advertise for bids on Thursday, October 27, and on the four successive Sundays thereafter, with bids to be received on November 29, 1955, and presented to the Board for award of contracts at the meeting to be held December 2 and 3, 1955.

The Board received and approved the report, upon motion of Vice-Chairman Voyles, seconded by Mrs. Devall.

**APPROVAL OF PROPOSED PARKING LOTS AT DENTAL BRANCH AND M. D. ANDERSON HOSPITAL AND TUMOR INSTITUTE.** --Since occupancy of both the Dental Branch Building and the M. D. Anderson Hospital and Tumor Institute, it has been found that the parking space for the buildings

is inadequate. A study has been made of the possibility of preparing an additional parking lot for each building, and tentative plans have been worked out for these lots to the satisfaction of the Executive Heads and Business Managers of the respective institutions and the Comptroller's Office. The following recommendations concerning the preparation of these lots, therefore, are made:

1. That the firm of MacKie and Kamrath, Architects, Houston, be employed to prepare plans and specifications for the two lots as set out on the plot plans prepared by the respective institutions, at a fee of 6%, to cover detailed plans and specifications and supervision.
2. That the plans and specifications be so prepared that one contract shall be awarded for the construction of the two lots, a distribution of the cost between the two lots to be prepared later by the successful bidder and approved by the Architects and the Comptroller.
3. That appropriations be made from the Unappropriated Surplus Accounts of Current Funds - General of the two institutions as follows:

Dental Branch	\$20,500.00
M. D. Anderson Hospital and Tumor Institute	\$14,000.00,

to cover the costs of construction of these lots and the Architects Fees thereon. It is contemplated that these parking lots will be constructed with compacted shell base and asphalt topping, with six street lights for each lot, plus needed storm sewers, to be covered by the appropriations above recommended.

4. That Comptroller Sparenberg be authorized to advertise for bids and award a contract for the projects within the amounts of money as set out above, with authority to the Chairman of the Board to sign the contract.

The Board received and approved the report, upon motion of Vice-Chairman Voyles, seconded by Mrs. Devall.

() See Page 390.

#### CENTRAL ADMINISTRATION

**BANK DEPOSITORY AGREEMENTS.** --Comptroller Sparenberg presented the following report with reference to the negotiations of bank depository agreements:

Pursuant to authorization given at the Regents' Meeting of July 8, 1955, I have negotiated bank depository agreements as listed below. All of these agreements are renewals, and all are for a two-year period beginning September 1, 1955,

and ending August 31, 1957. The following tabulation given below shows some of the terms of the agreements which have just expired and of the new agreements:

	1953-55		1955-57	
	Interest Rate on Time Deposits	Maximum Amount of Time Deposits	Interest Rate on Time Deposits	Maximum Amount of Time Deposits
<u>Main University and Central Administration, Austin</u>				
The American National Bank of Austin	1-1/2%	\$1,000,000	2%	\$1,500,000
The Austin National Bank, Austin	1-1/2%	1,000,000	2%	1,500,000
Capital National Bank, Austin	1-1/2%	1,000,000	2%	1,300,000
City National Bank of Austin	1-1/2%	100,000	2%	150,000
Texas State Bank of Austin	2 %	150,000	2%	150,000
<u>Southwestern Medical School, Dallas</u>				
First National Bank in Dallas	1-1/2%	60,000	1-1/2%	100,000
Mercantile National Bank at Dallas	1-1/2%	100,000	1-1/2%	100,000
Republic National Bank of Dallas	1 %	60,000	1-1/2%	100,000
<u>Texas Western College, El Paso</u>				
El Paso National Bank, El Paso	1 %	100,000	1%	100,000
Southwest National Bank, El Paso	None	None	None	None
The State National Bank of El Paso	1 %	100,000	1%	100,000
<u>Medical Branch, Galveston</u>				
Hutchings-Sealy National Bank of Galveston	1 %	500,000	1%	1,000,000
<u>M. D. Anderson Hospital and Tumor Institute</u>				
Fannin State Bank, Houston	None	None	None	None
First National Bank in Houston	1 %	100,000	1-1/2%	200,000
The Second National Bank of Houston	1 %	200,000	1-1/2%	300,000
<u>Dental Branch, Houston</u>				
First National Bank in Houston	1 %	50,000	1-1/2%	150,000
The Second National Bank of Houston	1 %	200,000	1-1/2%	250,000
<u>Postgraduate School of Medicine, Houston</u>				
First National Bank in Houston	None	None	None	None

In order to be able to place some of the proceeds of the Dormitory Revenue Bonds (Series 1954) on Time Deposit, there was a special supplement to this agreement which expired August 31, 1955, setting up another Time Deposit - Open Account at 1% interest with a limit of \$1,000,000.00.

On Time Deposits - Open Account, required notices of withdrawal range from sixty days to ninety days.

All of the agreements have now been signed by the banks involved and by the Chairman of the Board and delivered to the banks. After signature and delivery of the three depository agreements covering deposits of the Southwestern Medical School in Dallas, it was found that the required notice of withdrawal from Time Deposits - Open Account, which had been stipulated as sixty days, was not in accordance with the Federal Reserve Bank regulations because of the interest rate involved; therefore, amendments to the three Dallas bank agreements changing the required notice to ninety days were prepared by Judge Scott Gaines and are in process of being signed by the banks and the University.

The Board upon recommendation of Comptroller Sparenberg, concurred in by President Wilson, and on motion of Vice-Chairman Voyles, seconded by Mr. Johnson, ratified and approved the actions in the foregoing report.

INSURANCE SURVEY REPORT, THE UNIVERSITY OF TEXAS SYSTEM. -- Comptroller Sparenberg presented the following interim report containing recommendations of himself and Vice-President Dolley regarding insurance policies for The University of Texas System:

General Recommendations

0 See Page 268

So far as possible all insurance policies should be written as follows:

1. On a blanket system wide basis, with one company and one master agent in Austin for each type of insurance.
2. On uniform policy terms of three years each, with the term of each policy beginning September 1 of some fiscal year.
3. On a competitive bid basis.
  - a. Two possible bases of calling for bids:
    - (1) Advertising for bids.
    - (2) Calling for bids on a selective basis.

Specific Recommendations

The above listed general recommendations apply specifically to the following types of insurance:

1. Fire and Extended Coverage on buildings and contents. It is recommended that Fire and Extended Coverage insurance on buildings and contents be issued under the so-called "excess of loss" or "catastrophe" plan with the minimum retention as to each loss occurrence to be somewhere between \$100,000.00 and \$250,000.00. This insurance should cover at least the permanent type fire-resistive buildings, labeled by the Insurance Commission as "semi-fireproof." If competitive bids are taken, they should be taken on two bases: one including insurance on substandard buildings and the other not including insurance on substandard buildings.

We hope to be able to write this insurance on a competitive basis, but we are not sure yet whether we can do so or not. This type of blanket coverage may have to be written on a negotiated basis. The Insurance Company of North America has estimated that the premium will probably run about \$50,000.00 a year on "semi-fireproof" buildings with a minimum retention of \$250,000.00.

This proposed "excess of loss" or "catastrophe" policy would cover all buildings which we decided to cover except those on which we have Revenue Bonds outstanding. Apparently we have no choice but to insure them separately at least during the early years of the bond issues.

2. Boiler and Machinery Insurance.

A new three-year policy on a system wide basis covering this type of insurance has already been worked out and put into effect, effective September 1, 1955, with the Hartford Steam Boiler and Insurance Company. No additional action needs to be taken at this time. When the policy is renewed three years hence, we hope to do it on a competitive bid basis; we would have nothing to gain by calling for competitive bids now. The new policy conforms pretty largely to the recommendations of the Insurance Audit and Inspection Company.

3. "Crime Protection" (Fidelity and Burglary and Robbery Insurance).

As you know, we already have a blanket Fidelity Bond on a system wide basis in effect. Money and Securities policies at the present time are on an individual institution basis. Our recommendation contemplates combining all of this kind of insurance into one master policy on a system wide basis with competitive bids to be taken.

Government Research Projects:

These recommendations do not apply to insurance policies required on Government Research Contracts. It is our opinion that insurance policies required under our various contracts with the Federal Government will have to be kept entirely separate just as they now are and cannot be merged under blanket system policies.

Number of Agents:

As already indicated, these recommendations contemplate drastic reduction in the number of agents with which we do business. If the Board approves, it will mean that in the future we will do business with as few agents as possible, with the understanding that every effort will be made to pick agents that are known to be financially strong.

Minor Miscellaneous Insurance Policies:

In regard to various types of insurance policies not already covered above, it is recommended that authority be delegated to Vice-President Dolley and Comptroller Sparenberg to settle whatever questions of policy come up in the future, after consulting with the Branch Business Managers involved. Examples of such other minor insurance policies which we carry here

and there include Schedule (Personal) Property Floater policies, Unclaimed Corpses Bonds, insurance on Athletic Council Tarpaulin and Longhorn Band Bass Drum, Athletic Council Public Liability on Autos, and Textbooks Bonds, etc.

Vice-Chairman Voyles moved that authority be delegated to Vice-President Dolley and Comptroller Sparenberg to procure, on a competitive bid basis, so far as is possible, the insurance policies for the University of Texas System in accordance with the recommendations presented. Mr. Johnson seconded this motion which carried.

**VICE-CHAIRMAN VOYLES, BOARD'S REPRESENTATIVE ON HOUSING NEEDS FOR FACULTY CLUB.** -- President Wilson presented the request of the Faculty Council that a member of the Board be appointed to work with the faculty committee in considering the housing needs of the Faculty Club. Whereupon, Chairman Sealy named Vice-Chairman Voyles to serve in this capacity.

**APPROVAL OF MINUTES, MAY 13 AND 14 AND JULY 8, 1955.** -- The minutes of the Board for the meetings on May 13 and 14 and on July 8, 1955 were approved in the form multigraphed and distributed by the secretary upon motion of Mrs. Devall, seconded by Mr. Johnson.

**APPROVAL OF DOCKET.** -- President Wilson presented to the Board a docket under date of October 5, 1955, for Central Administration to which he had attached and incorporated as part of his docket, together with his recommendation for approval, the dockets of the component institutions of The University of Texas; namely:

- Main University and Extramural Divisions -  
submitted by Vice-President C. P. Boner
- Texas Western College -  
submitted by President Dysart E. Holcomb
- Medical Branch -  
submitted by Interim Executive Officer T. G. Blocker, Jr.
- Dental Branch -  
submitted by Dean John V. Olson
- M. D. Anderson Hospital  
submitted by Director R. Lee Clark, Jr.
- Southwestern Medical School -  
submitted by Dean A. J. Gill
- Postgraduate School of Medicine -  
submitted by Dean Grant Taylor

The Board approved the docket of President Wilson upon motion of Mrs. Devall, seconded by Vice-Chairman Voyles. (This docket is attached to and made a part of these minutes. Page 82 .)

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RATIFICATION, INTERIM ACTIONS OF EXECUTIVE COMMITTEE. -- President Wilson reported that upon his recommendation, and by individual vote by mail, the following interim actions had been adopted by the members of the Executive Committee and were being reported for ratification of the Board:

Changes in Budget Memoranda Rules and in Medical Branch Budget. --

The committee approved the following changes in Budget Memoranda Rules and in Medical Branch Budget:

() See Page 742.

A. Changes in the Memoranda Concerning General Budget - All Branches of The University of Texas, 1955-56.

1. Substitute the words "less than \$500" for the words "\$375 or less" and the words "\$500 or more" for the words "above (or in excess of) \$375" wherever they appear.
2. Delete the second sentence in Paragraph 14 (This paragraph is numbered 14 in the Memoranda as originally approved by the Board of Regents but may have a different number as it appears in the budgets of the various component units.) and insert the phrase "any transfer in the amount of \$6,000 or more;" in front of the phrase "and all transfers from Unappropriated Balance," in the first sentence of the paragraph. Thus Paragraph 14 which now reads:

"The creation by the chief executive officer of an institution of instructional or non-instructional positions having a full-time monthly salary rate in excess of \$375; any transfer from an individual salary item or from a lump-sum salary appropriation (e.g., Maintenance and Equipment); any transfer from an Unallocated or departmental Maintenance and Equipment, etc., appropriation or from an Unallocated or departmental Special Equipment appropriation to any dissimilar appropriation; and all transfers from Unappropriated Balance, must have the prior approval of the President and the subsequent approval of the Board of Regents through the next regular docket. Except as provided in 12 above, and in the previous sentence, transfers of amounts not to exceed a total of \$4,500 during the fiscal year may be made upon the written authorization of the chief executive officer of the institution concerned, and transfers in excess of a total of \$4,500 during the fiscal year must, in addition, be submitted for record approval by the President and the Board of Regents in the next regular docket."

to be changed to read:

"The creation by the chief executive officer of an institution of instructional or non-instructional positions having a full-time monthly salary rate of \$500 or more; any transfer from an individual salary item or from a lump-sum salary appropriation to any dissimilar appropriation (e. g. , Maintenance and Equipment); any transfer from an Unallocated or departmental Maintenance and Equipment, etc. , appropriation or from an Unallocated or departmental Special Equipment appropriation to any dissimilar appropriation; any transfer in the amount of \$6, 000 or more; and all transfers from Unappropriated Balance, must have the prior approval of the President and the subsequent approval of the Board of Regents through the next regular docket."

B. Changes in the Memoranda Concerning General Budget - Medical Branch, 1955-56.

1. Change Paragraph 12 now reading:

"In administering the appropriation for Unallocated Salaries, the Director shall allocate these funds to the teaching departments in the School of Medicine in accordance with the needs of the departments. All appointments to these newly created teaching positions at a full-time monthly salary rate above \$375 are subject to the approval of the President and the Board of Regents through the next regular docket."

to read:

"In administering the appropriation for Unallocated Salaries, the Director is authorized to create additional instructional and non-instructional positions having a full-time monthly salary rate of less than \$500, and to make adjustments in salaries of both instructional and non-instructional personnel, subject to the \$1, 000 limitation in Paragraph 11."

2. Add the following paragraph as Number 13:

"Unused salary balances will be transferred from previously unfilled itemized budget positions to the appropriation for Unallocated Salaries (teaching and non-teaching) after these positions have been filled by appointments. The transfers will be made at the end of the month in which these appointments occur. This rule will apply to both unfilled positions in the original budget and unfilled positions caused by later resignations and transfers."

All transfers to set up new itemized budget positions and salary increases in individual positions will come from the appropriation for Unallocated Salaries (teaching and non-teaching) unless some other source of funds is specifically approved by the chief executive officer. These rules do not apply to lump-sum salary appropriations."

3. Renumber present Paragraphs 13 and 14 as 14 and 15.
- C. Change in the Medical Branch Budget: - Transfer the account for Unallocated Salaries appearing in the School of Medicine to an Unallocated Salaries account for the entire Medical Branch to appear as item number 9 in the table of contents of the budget and delete the parenthetical limitation "for new teaching positions in School of Medicine."

Uniform Interpretations of Certain Memoranda Concerning General Budget, All Branches of the University of Texas. --

The Committee approved the following uniform interpretations of certain memoranda concerning General Budget all branches of The University of Texas:

- A. Terminology
  1. Line item is defined as a single name or position separately listed in the Regents' Budget.
  2. Multiple-position line item is defined as a line item consisting of a group of like classified positions for which a fixed appropriation and maximum number of positions is authorized.
  3. Lump-sum appropriation (salaries) is defined as an appropriation for an indeterminate number of positions. These positions may be full-time or part-time and paid on either a salary or an hourly basis.
  4. Dissimilar appropriation refers to different object classifications of expenditures. (e.g., salary appropriations as distinguished from maintenance and equipment appropriations or maintenance and equipment appropriations as distinguished from special equipment appropriations).
- B. Budget transfers requiring advance approval of the President and approval of the Board of Regents through the next regular docket.
  1. Any transfer in the amount of \$6,000 or more.
  2. The following intra-departmental and inter-departmental transfers:

- a. Transfers filling, creating, or changing the status of position having a monthly salary rate of \$500 or above.
  - b. Any transfer altering the position number control on multiple-position line items.
  - c. Transfers between dissimilar appropriations.
3. The following inter-departmental transfers in addition to those listed above:
- a. Transfers from one or more salary appropriations in one department to one or more salary appropriations in another department.
  - b. Transfers from a departmental maintenance and equipment appropriation to another departmental maintenance and equipment appropriation and transfers from a departmental special equipment appropriation to another departmental special equipment appropriation.
4. Any transfer of unused salary appropriations arising from unfilled line item or multiple-position line item positions to Unallocated Salaries.
5. Any transfer from Unappropriated Balance.
- C. Automatic transfers not requiring approval.
1. Whenever any part of an appropriation for an unfilled position is used, any balance remaining at the end of the month is transferred automatically to Unallocated Salaries.
  2. In the event of a resignation from a line item position during the fiscal year, any balance remaining at the end of the month during which the resignation is effective is transferred automatically to Unallocated Salaries.
- D. Any salary increase of \$1,000 or more requires prior approval by the President and the Board of Regents.

Refund of The Ellane W. Mosely Grant No. 15, Southwestern Medical School. -- The Committee approved the recommendation of Comptroller Sparenberg, concurred in by President Wilson, that The Ellane W. Mosely Grant No. 15, Southwestern Medical School, in the amount of \$4,412.27 be refunded to the Southwestern Medical Foundation with the understanding that the Foundation would work out new arrangements in regard to this grant satisfactory to both the donor and to Doctor J. M. Hill.

Classes with Less Than Twelve Students in Second Term, Summer Session, 1955, Main University. -- The Committee received and approved the report of classes with less than twelve students, both undergraduate and graduate, in the Second Term of the 1955 Summer Session at the Main University which was prepared in accordance with the provision of Section 17 (h) of the Special Provisions of H. B. 111,

53rd Legislature, Regular Session. (A copy of this report is filed in the Office of the Board of Regents.) The general categories into which the small classes fell are:

1. Classes which cannot be larger because of equipment and/or space limitations.
2. Highly specialized courses required for professional degrees.
3. Courses in small departments which offer the minimum number of courses consistent with having at least an acceptable, balanced program.
4. Courses which a large department regards as necessary for a rounded program.
5. Courses for which students pay a supplementary fee for individualized Fine Arts instruction.

Policy, Non-University Use of the Van de Graaff Generator. --

The committee approved the following policy for non-University use of the Van de Graaff generator, which had been recommended by the Nuclear Physics Laboratory and processed through the regular channels:

1. The electrostatic generator of the University of Texas may be made available, under conditions set forth below, to interested and competent research groups outside the University.
2. Such use shall be so arranged and co-ordinated with the ordinary use of the machine as to cause no essential disruption of the University's own program; it is anticipated that non-University use of the machine will be only a few per cent of the total use.
3. The machine shall be operated by an authorized University employee; the charge per hour for such use (including the operator) shall be \$20. Payments shall be deposited in Account No. 13810, "Other Miscellaneous Income." One-half of all such collections shall be credited to Account No. 15922, "Purchase of Van de Graaff Machine." Request for credit to Account No. 15922 shall originate with the Director of the Nuclear Physics Laboratory, and the Appropriation credits will come from the unallocated Maintenance and Equipment Appropriation.
4. Each user of the machine shall enter into a standard agreement with the University, the nature and wording of such standard agreement to be initially established and approved by the appropriate legal counsel for the University.

5. The standard agreement shall be signed by the Director of the Nuclear Physics Laboratory and by an authorized representative of the non-University research group; the agreement must then be approved, on behalf of the University, by the Chairman of the Department of Physics, the Business Manager of the University, and the Vice President of the University.

Rental Contract, University Lands, Geology, Midland, Texas. -- The Committee approved the award by the State Board of Control of a rental agreement between the University of Texas and K. S. Adams, Jr., covering 2,277 square feet of floor space located in the Patio Building at 308 North Colorado Street, Midland, Midland County, Texas, to be used as office and laboratory for the two-year period beginning September 1, 1955 at a monthly rental rate of \$759.00; and the Committee authorized Charles H. Sparenberg, Comptroller, to execute the agreement.

Adoption of Report. -- The Board upon motion duly made and seconded ratified and approved the actions of the Executive Committee in the foregoing report.

LIMITATION ON COURSES OF STUDY (SUBSECTION "e", SECTION 18, ARTICLE V, H. B. 140, 54th LEGISLATURE, R. S.). -- President Wilson reported that he had received letters from Vice-President C. P. Boner and President Dysart E. Holcomb certifying that the Main University and Texas Western College, respectively, had complied with the provision of Subsection "e", Sec. 18, Article V, H. B. 140, 54th Legislature, R. S. The Board upon a motion duly made and seconded approved the following certification to the State Comptroller:

Pursuant to the provisions of Subsection "e", Section 18, Article V, H. B. 140, 54th Legislature, R. S. the Board of Regents of The University of Texas, acting herein by and through Logan Wilson, President of The University of Texas, does certify that the Main University and Texas Western College of The University of Texas have fully complied with the provisions of said Subsection "e", Section 18, Article V, H. B. 140, 54th Legislature, R. S.

TEXAS WESTERN COLLEGE

REPORT OF CLASSES WITH LESS THAN TWELVE STUDENTS IN SECOND TERM, SUMMER SESSION, 1955, TEXAS WESTERN COLLEGE. -- President Wilson presented the report submitted to him by President Dysart E. Holcomb of classes with less than twelve students in the Second Term of the 1955 Summer Session at the Texas Western College which was prepared in accordance with Section 17 (h) of the Special Provision in H. B. 111, 53rd Legislature, Regular Session. (A copy of this report is filed in the Office of the Board of Regents.) Upon a motion duly made and seconded the Board approved the report.

ACCEPTANCE OF GIFT, MRS. JOSEPHINE CLARDY FOX TO TEXAS WESTERN COLLEGE; REAL ESTATE. -- President Wilson called to the attention of the Board the gift from Mrs. Josephine Clardy Fox to Texas

Western College of Fractional Block No. 22, Alexander Addition to City of El Paso. President Holcomb had reported this gift in the body of the docket relating to Texas Western College. The Board upon motion of Vice-Chairman Voyles, seconded by Mr. Johnson, adopted the following resolution:

WHEREAS, The citizens of El Paso have given generously of their time, talents, and material assets in support of Texas Western College of The University of Texas; and

WHEREAS, This magnanimous support by the citizens of El Paso is particularly exemplified by the gift of real property to the Texas Western College by Mrs. Josephine Clardy Fox; now, therefore, be it

RESOLVED, That the Board of Regents of The University of Texas hereby expresses personally to Mrs. Josephine Clardy Fox its gratitude and appreciation for her generosity; and be it further

RESOLVED, That this expression of gratitude to Mrs. Josephine Clardy Fox individually should be symbolic of the feeling and attitude of the Board toward all the citizens of El Paso who have contributed so much to the educational and physical growth of Texas Western College; and be it further

RESOLVED, That copies of this Resolution signed by the Chairman of the Board of Regents and the President of The University of Texas be transmitted to Mrs. Josephine Clardy Fox and to the Chamber of Commerce of El Paso.

#### POSTGRADUATE SCHOOL OF MEDICINE

GRANT, M. D. ANDERSON FOUNDATION FOR POSTGRADUATE SCHOOL OF MEDICINE. -- President Wilson called to the attention of the Board that portion of the docket relating to the Postgraduate School of Medicine reporting a grant from the M. D. Anderson Foundation for the operating budget of The University of Texas Postgraduate School of Medicine in the amount of \$25,000 each year for the four-year period beginning September 1, 1955. The Board upon motion of Mr. Jeffers, seconded by Vice-Chairman Voyles, adopted the following resolution:

WHEREAS, There exists a definite need for providing the doctors of Texas with post-graduate training to keep them abreast of the latest developments in medical knowledge, procedures, and techniques to insure that the citizens of Texas receive the best possible medical care; and

WHEREAS, The Legislature of the State of Texas has established as a policy of the State that the financing of a program of post-graduate training must come from private sources; and

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WHEREAS, The M. D. Anderson Foundation has recognized the importance of post-graduate training in the continuing medical education of doctors of Texas and has willingly and generously assumed the major support of The University of Texas Postgraduate School of Medicine for the next four (4) years by annual grants of \$25,000; and

WHEREAS, This magnanimous act is only one of many generous grants by the M. D. Anderson Foundation in support of the program of medical care, research, and education of The University of Texas; now, therefore, be it

RESOLVED, By the Board of Regents of The University of Texas, that this grant by the M. D. Anderson Foundation be, and hereby is, accepted; and be it further

RESOLVED, By the Board of Regents of The University of Texas, that the gratitude, appreciation, and commendation of the Board of Regents is hereby extended to the M. D. Anderson Foundation for its generous support of the post-graduate medical education program of The University of Texas; and be it further

RESOLVED, That a copy of this Resolution signed by the Chairman of the Board of Regents and the President of The University of Texas be transmitted to the M. D. Anderson Foundation.

#### CENTRAL ADMINISTRATION

RESOLUTION OF APPRECIATION, CHAMBER OF COMMERCE AND CITIZENS OF EL PASO. -- Upon motion of Mrs. Devall, seconded by Vice-Chairman Voyles, the Board adopted the following resolution of appreciation:

WHEREAS, The Citizens of El Paso have loyally and enthusiastically supported the Texas Western College of The University of Texas from the time of its establishment; and

WHEREAS, The Citizens of El Paso have given generously of their time and tangible resources that the youth of El Paso and the vast West Texas region, of which El Paso is the industrial, commercial, educational, and cultural center, might have an outstanding institution of higher education; and

WHEREAS, The Chamber of Commerce of El Paso has given intelligent and astute leadership, direction, and coordination to the activities in support of Texas Western College; and

WHEREAS, The Chamber of Commerce of El Paso has given its wholehearted support to the Board of Regents of The University of Texas and to the Board's

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plans for The University of Texas, of which Texas Western College is an integral and important unit; and

WHEREAS, The Chamber of Commerce of El Paso has extended to the Board of Regents and to the administrative officers of The University of Texas such warm and gracious hospitality; now, therefore, be it

RESOLVED, That the Board of Regents of The University express to the Chamber of Commerce and to the Citizens of El Paso, sincere appreciation for the continuing magnanimous support given to Texas Western College of The University of Texas; and be it further

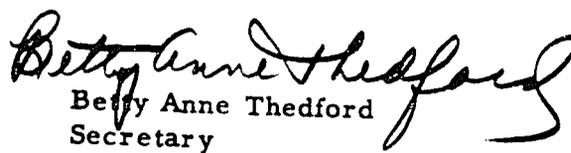
RESOLVED, That the Board of Regents express to the Chamber of Commerce of El Paso appreciation for the many gestures of friendship and hospitality extended during the recent meeting of the Board of Regents in El Paso; and be it further

RESOLVED, That copies of this Resolution, signed by the Chairman of the Board of Regents and the President of The University of Texas, be transmitted to Mr. Brooks Travis, President, and to Mr. H. D. Fulwiler, Chairman of the Texas Western College Committee, of the Chamber of Commerce of El Paso.

SCHEDULED MEETINGS OF THE BOARD. -- The next meeting of the Board of Regents was set for December 2 and 3 in Houston. The Committee meetings are to be held on Friday morning, December 2.

The Board of Regents also accepted an invitation of the Austin Chamber of Commerce to a banquet to be held in honor of the Regents on March 23, 1956. It was understood that the March 1956 meeting would be held March 23 and 24.

ADJOURNMENT. -- The Board adjourned at 11:15 a. m.

  
Betty Anne Thedford  
Secretary