

We, the undersigned Members of the Board of Regents of The University of Texas, hereby ratify and approve all actions taken at this meeting to be reflected in the Minutes.

Signed this the 13th day of May , 1961, A. D.

Thornton Hardie
Thornton Hardie
Chairman

W. W. Heath
W. W. Heath
Vice-Chairman

Walter P. Brennan
Walter P. Brennan, Member

J. P. Bryan
J. P. Bryan, Member

H. F. Connally, Jr.
H. F. Connally, Jr., M. D., Member

Wales H. Madden, Jr.
Wales H. Madden, Jr., Member

A. G. McNeese, Jr.
A. G. McNeese, Jr., Member

John S. Redditt
John S. Redditt, Member

Joe C. Thompson, Member

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MEETING NO. 598

MAY 13, 1961.--The Board convened in regular session on Saturday, May 13, 1961, at 9:45 a. m., in the Regents' Room (Main Building No. 209), Austin, Texas.

ATTENDANCE.--

<u>Present</u>	<u>Absent</u>
Chairman Hardie, presiding	Regent Thompson - excused
Vice-Chairman Heath	
Regent Brennan	
Regent Bryan	
Regent Connally	
Regent Madden	
Regent McNeese	
Regent Redditt	
Chancellor Ransom	
Acting Secretary Jacobsen	Secretary Thedford - excused

Also among those present were the following University officials and representatives:

Mr. Lanier Cox, Vice-Chancellor (Administrative Services)
 Doctor J. C. Dolley, Vice-Chancellor (Fiscal Affairs)
 Doctor L. D. Haskew, Vice-Chancellor (Developmental Services)
 Mr. W. E. Keys, Director, University News and Information Service
 Mr. C. H. Sparenberg, Comptroller
 Mr. W. W. Stewart, Endowment Officer
 Mr. Burnell Waldrep, Land and Trust Attorney

R. Lee Clark, Jr., M. D., Director of M. D. Anderson Hospital and Tumor Institute
 A. J. Gill, M. D., Dean of Southwestern Medical School
 John V. Olson, D. D. S., Dean of the Dental Branch
 Doctor Joseph M. Ray, President of Texas Western College
 Doctor J. R. Smiley, Vice-President and Provost of Main University
 Grant Taylor, M. D., Dean of the Postgraduate School of Medicine
 John Truslow, M. D., Executive Director and Dean of the Medical Branch

Miss Jo Eickmann, Editor of The Daily Texan
 Mrs. Anita Brewer, representing Austin American-Statesman

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COMMITTEE OF THE WHOLE

The following is a report of the Committee of the Whole which met on Friday, May 12, and briefly on Saturday morning, May 13, 1961.

PETITIONS RE INTEGRATION, MAIN UNIVERSITY. -- All the petitions addressed to the Board of Regents on the subject of integration were referred by the Central Administration to the Board, and the Board has the matter under study and consideration.

APPOINTMENT OF DR. JOSEPH R. SMILEY, PRESIDENT OF MAIN UNIVERSITY. -- Doctor Joseph R. Smiley was unanimously elected as President of the Main University effective June 1, 1961, with the same remuneration as that which the Board had authorized for President Ransom. (This will be detailed in the subsequent docket.)

1961-70 DEVELOPMENT PLAN, SOUTHWESTERN MEDICAL SCHOOL. -- Committee Chairman Bryan reported to the Committee of the Whole that the Medical Affairs Committee had received and approved the 1961-70 Development Plan for The University of Texas Southwestern Medical School with the understanding that the salary ranges set out therein be used as guiding principles only and that no budgetary commitments be involved. (A copy is filed with the minutes of the Medical Affairs Committee.) Actually, the salary ranges were approved as guiding principles insofar as Southwestern Medical School, the Medical Branch, and M. D. Anderson Hospital and Tumor Institute are concerned. Dr. Truslow did request that the salary range for instructors be from \$7,000.00 to \$12,000.00. The Committee of the Whole took no action on the plan other than to acquiesce in the Medical Affairs Committee's recommendation that the salary ranges be used as "guiding principles." (Since the meeting on May 13, the Secretary has mailed to each Regent a complete copy of the 1961-70 Development Plan for The University of Texas Southwestern Medical School, and Central Administration has approved this plan for final consideration at the next regular meeting of the Board.)

RESOLUTION RE THE SOUTH TEXAS MEDICAL SCHOOL. -- A resolution concerning The South Texas Medical School was adopted in the following form:

WHEREAS, the notice and call for the Special Meeting of the Board of Regents held on April 7, 1961, specified that the meeting was being held for the purpose of providing the Downtown Merchants and Property Owners Association of San Antonio an opportunity for a hearing on The South Texas Medical School; and

WHEREAS, at said meeting a resolution was adopted by those Regents attending the meeting, and certain other action was taken and it was understood that none of such action could become final until and unless ratified by the Board at a regular meeting;

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents that all action taken by the Board at said meeting be, and same is now ratified with the additions and modifications stated in this resolution:

1. The Board of Regents re-affirms its decision that The South Texas Medical School shall be located upon a tract

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of 100 acres of land to be selected by the Board of Regents out of the 200-acre tract already available for the Medical Center site, and being made available by the San Antonio Medical Foundation and to be deeded to the Board of Regents when said Board has determined the description of the 100-acre tract to be selected, and the Attorney General has approved the title and form of conveyance.

2. The Resolution as adopted at the April 7th meeting contained the following paragraph:

"Our recommendation is made upon the condition that the San Antonio Medical Foundation acquire the additional acreage as proposed, which additional acreage shall become a part of the Medical Center and must be used for the development of such center and with the consent and approval of The University of Texas."

In further elaboration, modification and interpretation of the above recommendation, be it resolved that the following actions shall be considered as meeting the above conditions:

1. The facts that the San Antonio Medical Foundation has executed a purchase contract for a 114-acre tract and has purchased options to buy two other suitable tracts of land and that the Southwest Texas Methodist Hospital has acquired an additional 33-acre tract which it agrees to restrict for medical center purposes constitute sufficient progress in good faith toward the intent of the Regents for The University of Texas to accept title to the 100-acre tract as soon as the required legal steps can be completed.
2. The University of Texas has chosen the metes and bounds of the 100-acre tract to be transferred to it and the Foundation has approved them. The Foundation is now to prepare a deed which incorporates a restriction that the land is to be used by The University of Texas for purposes of education and research in the medical and health sciences. Upon clearance by the Attorney General of the State of Texas, and pursuant to authorization by the Legislature, the Chancellor of The University of Texas is empowered to accept and record the conveyance.
3. The Regents continue to urge the Foundation to provide approximately 150 acres of land, additional to the 170 acres now owned by the Foundation, to be dedicated exclusively for medical center purposes. Such expectation will have been met when the 33-acre tract now owned by the Southwest Texas Methodist Hospital is dedicated to medical center uses and either (a) the 114-acre tract now under purchase contract, or (b) a parcel of approximately 120 acres, satisfactory to the University, from the 185-acre tract now under options is placed under purchase contract by the Foundation. This does not prevent the Foundation from acquiring acreage additional to the minimum named, but does express the opinion of the University that either (a) or (b) constitutes acceptable provision for future growth by the center.

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The Foundation shall agree to proceed with vigor toward making arrangements at an early date to complete purchase of the land.

4. In view of the foregoing, the Regents direct the Chancellor of the University to proceed under policies and directives adopted from time to time by the Board of Regents with such steps as are authorized by the Fifty-seventh Session of the Legislature to organize and prepare for the opening of The South Texas Medical School at the Oak Hills site. It is the intent of the Board of Regents that prior to the time of actually commencing architectural and site plans for physical plant construction at The South Texas Medical School the location of the additional land to be provided for the medical center under the above conditions will have been determined.
5. The Foundation shall promptly execute a contract with The University of Texas, providing that all medical center land now or later owned, or leased by the Foundation, including specifically the remainder of the 170-acre tract now owned and the tract or tracts put under purchase contract to meet the provisions of Paragraph 3, shall be transferred only with lease or deed restrictions stipulating that the land is to be used exclusively in the public interest for medical and other health-service purposes (and for operations ancillary to the discharge of these purposes) by agencies providing patient care and treatment, education and training, or research.

Execution of this contract meets the condition of "with the consent and approval of The University of Texas," set forth in the Minutes of the April 7, 1961, meeting of the Board of Regents.

6. The Foundation and the Board of Regents shall proceed immediately to reach agreement upon the best means to establish policies, restrictions and organizational machinery for effective development of the medical center. Specifically required at this time are:
 - a. Restriction upon the transfer of land to any hospital agency unless The University of Texas certifies that a satisfactory agreement has been reached with the agency to use the hospital for teaching purposes or that no teaching agreement is desired.

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- b. Establishment of a medical center entity with power to admit institutional members, transfer land owned by the Center, establish over-all policies for continuing membership, promote cooperation and joint actions, and provide for coordinated development of the center, including a Master Plan to guide physical plant development.
- c. Restrictions in future deeds and leases which will enforce compliance with a Master Physical Plant Plan, including requirements regarding adequate provisions of parking space, architectural design, safety features, and so on.
- d. Suitable provisions for safeguarding discharge of the high level educational and research responsibilities of The University of Texas.

Pending completion and execution of these agreements, neither party shall bind itself to transfer land to any agency except upon conditions agreed to by the other party, nor be a partner to the creation of any organization with power over the center without the approval of the other party. The University likewise agrees that it will, pending completion of Master Plan criteria for construction in the center, consult with the President of the Foundation or persons designated by him on plans for physical plant construction on The South Texas Medical School site. While architectural and other restrictions cannot be written into the deed for the medical school site, it is the intention of the Regents to cooperate fully in proper Master planning for the total center.

APPROPRIATION REQUEST FOR THE SOUTH TEXAS MEDICAL SCHOOL. --It was approved that the following request for The South Texas Medical School be submitted to the Legislative Conference Committee on Appropriations:

	<u>1962</u>	<u>1963</u>
Planning for South Texas Medical School's Educational Program and Facilities (includes salaries, wages and other general operating expenses)	\$100,000	U. B.
Architectural and engineering expenses and other costs involved in drawing final plans and specifications and construction funds for South Texas Medical School facilities		\$1,750,000

The members of the Board requested the Chancellor to express their concern that making this amount available for physical plant construction for a new institution not affect the level of appropriations to the existing institutions which otherwise might be available.

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PROPOSED LEGISLATION, REPORT OF.--Mr. Cox reported on the status of legislation affecting the University which has been passed or is pending in the 57th Legislature. After adjournment of the Legislature, a summary report of the legislation approved for submission by the Board will be incorporated in the minutes.

CERTIFICATION, DEGREE CANDIDATES.--Upon the recommendation of the Medical Affairs Committee, the Board delegated to the deans and institutional heads of degree-conferring institutions the authority to certify the candidates for the respective degrees with the understanding that the certified list be filed with the Secretary of the Board of Regents.

FURNITURE AND FURNISHINGS FOR THE CHANCELLOR'S RESIDENCE, 1610 WATCHHILL ROAD.--The following resolution was adopted:

WHEREAS, The University of Texas does furnish the Chancellor of the University a house and utilities, it is furthermore the intent of the Board of Regents that this house be adequately furnished by The University of Texas for the use of the Chancellor of the University; and

WHEREAS, additional furniture and furnishings are required for the proper furnishing of the Chancellor's residence; the Board of Regents hereby approves an appropriation not to exceed \$10,000 from the Current Restricted Funds Account entitled, "Brackenridge Lands Rentals - Reserve for Certain Furnishings in President's Home," for the purpose of providing furniture and furnishings for the Chancellor's residence; and an interior decorator may be engaged to assist with the decorating and furnishing of the Chancellor's residence, located at 1610 Watchhill Road, Austin, Texas. The necessary refurbishing, painting, refinishing, etc., will be performed by the Main University Physical Plant staff as would be done in any other University building.

REPORTS OF STANDING COMMITTEES

The standing committees met on Friday, May 12, 1961. At the request of Chairman Hardie, each Committee Chairman presented a report of his respective committee.

REPORT OF EXECUTIVE COMMITTEE (See Page 8 for adoption).-- Vice-Chairman Heath presented the following report of the Executive Committee:

Interim Actions (March 1 - April 28, 1961).-- Before the March meeting, which was before the reorganization of the Board, the Executive Committee had approved by mail ballot five separate requests including six items that were not included in the March docket. These items, as set out below, are in the May docket.

Since the reorganization of the Board at the March meeting, five separate requests including seven items have been submitted to and approved by mail vote by the Executive Committee. Each

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request has been recommended by the respective institutional head and approved by the Chancellor. Four of these requests--six items--are also included in the May docket as set out below.

1. Budgetary Items

- a. Main University. --One item approved on March 15 as reflected in Item 1, Page M-1.
- b. Medical Branch. --Three items approved on March 3 and 15 as reflected in Item 8, Page G-2 and Items 19 and 20, Page G-3.
- c. Southwestern Medical School. --One item approved on March 3 as reflected in Item 13, Page S-2.

2. Absences in Excess of Two Weeks

- a. Main University. --One item approved on March 3 as reflected in Item 2, Page M-38.
- b. Medical Branch. --Five items approved on April 13 as reflected in Items 3 and 4, Page G-2 and Items 5 and 6, Page G-5.
- c. Dental Branch. --One item approved on April 7 as reflected in Item 2, Page D-2.

These items are reported for ratification by the Board.

Regular Operations of the Executive Committee. --The Executive Committee met on Friday morning for the purpose of determining future procedures and mechanics. It is recommended that the following be approved for the regular operations of the Executive Committee:

1. Coordination of the work of other committees. --According to the Rules and Regulations of the Regents, this is the first function of the Committee. It seems that the most valuable undertaking of the Executive Committee in this area would be the regular definition of relationships among undertakings of the Board's committees (for example, the relationship of academic programs to building construction, of special endowments such as professorial chairs to academic improvement, and medical programs to graduate education at the Main University).
2. The interim committee operation. --This is the second function of the Executive Committee.
 - a. The Chancellor's Office will hereafter clear with the Chairman of the Committee communications to be sent to Committee members. The purpose of this arrangement is to improve the organization of the Committee itself and

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to clarify communication within the Committee and between the Committee and the Central Administration.

- b. Through the Chairman of the Committee, the Chancellor will consult with the Executive Committee on pending major administrative issues, problems, decisions and actions when they appear to the Chancellor to be of sufficient importance to warrant consideration by the Committee, particularly in those areas which may appear to be likely to be of a political or controversial nature, and where the Chancellor would ask advice of the Board of Regents were it in session at the time.
 - c. Through the Chairman of the Committee, the Chancellor will issue each week (except when there are no significant materials for distribution) a one-page summary of major administrative issues, problems, decisions, and actions for that week. Copies of this summary will be sent to all members of the Board, but the specific report will be an instrument of the Executive Committee.
 - d. Interim requests for approval of travel will be submitted, as regularly as possible, in time for regular consideration by the Committee instead of "emergency decision." The Chancellor's Office will provide more definite descriptions of the purpose of travel, as well as indications of benefits accruing to the University and State.
3. Budgetary review. -- Major budget presentations, including the presentation of the annual budget and the biennial request, will be reviewed with the Executive Committee (or its Chairman and other members available for review) previous to the regular meeting of the Board at which the budgetary proposal is to be considered by all members. The preparation of all major budgets will be discussed by the Chancellor and his administrative staff with the Executive Committee (or its Chairman and other members available for review) prior to the formulating of major policies for the budgets or the actual beginning of their preparation, and the advice of the Executive Committee with respect to the preparation of the budgets will be requested on all major matters of policy. The Chairman of the Executive Committee will therefore be in a position to report to the Board of Regents the results of this review with the Central Administration.

A major purpose in the reactivation of the Executive Committee will be to maintain true continuity of trusteeship in the Board during interim periods between Board meetings.

Adoption of Report. -- The foregoing report of the Executive Committee was adopted upon motion of Vice-Chairman Heath, seconded by Mr. Brennan.

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REPORT OF ACADEMIC AND DEVELOPMENTAL AFFAIRS COMMITTEE (See Page 16 for Adoption.)--Committee Chairman McNeese presented the following report of the Academic and Developmental Affairs Committee, excluding any items referred to this Committee that had been included in the report of the Committee of the Whole:

Approval of Docket (Attachment No. 2.)-- It is recommended by the Academic and Developmental Affairs Committee that the docket of Chancellor Ransom dated April 28, 1961, (Attachment No. 2) be approved in the form as circulated to the Regents, with the following exception:

That the Classified Personnel-Pay Plan on Pages M-39, M-40 and M-41 be deleted from the docket in order that this item may be studied by the Board and considered at a later date. 1 This docket (Attachment No. 2) is made a part of the minutes and is appended following Page L-26 of Attachment No. 1.

It is further recommended by the Committee that the dockets be prepared either in tabular or in narrative form pending an expression by the Regents as to their preference.

Amendment No. 3 to Rules and Regulations, Part One, Chapter II, Subsection 7.423, Duties and Responsibilities of the Comptroller (Final Approval). -- At the March 1961 meeting, the Board approved the establishment of a System Personnel Office and in connection therewith amended the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One, Chapter II, by deleting subsection 7.423 and inserting in lieu thereof the following:

7.423 Responsibility for fiscal and budgetary aspects of the System Personnel Office

In order to comply with the Rules and Regulations, Part One, Chapter VII, Subsection 4.1, it is recommended by the Academic Developmental Affairs Committee that final approval be given to Amendment No. 3.

Amendment No. 4 to Rules and Regulations, Part One, Chapter VI, Subsection 6.121, Elected Members with Vote, Graduate Legislative Council. -- Chancellor Ransom has recommended that the Rules and Regulations of the Board of Regents for the Government of The University of Texas, Part One, Chapter VI, subsection 6.121, be amended by adding "Astronomy" so that the section will read:

6.12 Elected Members with Vote:--The elected voting members shall be apportioned among the following branches, and electoral divi-

sions of the Main University:

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6.121 Main University

College of Arts and Sciences:
Electoral Group A - Astron-
omy, Bacteriology, Botany,
Chemistry, Geology, Physics,
Zoology, Home Economics,
Mathematics

The Academic and Developmental Affairs Committee approves the recommendation of Chancellor Ransom and submits it to the Board for approval.

In conformity with Rules and Regulations, Part One, Chapter VII, Subsection 4.1, this proposed amendment will be presented for final approval at the next meeting of the Board.

Institutional Supplements: Policy re Retirement of Deans and Departmental Chairmen. -- Doctor Ransom has recommended that the policy already in effect at the Main University, the Southwestern Medical School, and the Medical Branch regarding retirement of deans and departmental chairmen be uniform for all teaching units of the University system, and that such rules be included in the institutional supplements to the Rules and Regulations being compiled at the several institutions. He further recommends that in the initial application of this rule, the heads of the institutions affected should be permitted the discretion of continuing during 1961-62 any deans or departmental chairmen now sixty-five years of age or older.

The Academic and Developmental Affairs Committee concurs in the recommendation of Chancellor Ransom and submits it for the Board's approval.

Approval for Submission to the Texas Commission on Higher Education a Two-Year Graduate Degree for Teachers in Junior Colleges. (Licentiate in Arts). -- Each Regent had received in the Material Supporting the Agenda the following background information and proposal, together with the justifications therefor:

More than ten years ago a representative committee of nine members of the Graduate Faculty completed a three-years' study and recommended creation of a new two-year degree plan to meet the pressing need for teachers in junior colleges. The proposed degree plan was approved by the Graduate Faculty and subsequently by the Graduate Legislative Council in 1954. At that time a rider provision in the Appropriation Bill prohibited the establishment of any new degree programs. Subsequently the Texas Commission on Higher Education was established and granted control of new degree programs, but this program was not presented.

Recently this degree program was resubmitted for study by the Graduate Council's Committee on Courses and Degree Programs. The program, with minor changes, was approved

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by this Committee, by the Graduate Council, and on March 27, 1961, by the Graduate Legislative Council. The program as set out below has the approval of the Dean of the Graduate School.

Degree Requirements

1. Admission to the Graduate School of The University of Texas.
2. Admission to candidacy for the degree.
3. Course requirements:
 - a. General
 - (1) Completion subsequent to bachelor's degree of at least sixty semester hours not more than 9 of which may be at the senior level, and none of which may be below the senior level.
 - (2) Six semester hours of courses in Education on the junior college and its problems and the responsibilities of the teacher in the junior college.
 - (3) Completion of at least 30 semester hours of work toward the degree must be done in residence at The University of Texas.
 - (4) Satisfactory ratings on final measurements of competency including a comprehensive final examination (written and oral) based upon the types of competence designated in the chosen field of study for the degree. The examination is to be given by the supervisory committee.
 - b. Teaching field for which preparing
 - (1) Completion of 42 hours, exclusive of thesis and internship, at least 24 of which must be in one academic field.
Dispersion requirements: At least 18 of the 42 semester hours must be earned on the following basis, 6 in each of three departments, included in the teaching field.
 - (2) Thesis: 6 semester hours. The thesis shall be based on research in the subject matter content of the teaching field selected, or on problems of instruction at the junior college level.

In certain instances substitutions for the formal thesis may be recommended to the Graduate Council by the appropriate committee on graduate studies. Such substitutions may include internship reports (where the internship is approved as an essential part of the graduate program by the Graduate Council) or reports prepared in certain graduate seminar- or conference-type courses. In every instance, however, an internship or seminar course or

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conference course from which substitutions for the thesis are to be submitted must be approved for this purpose by the Graduate Council. Further, all reports or other types of exposition submitted as substitutes for the thesis are subject to the approval of the supervising committee appointed by the Dean.

- (3) Internship: 6 semester hours. The internship requirement may be met by teaching in a junior college or as a teaching fellow in The University of Texas. In either case the intern's performance must meet the standards of the supervisory committee. In exceptional cases, approved electives in the teaching field may be substituted for the internship.
- (4) Electives: With the approval of the supervisory committee, 12 of the hours under requirement 1 may be taken outside the teaching field.

Admission to Candidacy

1. Upon admission to the Graduate School the applicant will submit the Registrar's evaluation of his previous academic record to at least one member of his Advisory Committee. The Advisory Committee shall be a standing committee appointed by the Dean of the Graduate School. This Committee shall be made up of representatives from the following divisions of the University: one from the College of Business Administration, three from the College of Arts and Sciences (one representing each of the following fields: humanities, social science, natural science), one from the College of Education, one from the College of Engineering, and one from the College of Fine Arts. With the aid of one or more members of the Advisory Committee, the applicant will prepare a preliminary program of his studies.
2. Completion of 12 semester hours toward this degree with grades meeting the requirements of the Graduate School.
3. Removal of all conditions which were placed on the student when he was admitted to the Graduate School.
4. Filing in the office of the Dean of the Graduate School an approved (by the Adviser) application for admission to candidacy which lists the student's program of courses, completed and proposed.
5. Satisfaction of the special requirements for admission to candidacy in the chosen area of study for the degree.
6. Final approval for admission to candidacy by the Dean of the Graduate School.

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Supervisory Committee

Upon admission to candidacy, the student will work with a Supervising Committee of three members appointed by the Dean of the Graduate School. At least two members of the Supervising Committee must be from the departments representing the teaching field for which the student is preparing.

Relation to Other Degrees

This degree is an independent degree based upon graduate study as well as upon the candidate's demonstration of teaching ability; it is not an intermediate degree between the master's and the doctor's degrees. Credits earned in the master's or doctor's program may prove, in some cases, to be quite suitable for this program; in other cases, they may be unsuitable. Evaluation by the Advisory Committee of all previous graduate credits earned by the student is made prior to Admission to Candidacy by the Advisory Committee.

It is recommended by the Academic and Developmental Affairs Committee that the Board of Regents approve this degree program and authorize the Administration to submit the program to the Texas Commission on Higher Education for approval.

Approval of Combined Curriculum and Establishment of Bachelor of Science Program, School of Architecture and College of Arts and Sciences, for Submission to the Texas Commission on Higher Education.--It is recommended by the Academic and Developmental Affairs Committee that the following proposal for a new Bachelor's Degree program and a six-year professional program in architecture be approved and that the proposed changes be submitted to the Texas Commission on Higher Education for their approval:

It is proposed that the following combined curriculum for the School of Architecture and the establishment of a Bachelor of Science in architectural studies program in the College of Arts and Sciences be approved:

PROPOSED DEGREE PROGRAM
FOR THE
SCHOOL OF ARCHITECTURE
ENTITLED

"Bachelor of Science in Architectural Studies"

- 12 Hrs. English
- 11 Hrs. Foreign Language
- 6 Hrs. Math (Analyt. Calculus)
- 8 Hrs. Natural Science
- 6 Hrs. U. S. History
- 6 Hrs. American Government
- 6 Hrs. Economics or Sociology
- 3 Hrs. Philosophy

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- 6 Hrs. Advanced Courses in one subject.
- 7 Hrs. Architectural History
- 14 Hrs. Engineering
- 13 Hrs. Art & Des. Theory
- 21 Hrs. Arch. Design & Landscape Arch.
- 9 Hrs. A & S Electives
(6 of which are limited)

Total 128 Hours - B. S. in Architectural Studies

FIFTH AND SIXTH YEARS

- 13 Hrs. Advanced Design
- 5 Hrs. Thesis
- 8 Hrs. Working Drawings
- 3 Hrs. Frame Analysis
- 7 Hrs. Mech. Equip.
- 4 Hrs. Specifications and Professional Practice
- 3 Hrs. Sound Control
- 3 Hrs. City Planning
- 1 Hr. Surveying
- 8 Hrs. Research
- 6 Hrs. Arch. or Art History
- 3 Hrs. Electives

Total 5th and 6th years - 64 Hours.

Total 192 Hours - B. Arch. Degree

Part-Time Curator, Nueces County Aquarium, Marine Science Institute. --The Nueces County Board of Park Commissioners is interested in the establishment of a Marine Aquarium in Nueces County Park at Port Aransas, Texas, on a site across the street from the Institute of Marine Science to cost an estimated \$50,000. The Commissioners have requested that the Institute of Marine Science supply part-time technical services of one of the resident institute staff to develop the exhibits and to keep the tanks supplied.

It is recommended by the Academic and Developmental Affairs Committee that the 1961-62 budget include a half-time position for this purpose. This position is justified by the fact that the aquarium would provide without construction and maintenance costs the following:

1. Research facilities for keeping larger fishes alive and smaller organisms for behavior and physiological studies.
2. A means for handling the summer visitor problem.

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3. A means for handling the public relations role similar to the aquaria at the other principal centers of marine science at Scripps, Woods Hole, and Plymouth, for example.
4. A graduate stipend for supporting one or more students at Fort Aransas involving a duty of some considerable technical training value.

(This item will be reflected in the 1961-62 budget to be adopted.)

Waiver of Regents' Nepotism Rule. -- Doctor G. H. de Vaucouleurs, Associate Professor of Astronomy, and Mrs. de Vaucouleurs have been working jointly on a research project since 1949 under a National Science Foundation grant in the field of astronomy. This work had been carried on in Harvard University before Doctor de Vaucouleurs came to The University of Texas. It has been recommended through proper channels to Chancellor Ransom that the Regents' Rule in accordance with Part One, Chapter III, subsection 5.44, be waived in the case of Mrs. de Vaucouleurs through the fiscal year ending August 31, 1964.

Upon recommendation of Chancellor Ransom, the Academic and Developmental Affairs Committee is recommending this waiver on the basis that Mrs. de Vaucouleurs be employed only on grant projects and that her salary not come from the General Funds of the University.

Small Class Reports, 1961 Spring Semester: Main University and Texas Western College (House Bill No. 4, 56th Legislature, Third Called Session, Article IV, Section 15 of the Special Provisions). -- The small class reports of the 1961 Spring Semester for the Main University and for the Texas Western College, together with analytical summaries, were distributed in the Material Supporting the Agenda. These reports had been prepared in accordance with House Bill No. 4, 56th Legislature, Third Called Session, Article IV, Section 15 of the Special Provisions. The classes are listed according to the following Justification Code:

1. Required course for graduation in one or more baccalaureate degree programs. The course is not offered each semester or term, and if cancelled, may affect date of graduation of those enrolled.
2. Required course for graduating seniors in one or more degree programs.
3. Required course for majors in this field and should be completed this semester (or term) to keep proper sequence in courses.
4. Course for which students pay a supplementary fee, and the usual requirements of class size are not considered

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applicable. (Example: Class Instruction in Applied Music or Applied Art.)

5. Limited laboratory facilities make it necessary to establish an additional section of this course.
6. a. Course in a small department which offers the minimum number of courses consistent with the maintenance of a balanced departmental program.

b. Courses in a large department necessary to maintain a well-balanced departmental program.
7. Graduate course that is required for completion of an advanced degree.
8. a. Interdepartmental course meeting with the same course in another department.

b. Intradepartmental course meeting with another course in same department.
9. Adds, drops, and transfers in transit between departments and the Registrar's Office as of the twelfth class day.

Main University. -- The small classes for Main University fall in categories Nos. 1-4 and 6-9, inclusive, as set out above.

Texas Western College. -- The small classes for Texas Western College fall in categories Nos. 1-4, inclusive, 6a, 6b, 8a, 8b, and 9, as set out above.

(Secretary's comment: Please note that neither institution has any small classes in category No. 5.)

It is recommended by the Academic and Developmental Affairs Committee that the Board approve for filing with the Texas Commission on Higher Education the 1961 Spring Semester Small Class Reports for the Main University and the Texas Western College. (Copies of these reports are in the Secretary's Files, Volume VIII, Page 236.)

Adoption of Report. -- Upon motion of Mr. McNeese, seconded by Doctor Connally, the Board approved the foregoing report of the Academic and Developmental Affairs Committee.

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REPORT OF BUILDINGS AND GROUNDS COMMITTEE (See Page 27 for adoption.) --In the absence of Committee Chairman Thompson, Vice-Chairman Heath presented the report of the Buildings and Grounds Committee, as set out below. He pointed out the changes made by the Regents' Committee in the recommendations of the Administration distributed in the Material Supporting the Agenda, in the supplementary recommendations mailed on May 9 to each Regent, and in those recommendations distributed at the meeting. The item authorizing the execution of a deed and lease on land for the Sun Bowl Stadium, Texas Western College, to be built by the County of El Paso, was adopted by a separate motion.

System-Wide - Recommendations in Regard to Pre-Qualification of Bidders. -- This item was postponed until the next regular meeting of the Board of Regents.

Main University - Appropriation for Modernization and Remodeling of Certain Existing Buildings. --At the Regents' meeting held December 10, 1960, authorization was given for the employment of Bernard Johnson and Associates of Houston as Engineer for the first part of the fifteen buildings at the Main University approved for modernization and remodeling over the next six or seven years. These buildings in order of priority and with estimated costs of each are listed below:

1. Waggener Hall	\$ 170,000
2. Garrison Hall	140,000
3. Chemical Engineering Building	100,000
4. Old Library Building	110,000
5. Architecture Building	160,000
6. Women's Gymnasium Offices	60,000
7. Biological Laboratories Building	200,000
8. Home Economics Building	150,000
	<u>\$1,090,000</u>
Contingency Allowance	137,500
Total Estimated Cost	<u>\$1,227,500</u>

It is contemplated that the work on two or more buildings will be undertaken simultaneously, and this schedule will be worked out in more detail as the plans progress. As the appropriation for this work has not yet been made, it is recommended that \$1,227,500.00 be appropriated for the Modernization and Remodeling of Certain Specific Existing Buildings from the Available University Fund Account No. 89460 - New Building Construction, Utilities Expansion, and Air Conditioning Projects - Unallocated.

Main University - Approval of Specifications for Classroom Furniture and Furniture and Furnishings for Business Administration-Economics Building. --In order that the furniture and furnishings will be available for installation when the Business Administration-Economics Building at the Main University is completed, specifications for Classroom Furniture and for other Furniture and Furnishings have been prepared by Architects Moore and Burnett, members of the staff of the Comptroller's Office.

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It is believed that the items included in these specifications will not exceed \$330,000.00, the amount estimated for furniture and furnishings in this building, which amount is available in the allotment account for the project. These specifications have been approved by the Dean of the College of Business Administration, the Chairman of the Department of Economics, Acting President Ransom, and Comptroller Sparenberg. It is recommended that they be approved by the Board and that authorization be given to the Comptroller to advertise for bids to be presented for consideration at a later meeting of the Board.

Main University - Approval of Specifications for Furniture and Furnishings for Research Facilities and Headquarters Building at Institute of Marine Science. --Specifications are in process of being prepared in the Office of the Comptroller for Furniture and Furnishings for the Research Facilities and Headquarters Building at the Institute of Marine Science, but are not yet ready for presentation to the Board for approval. In order that these items of furniture and furnishings will be available for installation when the building is completed, it is recommended that a Committee consisting of the Director of Institute of Marine Science, Dr. H. T. Odum, Mr. W. W. Heath, Comptroller Sparenberg, and Chancellor Ransom, be appointed to approve these specifications when in proper form, and that after this approval, Comptroller Sparenberg be given authorization to advertise for bids, these bids to be presented for consideration by the Board at a later meeting. It is understood that these specifications should cover furniture and furnishings estimated to cost not more than \$12,000.00, the amount allotted for this purpose.

Main University - Approval of Plans and Specifications for Four Parking Areas and Appropriation Therefor. --Plans and specifications have been prepared by the Main University Physical Plant staff covering the construction of parking facilities in the following areas:

<u>Location</u>	<u>Number of Parking Spaces</u>	<u>Estimated Cost</u>
Cliff Courts Area (Lot 3)	153	\$11,500
Townes Hall Area (Lot 7)	164	12,500
Engineering Laboratories Building Area (New)	116	10,000
Stadium Area	150	10,000
Total	583	<u>\$44,000</u>

These additional facilities are needed in order to counteract at least partially the loss of parking areas in certain lots which have been or will have to be abandoned in whole or in part because of construction work on the Campus. At the time the parking area is being constructed in the Stadium grounds, the Athletic Council would like to build concrete walks in certain areas and make certain other minor improvements, estimated to cost approximately \$7,000.00, which they would like to pay for out of their Operating

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Account. It is, therefore, recommended by Messrs. Eckhardt, Landrum, Ransom, Sparenberg, and Dolley that an appropriation of \$51,000.00 be set up in the Central Administration - Plant Funds Unexpended section of the books to cover these parking areas and improvements in the Stadium grounds, the sources of funds to be as follows:

Account No. 4300 - Reserve for Construction of Parking Areas and Lots*	\$24,000.00
Account No. 53210 - Campus Parking*	20,000.00
Account No. 52700 - Athletic Council - General Account	7,000.00

*Derived from Student and staff parking fees.

It is further recommended that the plans and specifications for these parking areas and the improvements in the Stadium grounds be approved by the Board, that authorization be given to Comptroller Sparenberg to advertise for bids on the project, and that a Committee be appointed, consisting of Main University Business Manager Landrum, Comptroller Sparenberg, Acting President and Chancellor Ransom, and Mr. W. W. Heath to award a contract after receipt of bids, subject to award being made to low bidder. If it is desired to make award to other than low bidder, a recommendation must be brought back to the Board of Regents for final decision.

Main University - Reworking of Electrical Distribution System at the University Apartments and Trailer Camp. -- The electrical distribution system installed in 1946 at the University Apartments and Trailer Camp at the Main University contemplated a minimum use only in each apartment. Because of the use of numerous electrical appliances there is now an increased load for each apartment, and there is no longer any assurance that the present electrical distribution system can handle the demand in a safe manner, and renovation of the system is needed. Also, in the President's docket for the Main University for this meeting, there is a recommendation for a change in policy which would involve charging the apartments and trailer camp occupants for electricity consumed; ** approval of this recommendation by the Regents would mean that individual meters would have to be installed at each apartment and trailer camp site. It is recommended that this new policy be put into effect by September 1, 1961, or as soon thereafter as the meters can be installed. An estimate made by the Main University Physical Plant staff indicates that the cost of all labor and material including transformers, meters, wires, etc., needed to perform this renovation of the electrical distribution system will be \$50,000.00. In view of the facts as stated above the following recommendations are made by Messrs. Landrum and Ransom, with the concurrence of Messrs. Sparenberg and Dolley:

1. Set up an account in the Central Administration Plant Funds - Unexpended section entitled "Renovation of Electrical Distribution System and Installation of kilowatt-hour Meters - University Apartments and

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Trailer Camp," and appropriate \$50,000.00 for this account from the Unallocated Balance of Account 52110 carried in the Main University Auxiliary Enterprises Accounts entitled "University Apartments."

2. Authorize the renovation of the electrical distribution system, the rewiring of the service entrances to the apartments and trailer camp lots and installation of kilowatt-hour meters on each unit.
3. Authorize the Main University Physical Plant staff to prepare the necessary plans and specifications for the project, to be approved by the Comptroller's Office.
4. Authorize the Comptroller to advertise for bids, these bids to be presented to the Board for consideration at a later meeting.

Main University - Removal of Pecan Tree from Waller Creek. --
In doing some additional work on straightening and widening Waller Creek, which project is under way at this time, one pecan tree has been found on which approximately one-half of the root system has been exposed due to the action of the creek. To save this tree would involve the expenditure of a considerable sum of money, and would render more difficult the creek-straightening plan, which it is felt is essential to avoid flood damage in the Service Building area. It is, therefore, recommended that permission be given to remove this tree, as it is too large to be moved to another location.

Main University - Approval of Plans and Specifications for Conversion of Certain Rooms in East End of Experimental Science Building. --At the Regents' Meeting held January 23, 1960, authorization was given for preparation of plans and specifications for the Conversion of Certain Rooms in the East End of the Experimental Science Building at the Main University into laboratory space for the Zoology Department, at a total estimated cost of \$100,000.00. At the meeting held September 24, 1960, this project was enlarged to include several more rooms than originally contemplated and the appropriation increased to \$182,100.00, the increase coming from a U. S. Government grant for this purpose. As authorized, the plans and specifications for the general construction have been prepared by the Physical Plant staff of the Main University, and the plans and specifications for the mechanical and electrical work have been prepared by Engineers Zumwalt and Vinther. These plans and specifications have been approved by the Chairman of the Zoology Department, Comptroller Sparenberg, and Acting President and Chancellor Ransom, and it is recommended that they be approved by the Board and that authorization be given to Comptroller Sparenberg to advertise for bids on the project, these bids to be presented to the Board for consideration at a later meeting.

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At the time Zumwalt and Vinther were appointed to prepare the mechanical and electrical plans and specifications for this project, it was contemplated that after the preparation of the plans and specifications, no further work would be performed by Zumwalt and Vinther and that the inspection of the work as it progressed would be performed by the Main University Physical Plant staff. A recommendation has now been made by Mr. Eckhardt, Director of the Main University Physical Plant, which recommendation is concurred in by Main University Business Manager Landrum and Comptroller Sparenberg, that Zumwalt and Vinther be employed to perform the supervision of the mechanical and electrical work under the contracts which will be awarded. It is, therefore, recommended that the Board approve the appointment of Zumwalt and Vinther to supervise the mechanical and electrical work on this project, their fee to be as set forth in the contract with this firm which is now in effect, namely 1 1/2% of the amount of the contracts involved. It is believed that the amount of money appropriated for this project will be sufficient to cover all the costs including this additional fee.

Main University - Approval of Preliminary Plans for Addition to Law School Building (Townes Hall) and Appointment of Associate Architect. --At the Regents' Meeting held September 24, 1960, the Consulting Architect was authorized to prepare preliminary plans on the Addition to the Law School Building at the Main University, and an appropriation was made in the amount of \$15,000.00 to cover the cost thereof. These preliminary plans and the outline specifications, including cost estimates, have now been prepared and approved by the Main University Faculty Building Committee, the Dean of the Law School, Comptroller Sparenberg, and Acting President and Chancellor Ransom.

The estimate for this addition at the time the Ten-Year Building Plan was approved by the Board was \$1,500,000.00. The cost estimate made at this time by the Consulting Architects, based on the preliminary plans as prepared, is \$1,572,300.00. This increase in the estimated cost has been brought about largely by a few requests from the Law School for additional features not originally contemplated in the plans. Since it is believed by all who have studied these plans that they are reasonable, it is recommended by all concerned that they be approved by the Board and that an overall appropriation for this project be made in the amount of \$1,600,000.00, from Permanent University Fund Bond proceeds, including the \$15,000.00 already appropriated.

It is further recommended that an Associate Architect be appointed with authorization to proceed with the preparation of working drawings and specifications, based on the approved preliminary plans. A joint recommendation of the Comptroller and the Consulting Architect in regard to the selection of an Associate Architect was submitted in the Material Supporting the Agenda. The Buildings and Grounds Committee recommends that Mark Lemmon of Dallas, Texas, be appointed as Associate Architect with authorization to the Chairman of the Board to execute the contract when it has been approved as to subject by Comptroller Sparenberg and as to form by Attorney Waldrep.

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At the time Zumwalt and Vinther were appointed to prepare the mechanical and electrical plans and specifications for this project, it was contemplated that after the preparation of the plans and specifications, no further work would be performed by Zumwalt and Vinther and that the inspection of the work as it progressed would be performed by the Main University Physical Plant staff. A recommendation has now been made by Mr. Eckhardt, Director of the Main University Physical Plant, which recommendation is concurred in by Main University Business Manager Landrum and Comptroller Sparenberg, that Zumwalt and Vinther be employed to perform the supervision of the mechanical and electrical work under the contracts which will be awarded. It is, therefore, recommended that the Board approve the appointment of Zumwalt

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

It is further recommended that an Associate Architect be appointed with authorization to proceed with the preparation of working drawings and specifications, based on the approved preliminary plans. A joint recommendation of the Comptroller and the Consulting Architect in regard to the selection of an Associate Architect was submitted in the Material Supporting the Agenda. The Buildings and Grounds Committee recommends that Mark Lemmon of Dallas, Texas, be appointed as Associate Architect with authorization to the Chairman of the Board to execute the contract when it has been approved as to subject by Comptroller Sparenberg and as to form by Attorney Waldrep.

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At the time Zumwalt and Vinther were appointed to prepare the mechanical and electrical plans and specifications for this project, it was contemplated that after the preparation of the plans and specifications, no further work would be performed by Zumwalt and Vinther and that the inspection of the work as it progressed would be performed by the Main University Physical Plant staff. A recommendation has now been made by Mr. Eckhardt, Director of the Main University Physical Plant, which recommendation is concurred in by Main University Business Manager Landrum and Comptroller Sparenberg, that Zumwalt and Vinther be employed to perform the supervision of the mechanical and electrical work under the contracts which will be awarded. It is, therefore, recommended that the Board approve the appointment of Zumwalt and Vinther to supervise the mechanical and electrical work on this project, their fee to be as set forth in the contract with this firm which is now in effect, namely 1 1/2% of the amount of the contracts involved. It is believed that the amount of money appropriated for this project will be sufficient to cover all the costs including this additional fee.

Main University - Approval of Preliminary Plans for Addition to Law School Building (Townes Hall) and Appointment of Associate Architect. --At the Regents' Meeting held September 24, 1960, the Consulting Architect was authorized to prepare preliminary plans on the Addition to the Law School Building at the Main University, and an appropriation was made in the amount of \$15,000.00 to cover the cost thereof. These preliminary plans and the outline specifications, including cost estimates, have now been prepared and approved by the Main University Faculty Building Committee, the Dean of the Law School, Comptroller Sparenberg, and Acting President and Chancellor Ransom.

The estimate for this addition at the time the Ten-Year Building Plan was approved by the Board was \$1,500,000.00. The cost estimate made at this time by the Consulting Architects, based on the preliminary plans as prepared, is \$1,572,300.00. This increase in the estimated cost has been brought about largely by a few requests from the Law School for additional features not originally contemplated in the plans. Since it is believed by all who have studied these plans that they are reasonable, it is recommended by all concerned that they be approved by the Board and that an overall appropriation for this project be made in the amount of \$1,600,000.00, from Permanent University Fund Bond proceeds, including the \$15,000.00 already appropriated.

It is further recommended that an Associate Architect be appointed with authorization to proceed with the preparation of working drawings and specifications, based on the approved preliminary plans. A joint recommendation of the Comptroller and the Consulting Architect in regard to the selection of an Associate Architect was submitted in the Material Supporting the Agenda. The Buildings and Grounds Committee recommends that Mark Lemmon of Dallas, Texas, be appointed as Associate Architect with authorization to the Chairman of the Board to execute the contract when it has been approved as to subject by Comptroller Sparenberg and as to form by Attorney Waldrep.

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Main University - Approval of Preliminary Plans for Addition to Gregory Gymnasium and Appointment of Associate Architect. --At the Regents' Meeting held September 24, 1960, the Consulting Architect was authorized to prepare preliminary plans on the Addition to Gregory Gymnasium at the Main University, and an appropriation was made in the amount of \$16,000.00 to cover the cost thereof. These preliminary plans and the outline specifications, including cost estimates, have now been prepared and approved by the Main University Faculty Building Committee, the Director of Physical Training for Men, the Director, Intramurals for Men, Director, Intercollegiate Athletics, of the Main University, Comptroller Sparenberg, and Acting President and Chancellor Ransom.

The estimate for this addition at the time the Ten-Year Building Plan was approved by the Board was \$1,600,000.00. The cost estimate made at this time by the Consulting Architect, based on the preliminary plans as prepared is \$1,745,000.00. This increase in the estimated cost has been brought about by several changes requested by the Physical Training for Men Department, by the Athletic Department, and by several of the members of the Board of Regents, some of which changes include additional office space in the connecting section between the main part of the new building and the existing gymnasium, and the addition of one glass exhibition handball court. Total estimated square footage has been increased from 90,000 to 111,000. Since it is believed by all who have studied these plans that they are reasonable and should be approved, it is recommended by all concerned that they be approved by the Board and that an overall appropriation for this project be made in the amount of \$1,750,000.00, from Permanent University Fund Bond Proceeds, including the \$16,000.00 already appropriated.

It is further recommended that an Associate Architect be appointed with authorization to proceed with the preparation of working drawings and specifications, based on the approved preliminary plans. A joint recommendation of the Comptroller and the Consulting Architect in regard to the selection of an Associate Architect was submitted in the Material Supporting the Agenda. The Buildings and Grounds Committee recommends that Wilson, Morris, Crain, and Anderson of Houston, Texas, be appointed as Associate Architect with authorization to the Chairman of the Board to execute the contract when it has been approved as to subject by Comptroller Sparenberg and as to form by Attorney Waldrep.

Main University - Appropriations for Specialized Teaching, Research, and Laboratory Equipment and Utility Extensions, Re-Routing Utilities, and Site Improvements for Engineering-Science Building. --At the March, 1961, Regents' Meeting Dr. Ransom explained to the Regents' Buildings and Grounds Committee that the \$4,000,000.00 tentatively approved for the Engineering-Science Building at the Main University would not cover the cost of specialized teaching and research equipment estimated to cost \$800,000.00, and also would not cover the cost of some utility extensions, re-routing of utilities, and site improvements in an estimated amount of \$200,000.00. This explanation was made before the preliminary

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plans were approved, so that the Regents' Buildings and Grounds Committee would have the full story before an Associate Architect was appointed and instructed to proceed with the working drawings and specifications.

In order that funds will be available for these items mentioned above, the following recommendations are made by Mr. Landrum, the President's Office of the Main University, and the Chancellor's Office:

1. Appropriate \$800,000.00 from Permanent University Fund Bond Proceeds to an account to be entitled "Engineering-Science Building - Specialized Teaching, Research, and Laboratory Equipment." The \$800,000 for equipment is to be considered a part of the \$4,600,000 "lump sum allocation for matching" for the Main University, as listed in the Ten Year Building Plan and designated Project Q. In the event that applications for grant funds for the Engineering Science Building project are subsequently approved, this appropriation of \$800,000 is to be reduced by the amount of the grant money received.
2. Appropriate \$200,000.00 from Available University Fund Account No. 89460 - New Building Construction, Utilities Expansion and Air Conditioning Projects - Unallocated to an account to be entitled "Engineering-Science Building - Utility Extensions, Re-routing Utilities, and Site Improvements."

Main University - Authorization for Engineers Zumwalt and Vinther to Supervise and Inspect Mechanical and Electrical Work on Remodeling Attics and Air Conditioning of Sutton Hall and Taylor Hall. --At the time Zumwalt and Vinther were appointed to prepare plans and specifications for the mechanical and electrical work on Remodeling Attics and Air Conditioning of Sutton Hall and Taylor Hall at the Main University, it was contemplated that no supervision would be performed by this firm as the work progressed, but that this supervision would be performed by the Main University Physical Plant staff. It is now deemed advisable by Mr. Eckhardt, Main University Director of Physical Plant, Mr. Landrum, Main University Business Manager, and Comptroller Sparenberg that the firm of Zumwalt and Vinther be engaged to perform the supervision and inspection of the mechanical and electrical work under the contracts which have been awarded, the fee for this work to be 1-1/2% of the amount of the contracts involved, as set out in the contract with this firm now in effect. There is sufficient money allotted for the project to cover this additional fee.

Main University - Final Inspection of Printing Division Building. --Final inspection of this building has been made by representatives of the General Contractor, Mr. William B. Saunders, member of the firm of Baldrige and Saunders, Associate Architect on the project, Mr. Alton E. Greeven, of Jessen, Jessen, Millhouse,

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and Greeven, Consulting Architect, Mr. Walter C. Moore, Architect and Assistant to the Comptroller, and Comptroller Sparenberg. It is recommended by all concerned that the building be accepted, and that final payment be made to the contractors involved, as soon as a few very minor items on the "punch lists" are completed.

Southwestern Medical School - Report on Recommendation by National Advisory Council on Health Research Facilities of United States Public Health Service for Approval of Grant of \$1,000,000.00 for Danciger Research Laboratories Building. --At the Regents' Meeting held September 24, 1960, authorization was given for Southwestern Medical School to file an application to National Institutes of Health for a matching grant to construct a Research Laboratories Building. The following letter has now been received by Dr. Gill from Dr. Francis L. Schmehl, Chief, Health Research Facilities Branch, Division of Research Grants of the National Institutes of Health, United States Public Health Service, and is being reported to the Board for information:

"We should like to report that the National Advisory Council on Health Research Facilities, on March 20-21, 1961, recommended approval of your application for a Health Research Facilities grant in the amount of \$1,000,000 for 'Construction of a Research Laboratory Building.'

"The Surgeon General has agreed to accept the recommendation of the Council and to make this grant provided the necessary funds are appropriated for the fiscal year beginning July 1, 1961. Since the appropriation request for fiscal 1962 has not yet been acted upon by the Congress, it is not possible at this time to give you assurance that your recommended project will be paid, and you should not regard this memorandum as a legal commitment of the Public Health Service. It is expected that formal notification of the award can be sent by August 1961."

Texas Western College - Approval of Specifications for Furniture and Furnishings for Liberal Arts Building (Formerly Classroom-Office Building). --Specifications are in process of being prepared in the Office of the Comptroller for Furniture and Furnishings for the Liberal Arts Building at Texas Western College, but are not yet ready for presentation to the Board for approval. In order that the furniture and furnishings will be available for installation when the building is completed, it is recommended that a Committee consisting of President Ray, Mr. W. W. Heath, Comptroller Sparenberg, and Chancellor Ransom, be appointed to approve these specifications when in proper form, and that after this approval, Comptroller Sparenberg be given authorization to advertise for bids, these bids to be presented for consideration by the Board at a later meeting. It is understood that these specifications should cover furniture and furnishings estimated to cost not more than \$150,000.00, the amount allotted for this purpose.

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Texas Western College - Approval of Preliminary Plans and Appointment of Associate Architect for Housing for Married Students and a Dormitory for Men. --As authorized by the Regents at the meeting held December 10, 1960, the final application to Housing and Home Finance Agency for Housing for Married Students and a Dormitory for Men at Texas Western College has been submitted and is being reviewed by that agency. In order that there might be no delay in proceeding with this project when and if approval is received from H. H. F. A., it is recommended that the preliminary plans and outline specifications for the project, as prepared by Consulting Architect Jessen, Jessen, Millhouse, and Greeven and approved by the Texas Western College Building Committee, President Ray, Comptroller Sparenberg, and Chancellor Ransom, be approved by the Board.

It is further recommended that the selection of an Associate Architect be made at this time, with authorization to proceed with working drawings and specifications when approval is received from H. H. F. A. on the project. A joint recommendation of the Comptroller and the Consulting Architect in regard to the selection of an Associate Architect was submitted in the Material Supporting the Agenda. The Buildings and Grounds Committee recommends that Nesmith and Lane of El Paso, Texas, be appointed as Associate Architect with authorization to the Chairman of the Board to execute the contract when it has been approved as to subject by Comptroller Sparenberg and as to form by Attorney Waldrep.

*Medical Branch - Authority to Request Grant from Sealy and Smith Foundation to Cover Remodeling Projects in John Sealy Hospital. --Remodeling of Wards 3A, 3B, 4C, and 9A in the John Sealy Hospital at the Medical Branch is considered to be highly desirable. This remodeling would involve making smaller wards, semi-private rooms, and private rooms out of the larger wards, and is estimated to increase the cash income of the hospital considerably. The total estimated cost of the remodeling contemplated is \$180,000.00. It is recommended that the Board ratify the action taken by the Chancellor in requesting The Sealy and Smith Foundation to make a grant of \$180,000.00 to the Medical Branch for this purpose and to accept the grant which has been approved by the Foundation.

Main University - Award of Contracts for Art Building and Museum. --In accordance with authorization given by the Board of Regents at the meeting held March 18, 1961, bids were called for and were opened and tabulated on May 4, 1961, as shown on Page 35, for the Art Building and Museum to be constructed at the Main University. These bids were carefully considered by all concerned, and it is recommended by the Consulting Architect, Page, Southerland, and Page, the Associate Architect, Kuehne, Brooks, and Barr, and Comptroller Sparenberg, which recommendations are concurred in by Vice-Chancellor Dolley and Acting President and Chancellor Ransom, that contract awards be made to the low bidders, as shown on the following page.

*(This was also reported in the Medical Affairs Committee.)

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General Contract:

B. L. McGee Construction Company, Austin, Texas		
Base Bid	\$797,000.00	
Add Alternate No. G-1	81,790.00	
Add Alternate No. G-2	59,444.00	
Add Alternate No. G-3	<u>20,080.00</u>	\$ 958,314.00

Plumbing, Heating, Ventilating,
and Air Conditioning Contract:

R. G. Farrell Company, Odessa, Texas		
Base Bid	280,900.00	
Add Alternate No. P-HVA-1	23,690.00	
Add Alternate No. P-HVA-2	<u>11,190.00</u>	315,780.00

Electrical Contract:

Seco Smith Electric Company, Austin, Texas		
Base Bid	147,390.00	
Add Alternate No. E-1	10,960.00	
Add Alternate No. E-2	9,142.00	
Add Alternate No. E-3	6,371.00	
Add Alternate No. E-4	294.00	
Add Alternate No. E-7	9,843.00	
Add Alternate No. E-8	<u>4,131.00</u>	188,131.00

Elevator Contract:

B. F. Johnson Elevator Company, Inc., Waco, Texas	
Base Bid	<u>28,700.00</u>

Total Recommended Contract Awards	<u><u>\$1,490,925.00</u></u>
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All of these recommended awards are to the low bidder, and the acceptance of the alternates recommended does not in any case change the low bidder.

The construction of a steam tunnel to service this building and the Texas Memorial Museum was included in these bids, but the cost thereof is to be taken from an appropriation already made, other than that for the Art Building and Museum. According to the bids received, the following amounts were included in the base bids of the recommended contract awards for the Steam Tunnel:

General Contract	\$45,000.00
Plumbing, Heating, Ventilating, and Air Conditioning Contract	38,353.00
Electrical Contract	<u>822.00</u>
Total	<u><u>\$84,175.00</u></u>

It is recommended that a transfer of \$89,225.50 be made from Account No. 91250 - Expansion of Utilities Distribution Systems - Allotment Account to Account No. 94079 - Art Building and

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Museum - Allotment Account to cover the cost of the Steam Tunnel included in the bids for the Art Building and Museum plus Architects' Fees thereon. For permanent cost accounting purposes this amount of \$89,225.50 will again be separated after all contracts are completed and paid.

For convenience in handling contractor's estimates and other payments on this project, it is further recommended that the amount of \$89,225.50, above recommended to be transferred, be paid from Permanent University Fund Bond proceeds, rather than from the Available University Fund.

Since the recommended contract awards, plus Architects' Fees thereon, preliminary expenses, and estimated cost of furniture and equipment, exceed the original appropriation of \$1,500,000.00 made for the Art Building and Museum and the amount above indicated for the Steam Tunnel, it is recommended that an additional appropriation of \$71,400.00 be made to Account No. 94079 - Art Building and Museum - Allotment Account from Account No. 77050 - Endowment Funds - Archer M. Huntington Museum Fund, one of the original sources of funds for this project. It is felt by all concerned that the additive alternates recommended are reasonable and justifiable expenditures for this project, and that these items can be built now much more cheaply than at some other time in the future.

Texas Western College - Changes in Names of Two Small Buildings Used by Schellenger Research Laboratory. -- A recommendation has been made by the Schellenger Foundation Committee at Texas Western College, which recommendation is concurred in by President Ray and Chancellor Ransom, that the names of two small research buildings at Texas Western College being used by the Schellenger Research Laboratory be changed as follows:

Delta Gamma Lodge Building be changed to Data Analysis Center.

Test Data Facilities Building be changed to Optical and Mechanical Test Center.

It is recommended that these changes in names be approved by the Board.

Adoption of Report. -- The foregoing report of the Buildings and Grounds Committee and the recommendations contained therein were adopted upon motion of Vice-Chairman Heath, seconded by Mr. Brennan.

Texas Western College - Authorization for Chairman of the Board of Regents to Execute Deed to County of El Paso and to Execute Lease With County of El Paso on Land for Sun Bowl Stadium to be Built by County of El Paso. -- Vice-Chairman Heath presented the recommendation of the Buildings and Grounds Committee that the Chairman of the Board of Regents be authorized to execute a deed to the County of El Paso and a lease with the County of El Paso on land for the Sun Bowl

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Stadium to be built by the County of El Paso, subject to approval as to content and form by the proper administrative officials of the University and subject to approval of the final plans and specifications of the Sun Bowl Stadium by the Consulting Architect of the University, Comptroller Sparenberg, and the Chancellor.

Whereupon, a motion was duly made and carried by vote of the Board authorizing the execution and delivery of a deed to El Paso County, Texas, and of a lease between El Paso County and the Board of Regents covering a tract of 62.88 acres as authorized by Chapter 13, Acts 57th Legislature, 1961 Regular Session, having terms consistent with said Act and approved by the Chancellor, the Attorney for the Board of Regents, and the Chairman of said Board as well as by the President of Texas Western College.

REPORT OF LAND AND INVESTMENT COMMITTEE (See Page 30 for adoption). -- Committee Chairman Madden presented the report of the Land and Investment Committee. A copy of the Administration's recommendations to the Land and Investment Committee (Attachment No. 1) had been mailed to each Regent prior to the meeting. Referring to Attachment No. 1, Committee Chairman Madden reported that the Land and Investment Committee concurred in the recommendations of the Administration presented in Attachment No. 1 with the exceptions as set out below:

1. The Land and Investment Committee recommends that consideration of the following be postponed:
 - a. Lila Belle Etter Trust: Present Status and Recommendations re Liquidation of Remaining Assets (Pages L-17 through L-20)
 - b. Hogg Foundation: Will C. Hogg Memorial Fund - Lease for Additional Term to Simpson Dining Car, Inc., on property at Main and Bell (White Property) in Houston (Page L-24)
2. The Land and Investment Committee recommends that Sawnie Robertson be named to succeed Regent J. C. Thompson as Director of the Toreador Royalty Corporation and that his name be inserted in the blank on Page L-21 of Attachment No. 1. (Regent Thompson has requested to be relieved as Director of this Corporation.)
3. The Land and Investment Committee recommends that the following additional items be approved:
 - a. Assignment to Shell Oil Company of Permits for Prospecting for Potash and Allied Minerals, B. R. Greathouse, with Option to Lease. -- Seven permits

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for prospecting for potash and allied minerals have been approved by the Board to Mr. B. R. Greathouse of Midland, Texas. The permits provide for assignment upon prior written consent of the University and payment of a filing fee of \$1 each and an assignment fee of \$100 each. The University's consent has been requested for assignment of all seven permits from Mr. Greathouse to Shell Oil Company. It is recommended that this assignment be approved and that the Chairman be authorized to execute the instrument when it has been approved as to subject matter by Endowment Officer Stewart and as to form by Attorney Waldrep.

- b. Main University - Estate of Lourania Miller - Proposal for Sale of Dallas Property.-- On January 17, 1961, the bequest by Miss Lourania Miller of Dallas of her residue estate to the University for the purpose of Greek and Latin Scholarships was reported to the Board of Regents, and the Board authorized its Chairman to join in a conveyance of Miss Miller's home property at 2543 Gladstone Drive in Dallas, if necessary for the liquidation of the estate to be delivered to the University. A small amount of cash will be received in addition to the proceeds from this property.

The Dallas property was appraised in February at a value of \$7,750 with some reservation as to whether that price could be obtained on a cash sale. The house is approximately 45 years old and does not qualify for F. H. A. financing.

The University instructed Wiley Roberts and Sons, realtors of Dallas, to proceed with efforts to sell the property, and on May 10, the University was notified of an offer of \$7,000, all cash to the University, subject to approval of a mortgage loan to be obtained by the purchaser. The house needs extensive repairs, and it is recommended that this offer be accepted by the Board of Regents, with 6 per cent commission payable to Wiley Roberts and Sons and other usual closing costs to be paid by the University, and that the Board of Regents adopt the following resolution authorizing the sale:

RESOLUTION

WHEREAS, pursuant to the will of Miss Lourania Miller, deceased, the Board of Regents of The University of Texas was designated the residuary devisee of her Estate, such to be expended by the Board for the specific purpose of awarding each year to a boy or a girl a Greek or Latin scholarship in the amount of \$250.00; and

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WHEREAS, a proposal has been submitted by J. A. Nall and wife, Maude E. Nall, for the purchase of Lot 23, Block D-3480, Sunset Summit Addition, commonly known as 2543 Gladstone Drive, Dallas, Texas, for the sum of \$7,000.00 cash, and it is the opinion that such sale would be advantageous to the University; and

WHEREAS, the Board of Regents of The University of Texas has been requested to join in the conveyance of the above-described property to the proposed purchaser;

NOW, THEREFORE, BE IT RESOLVED that the Chairman of the Board of Regents of The University of Texas, for and on behalf of the Board of Regents of The University of Texas, be and he is hereby authorized and directed to join in the execution of the deed of conveyance of the above-described property and that the Secretary of the Board attest such deed and affix the common seal.

Adoption of Report. -- Upon motion of Mr. Madden, seconded by Mr. McNeese, the foregoing report of the Land and Investment Committee, which includes Attachment No. 1 as amended and the additional items as set out above, was adopted. Attachment No. 1, Pages L-1 through L-26, is appended following Page 38 of the minutes and is made a part of the minutes.

REPORT OF MEDICAL AFFAIRS COMMITTEE. -- Committee Chairman Bryan reported that the heads of the medical institutions and the dental institution were present and discussed matters in general affecting their respective units. No specific items had been approved for the agenda of this committee, and no action was taken on any items other than those overlapping items reported by other committees as set forth below.

1. 1961-70 Development Plan for Southwestern Medical School. -- This is reported on Page 2 as a part of the Committee of the Whole and will be considered at the next meeting by that Committee.
2. Medical Branch
 - a. The appointment of Doctor Raymond Gregory as Chairman of the Department of Internal Medicine. This will be reported in a subsequent docket.
 - b. Confirmation of application to and acceptance of grant from The Sealy and Smith Foundation in the amount of \$180,000 for remodeling Wards 3A, 3B, 4C, and 9A, John Sealy Hospital. This is reported as a part of the Buildings and Grounds Committee on Page 25.

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3. System-wide. --The Medical Affairs Committee adopted a policy re certification of degree candidates which is reported as a part of the Committee of the Whole on Page 6.

Adoption of Report. --Upon motion of Mr. Bryan, seconded by Vice-Chairman Heath, the Board received and approved the foregoing report of the Medical Affairs Committee.

REPORT OF BOARD FOR LEASE OF UNIVERSITY LANDS. --Mr. Madden reported that the Board for Lease of University Lands is presently rewriting the Oil and Gas Lease form. He indicated, however, that it will be some time before the revision of this form is actually completed.

OTHER MATTERS

BOARD OF TRUSTEES, SOUTHWEST TEXAS EDUCATIONAL TELEVISION COUNCIL: RESIGNATION OF DR. MERTON M. MINTER. -- It is reported for the record that Doctor Merton M. Minter has submitted his resignation as a member of the Board of Trustees of the Southwest Texas Educational Television Council, effective immediately.

DELEGATION OF AUTHORITY TO SIGN FOR CHANCELLOR. -- Upon request of Chancellor Ransom under date of April 13, the Board approved by mail ballot that effective immediately until withdrawn, (1) J. C. Dolley be authorized to act for the Chancellor during his occasional absences from the office on all matters (including authority to sign for the Chancellor) requiring approval of the Chancellor and which cannot be deferred until the Chancellor's return, and (2) Vice-Chancellor Cox have the same authority to act for the Chancellor in the absence of both the Chancellor and Vice-Chancellor Dolley.

Upon motion of Vice-Chairman Heath, seconded by Mr. McNeese, the Board ratified this delegation of authority as set out above.

SCHEDULED MEETINGS OF THE BOARD. -- Upon motion of Mr. Redditt, seconded by Mr. Bryan, the Board set a special meeting on July 11, 1961, at 2:00 p. m. in the Driskill Hotel for the purpose of transacting such business that may come before said Board, including the following:

The adoption of a resolution authorizing the issuance of \$6,000,000 Board of Regents of The University of Texas Permanent University Fund Bonds, Series 1961, dated July 1, 1961, for the purpose of constructing, equipping or acquiring buildings or other permanent improvements for The University of Texas system;

The consideration of bids for the sale of such bonds and the adoption of such resolutions or other proceedings relating thereto as may be deemed to be necessary or advisable; and

The adoption of such other resolutions and proceedings and the taking of such action in connection with the issuance and sale of said bonds as may be deemed to be necessary or advisable.

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It was agreed that after the Appropriation Bill has passed the 57th Legislature, the Secretary should poll the members of the Board as to the next regular meeting.

APPROVAL OF MINUTES: (1) REGULAR MEETING, MARCH 18, 1961, (2) SPECIAL MEETING, APRIL 7, 1961. -- Upon motion of Mr. Madden, seconded by Mr. Brennan, the minutes of the regular meeting of the Board of Regents held in Austin on March 18, 1961, were approved in the form as circulated by the Secretary.

It was moved by Mr. Madden, seconded by Mr. Brennan, and adopted that the minutes of the special meeting of the Board held in Austin on April 7, 1961, be approved as corrected and entered in the Official Record, Volume VIII, Pages _____. (See Page 2.)

ITEM FOR THE RECORD. -- In order to complete the record on the allocation of income from The William Buchanan Foundation Grant, the following is incorporated in this set of minutes as a matter of information: (See Page _____, Permanent Minutes, Volume VIII.)

Allocation of Buchanan Foundation Income Accrued Prior to July 1, 1961. -- At the Regents' Meeting of February 18, 1961, the Board approved establishment of "The William Buchanan Professorship in Pediatrics" at Southwestern Medical School and starting July 1, 1961, allocated the entire annual income from the Buchanan Foundation Grant for this purpose.

Unallocated income which will have accrued prior to July 1, 1961, will total \$24,062.50. Pursuant to recommendation of the University committee (the Chancellor, Dean of Southwestern Medical School, Executive Dean of Medical Branch, Dean of Postgraduate School of Medicine), the Buchanan Foundation Board of Trustees has approved allocation of:

\$ 2,000.00 to Postgraduate School of Medicine for expenses of the Hill Country Seminar on Pediatrics, held in Hunt, Texas, August, 1960.

\$22,062.50 to Medical Branch for Laboratory remodeling and equipment in the Department of Pediatrics.

\$24,062.50

Previous allocations of income from this grant are detailed below. All have been approved by the Foundation Trustees. The financial transactions are summarized now for information of the Board of Regents and for the official records.

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Account #81805 - Buchanan Foundation Grant
Current Restricted Funds - Central Administration

	<u>Received</u>	<u>Transferred</u>	<u>Balance</u>
1956 Grant Principal	\$500,000.00		\$500,000.00
1957 Income (via Endowment Fund Transfer)	9,884.51		9,884.51
Expenses - Registration of U. S. Treasury Bonds		\$ 9.88	9,874.63
1958 Income (Current Rest. Funds)	20,296.17		30,170.80
Transfer - Southwestern Medical School		10,000.00	20,170.80
1959 Income	17,500.00		37,670.80
Transfer - Southwestern Medical School		28,000.00	9,670.80
1960 Income	17,500.00		27,170.80
Transfer - Southwestern Medical School for Electron Microscope		18,420.80	8,750.00
TOTAL TO DATE	\$ 65,180.68	\$56,430.68	\$ 8,750.00

RESOLUTION TO RETIRING REGENTS (MRS.) DEVALL, JOHNSON, AND MINTER. -- Below is a letter of appreciation from the hold-over Regents to the retiring Regents (Mrs. Charles Devall, Mr. J. Lee Johnson, III, and Merton M. Minter, M. D., Chairman), as authorized at the meeting on March 18, 1961.

Mrs. Charles Devall
Mr. J. Lee Johnson, III
Dr. Merton M. Minter

April 26, 1961

Dear Lyde, Merton and Lee:

We must say simply that we miss you and that our tenure on the Board with you has been a rewarding and gratifying experience. We are anxious to continue our friendship and we are determined not to let the great distances of our State and the complicated whirl of our existence disrupt such a valuable possession. As our colleagues, on the Board of Regents, each of you has impressed us with your individual talents, abilities and contributions and since all of you are very much alive, "We have come to praise Caesar."

As ladies always come first, we must speak of our charming, gracious, Titian-haired friend, from the hills of East Texas. Lyde, we are very conscious of how much we will miss your shy, almost diffident speeches and the value of having the benefit of a woman's intuition. We also know that many others in the University system will feel the loss of a determined, loyal and well informed champion.

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And, Merton, as a member we not only remember you as a conscientious and dedicated worker but also as our best storyteller. During the last two years we have seen your talents as a leader develop and the result must be as gratifying to you as it has been to us. You have directed with consummate skill the affairs of the Board and to a large extent the destiny of the University.

Lee, we are all going to miss that wonderful laugh and many other characteristics that we admired--the considered wisdom of your decisions and the steadfast adherence to your convictions. We feel that we are losing a bit of Texas. You are right for size, the locale is perfect, and your heritage runs deep.

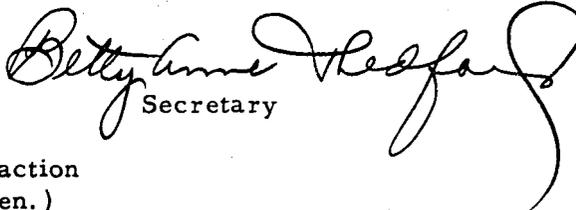
To each of you--good cheer, and the hope of an interesting vital and challenging future.

Very truly yours,

Thornton Hardie
W. W. Heath
J. P. Bryan
Wales H. Madden, Jr.
A. G. McNeese, Jr.
Joe C. Thompson

The Board of Regents
The University of Texas

ADJOURNMENT. --The Board adjourned at 10:20 a. m.


Secretary

(Minutes developed from action
recorded by Mrs. Jacobsen.)

AUSTIN, TEXAS
Bids Opened: 2:30 P.M., Thursday, May 4, 1961

GENERAL CONTRACT

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate No. G-1 Add</u>	<u>Alternate No. G-2 Add</u>	<u>Alternate No. G-3 Add</u>	<u>Amount Included In Base Bid For</u>	
					<u>Steam Tunnel</u>	<u>Cooling Tower Basin</u>
Eitze-Kitchens Construction Company Austin, Texas	\$958,000.00	\$ 85,000.00	\$66,000.00	\$21,000.00	\$90,000.00	\$ 960.00
J. C. Evans Construction Company, Inc. Austin, Texas	819,662.00	80,100.00	70,500.00	8,000.00	48,500.00	1,200.00
Farnsworth & Chambers Co., Inc. Houston, Texas	883,498.00	84,500.00	63,750.00	17,232.00	39,517.00	1,000.00
Thomas Hinderer General Contractor Austin, Texas	975,275.00	95,000.00	82,000.00	25,000.00	35,000.00	500.00
B. L. McGee Construction Company Austin, Texas	797,000.00	81,790.00	59,444.00	20,080.00	45,000.00	1,500.00
J. M. Odcom Construction Co. Austin, Texas	824,000.00	91,000.00	64,600.00	12,300.00	43,000.00	800.00
Wohlfeld Construction Co. Dallas, Texas	960,739.00	101,687.00	67,997.00	19,147.00	50,000.00	500.00

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

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BIDS ON ART BUILDING AND MUSEUM (CONTINUED)

PLUMBING CONTRACT

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate No. P-1 Add</u>	<u>Alternate No. P-2 Add</u>	<u>Amount Included In Base Bid For</u>	
				<u>Steam Tunnel</u>	<u>Cooling Tower Basin</u>
F. and S. Company	\$73,947.00	\$6,277.00	\$ 892.00	\$ --	\$337.00
Fox-Schmidt	60,888.00	3,999.00	1,446.00	50.00	120.00
C. G. Puryear	68,700.00	3,900.00	1,100.00	250.00	120.00
Porter Plumbing & Heating Company	56,487.00	3,956.00	1,215.00	50.00	215.00

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

All of the bidders are located in Austin, Texas

HEATING, VENTILATING, AND AIR CONDITIONING CONTRACT

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate No. HVA-1 Add</u>	<u>Alternate No. HVA-2 Add</u>	<u>Amount Included In Base Bid For</u>	
				<u>Steam Tunnel</u>	<u>Cooling Tower</u>
H. L. Arnold Co., Inc.	\$256,798.00	\$28,410.00	\$ 7,896.00	\$27,000.00	\$15,000.00
F. and S. Company	244,780.00	26,762.00	8,309.00	22,683.00	18,065.00
Industrial Contractors, Inc.	253,000.00	25,477.00	10,423.00	17,200.00	14,200.00
Way Engineering Co., Inc.	228,400.00	19,194.00	10,841.00	23,559.00	13,384.00
Young and Pratt	246,252.00	19,500.00	10,690.00	25,640.00	11,400.00

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.

All of the bidders are located in Austin, Texas

BIDS ON ART BUILDING AND MUSEUM (CONTINUED) 5-13-61

COMBINATION PLUMBING, HEATING, VENTILATING, AND AIR CONDITIONING CONTRACT

Contractor	Base Bid	Alternate No. P-HVA-1 Add	Alternate No. P-HVA-2 Add	Amount Included In Base Bid For	
				Steam Tunnel	Cooling Tower Basin
E. Farrow Co. Dallas, Texas	\$310,980.00	\$26,800.00	\$ 8,425.00	\$24,500.00	\$23,500.00
G. Farrell Co. Dallas, Texas	280,900.00	23,690.00	11,190.00	38,353.00	8,043.00
Industrial Contractors, Dallas, Texas	312,800.00	28,900.00	11,900.00	17,700.00	14,400.00
Lang and Pratt Dallas, Texas	311,450.00	24,000.00	12,000.00	25,800.00	11,650.00
Engineering Co., Dallas, Texas	289,900.00	23,193.00	12,287.00	23,609.00	13,504.00

All of the bidders submitted with their bids a bidder's bond in the amount of 5% of total bid.

ELEVATOR CONTRACT

<u>Contractor</u>	<u>Base Bid</u>	<u>Bond or Certified Check</u>
B. F. Johnson Elevator Company, Inc. Waco, Texas	\$28,700.00	\$1,500.00 Bond
Hunter-Hayes Elevator Co. Austin, Texas	30,920.00	5% Bond
Otis Elevator Company Dallas, Texas	29,641.00	1,500.00 Check

<u>Contractor</u>	<u>Base Bid</u>	<u>Alternate No. E-1 Add</u>	<u>Alternate No. E-2 Add</u>	<u>Alternate No. E-3 Add</u>	<u>Alternate No. E-4 Add</u>	<u>Alternate No. E-5 Add</u>
O. H. Cummins Electric Co.	\$168,794.00	\$10,932.00	\$ 9,960.00	\$ 6,102.00	\$146.00	\$4,533.00
Fox-Schmidt	181,610.00	12,572.00	10,706.00	9,070.00	115.00	6,713.00
Grimes Electric Co. of Austin, Inc.	162,495.00	10,116.00	9,623.00	6,968.00	135.00	6,414.00
W. K. Jennings Electric Co., Inc	164,750.00	9,614.00	8,919.00	14,119.00	248.00	3,480.00
Dean Johnston, Inc.	160,829.00	10,927.00	11,034.00	6,509.00	173.00	6,728.00
Walter A. Tew Electric	177,900.00	12,450.00	9,930.00	7,635.00	150.00	7,000.00
Seco Smith Electric Co.	147,390.00	10,960.00	9,142.00	6,371.00	294.00	5,942.00

<u>Contractor</u>	<u>Alternate No. E-6 Add</u>	<u>Alternate No. E-7 Add</u>	<u>Alternate No. E-8 Add</u>	<u>Amount Included In Base Bid For</u>	
				<u>Steam Tunnel</u>	<u>Cooling Tower</u>
O. H. Cummins Electric Co.	\$2,163.00	\$ 2,213.00	\$1,149.00	\$375.00	\$260.00
Fox-Schmidt	2,808.00	12,892.00	4,181.00	327.00	801.00
Grimes Electric Co. of Austin, Inc.	2,121.00	9,570.00	3,959.00	695.00	280.00
W. K. Jennings Electric Co., Inc	2,434.00	7,532.00	3,384.00	832.00	333.00
Dean Johnston, Inc.	2,691.00	10,462.00	4,046.00	830.00	295.00
Walter A. Tew Electric	2,125.00	10,800.00	3,850.00	550.00	320.00
Seco Smith Electric Co.	2,363.00	9,843.00	4,131.00	822.00	225.00

All bidders submitted with their bids a bidder's bond in the amount of 5% of the total bid.
 All of the bidders are located in Austin, Texas.

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ATTACHMENT NO. 1

PERMANENT UNIVERSITY FUND -- INVESTMENT MATTERS.--

Official Copy

REPORT OF PURCHASES, CALLS, SALES AND EXCHANGES OF SECURITIES.--The following purchases, calls, sales and exchanges of securities have been made for the Permanent University Fund since the meeting of March 17 1961. We ask that the Board ratify and approve these transactions:

PURCHASES OF SECURITIES

(1-6)

C-256.2
843

CORPORATE BONDS

Date of Purchase	Security	Par Value of Bonds Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
3/21/61	Southern Bell Telephone and Telegraph Company 4-3/8% Debentures, dated 3/1/61, due 3/1/98	\$ 500,000	101 Net	\$ 505,000.00	4.32%
3/22/61	Southwestern Public Service Company First Mortgage Bonds, 4-1/2% Series, dated 2/1/61, due 2/1/91	250,000	100 Net	250,000.00	4.50
3/23/61	Atlantic City Electric Company First Mortgage Bonds, 4-1/2% Series, dated 3/1/61, due 3/1/91	250,000	102-1/4 Net	255,625.00	4.365
3/24/61	Alabama Power Company First Mortgage Bonds, 4-1/2% Series, dated 3/1/61, due 3/1/91	250,000	101.656 Net	254,140.00	4.40
4/5/61	Southern California Edison Company First & Refunding Mortgage Bonds, Series N, 4-1/2%, dated 4/1/61, due 4/1/86	500,000	101.203 Net	506,015.00	4.42
4/6/61	The Flintkote Company 4-5/8% Sinking Fund Debentures, dated 4/1/61, due 4/1/81	500,000	100.375 Net	501,875.00	4.596
4/12/61	New England Telephone & Telegraph Company 4-5/8% Debentures, dated 4/1/61, due 4/1/99	500,000	101 Net	505,000.00	4.57
4/14/61	Minneapolis-Honeywell Regulator Company 4-1/2% Sinking Fund Debentures, dated 4/15/61, due 4/15/86	500,000	100.50 Net	502,500.00	4.46
4/19/61	United States Steel Corporation 4-1/2% Sinking Fund Debentures, dated 4/15/61, due 4/15/86	500,000	99.25 Net	496,250.00	4.55
Total Corporate Bonds Purchased		<u>\$3,750,000</u>		<u>3,776,405.00</u>	<u>4.47</u>

PREFERRED STOCKS

Date of Purchase	Security	No. of Shares Purchased	Price	Total Cost	Yield
3/10,13,14,15,16 & 22/61	R. J. Reynolds Tobacco Company Preferred Stock, 3.60% Series	1,000	84 (800) 83-3/4(100) 84-1/4(100)	\$ 84,474.01	4.26%

*Includes brokerage commissions paid.

**Yield to maturity on bonds; yield at present indicated dividend rate for stocks.

COMMON STOCKS

<u>Date of Purchase</u>	<u>Security</u>	<u>No. of Shares Purchased</u>	<u>Market Price at Which Purchased</u>	<u>Total Principal Cost*</u>	<u>Indicated Current Yield on Cost**</u>
3/2/61	Armstrong Cork Company Common Stock	400	56-1/4(200) 56 (200)	\$ 22,628.46	2.83%
3/2/61	McGraw-Edison Company Common Stock	600	38-1/2(200) 38-3/8(200) 38-1/4(200)	23,254.14	3.61
3/2/61	Republic Steel Corporation Common Stock	400	63-7/8(200) 63-3/4(200)	25,706.54	4.67
3/2/61	Socony Mobil Oil Company, Inc. Capital Stock	500	45	22,707.50	4.40
3/3/61	The Cincinnati Gas & Electric Company Common Stock	600	41-1/2	25,138.50	3.58
3/3/61	Philadelphia Electric Company Common Stock	400	58-3/4	23,679.52	4.05
3/6/61	Baltimore Gas & Electric Company Common Stock	800	30-3/8(600) 30-1/4(200)	24,548.40	3.26
3/6/61	General American Transportation Corporation Common Stock	300	85-1/2	25,792.65	2.62
3/7/61	Corn Products Company Common Stock	200	91	18,296.20	2.62
3/7/61	E. I. du Pont de Nemours & Company Common Stock	100	213-1/4	21,385.33	3.16
3/7/61	Chas. Pfizer & Co., Inc. Common Stock	800	33-3/4(100) 33-1/4(200) 33 (100) 32-7/8(400)	26,759.40	2.39
3/8/61	The Chase Manhattan Bank Capital Stock	100	68-3/4 Net	6,875.00	3.64
3/8/61	Hartford Fire Insurance Company Capital Stock	200	67-1/2 Net	13,500.00	1.63
3/8/61	The First National Bank of Boston Capital Stock	100	80 Net	8,000.00	3.75
3/10/61	American Electric Power Company, Inc. Common Stock	300	63-1/4	19,110.99	2.95
3/10/61	The Atchison, Topeka & Santa Fe Railway Company Common Capital Stock	1,100	24-1/4(100) 24-1/8(1000)	26,891.73	5.93
3/13/61	National Biscuit Company Common Stock	400	81-1/4(200) 81 (200)	32,638.46	3.43
3/13/61	Wisconsin Electric Power Company Common Stock	500	43-7/8	22,142.20	4.06

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
3/14/61	American Telephone & Telegraph Company Capital Stock	575	86 plus 20 rights	\$ 49,450.00	4.19%
3/14/61	Caterpillar Tractor Company Common Stock	600	34-3/8	20,842.14	2.88
3/14/61	Marine Midland Corporation Common Stock	300	26-3/4	8,122.14	3.69
3/14/61	United States Steel Corporation Common Capital Stock	300	84-3/8	25,454.82	3.54
3/15/61	The Goodyear Tire & Rubber Company Common Stock	700	37-3/8(500) 37-1/4(200)	26,401.21	2.39
3/15/61	Johns-Manville Corporation Common Stock	300	67-1/2	20,387.25	2.94
3/16/61	Union Carbide Corporation Common Stock	200	128-1/2(100) 127-3/4(100)	25,728.63	2.80
3/16, 17 & 21/61	Standard Oil Company (New Jersey) Capital Stock	500	44-1/2(100) 44-1/8(100) 44-7/8(100) 44-3/4(100) 45-3/4(100)	22,607.01	4.98
3/16, 20 & 21/61	Texas Utilities Company Common Stock	300	92-1/2(100) 96-1/2(100) 95-7/8(100)	28,632.99	2.18
3/20/61	The Lincoln National Life Insurance Company Capital Stock	100	117 Net	11,700.00	0.68
3/20/61	Republic National Bank of Dallas Common Capital Stock	200	67-1/4 Net	13,450.00	2.50
3/23/61	Addressograph-Multigraph Corporation Common Stock	300	83-1/2	25,192.05	1.07
3/23/61	General Foods Corporation Common Stock	300	81-3/4	24,666.54	1.70
3/23/61	Scott Paper Company Common Stock	200	105-1/8	21,124.02	2.08
3/24/61	General Electric Company Common Stock	400	65-1/8	26,232.04	3.05
3/24/61	United States Gypsum Company Common Stock	300	112-1/2	33,900.75	2.65
3/27/61	Ohio Edison Company Common Stock	700	38-3/4(200) 38-1/2(100) 38-1/8(400)	27,117.25	3.82
3/27/61	Phillips Petroleum Company Common Stock	400	58-7/8(200) 58-1/2(200)	23,654.48	2.87

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
4/4/61	Public Service Company of Indiana, Inc. Common Stock	400	55-1/2	\$ 22,378.20	3.93%
4/5/61	American Home Products Corporation Capital Stock	100	199-3/4	20,033.98	2.10
4/5/61	Corning Glass Works Common Stock	100	192	19,258.20	1.04
4/5 & 6/61	Household Finance Corporation Common Stock	600	43 (200) 44-1/2(400)	26,646.00	2.70
4/10/61	Bank of America National Trust & Savings Association Common Capital Stock	200	56 Net	11,200.00	3.57
4/10/61	The Detroit Edison Company Capital Stock	500	54-7/8	27,659.95	3.98
4/11/61	Central & South West Corporation Common Stock	600	39-7/8	24,158.64	2.53
4/11/61	The Coca-Cola Company Common Stock	300	89-3/4	27,068.94	2.66
4/13/61	Continental Illinois National Bank & Trust Company of Chicago Common Capital Stock	100	135 Net	13,500.00	2.96
4/13/61	Insurance Company of North America Capital Stock	100	88-1/4	8,872.83	2.03
4/13/61	United States Steel Corporation Common Capital Stock	300	89-1/4	26,918.79	3.34
4/13, 14 & 17/61	Johns-Manville Corporation Common Stock	400	69-1/2(100) 71-1/4(100) 71 (100) 71-1/8(100)	28,471.79	2.81
4/14/61	R. J. Reynolds Tobacco Company Common Stock	200	116-3/4(100) 116-1/2(100)	23,426.33	2.22
4/14/61	Sears, Roebuck & Company Common Stock	400	59-3/8(200) 59-1/4(100) 58-3/4(100)	23,854.69	2.35
4/14 & 17/61	Westinghouse Electric Corporation Common Stock	500	42-3/4(300) 42-1/2(200)	21,526.64	2.79
4/17/61	Ohio Edison Company Common Stock	600	39-3/4(300) 39-1/2(200) 39-3/8(100)	23,995.33	3.70
4/17/61	Pacific Gas & Electric Company Common Stock	300	77-1/8(200) 77 (100)	23,265.12	3.61
4/19/61	Ford Motor Company Common Stock	300	82	24,741.60	3.64
4/19/61	Monsanto Chemical Company Common Stock	500	45-5/8	23,021.55	2.17

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

COMMON STOCKS (Continued)

Date of Purchase	Security	No. of Shares Purchased	Market Price at Which Purchased	Total Principal Cost*	Indicated Current Yield on Cost**
4/20/61	Bankers Trust Company (New York, N. Y.) Capital Stock	200	56 Net	\$ 11,200.00	3.52%
4/20/61	The First National City Bank of New York Capital Stock	100	84-1/8 Net	8,412.50	3.57
	Total Common Stocks Purchased	<u>21,275</u>		<u>1,263,329.42</u>	<u>3.10</u>
	TOTAL CORPORATE SECURITIES PURCHASED			<u>\$5,124,208.43</u>	<u>4.13%</u>

*Includes brokerage commissions paid.

**Yield at present indicated dividend rate.

CALL OF CORPORATE SECURITIES

Date Called	Security	Net Proceeds
4/21/61	\$500,000 par value Southern Bell Telephone and Telegraph Company 5-1/2% Debentures, dated 10/1/59, due 10/1/94, called at 108.36% plus accrued interest (Gain on call over book value \$30,479.68) (Total holding called)	\$541,800.00
5/1/61	\$37,000 par value Alabama Power Company First Mortgage Bonds, 5% Series, dated 4/1/60, due 4/1/90, called at 100.309% plus accrued interest (Gain on call over book value \$3.60) (\$213,000 par value not called)	37,114.33
5/12/61	\$250,000 par value New England Telephone and Telegraph Company 5-3/4% Debentures, dated 9/1/59, due 9/1/94, called at 107.40% plus accrued interest (Gain on call over book value \$13,939.98) (Total holding called)	268,500.00

SALE OF CORPORATE SECURITIES

Date Sold	Security Sold	Net Sales Proceeds
3/6/61	375/1000ths fractional interest in share of National Bank of Detroit Common Capital Stock received in 12-1/2% stock dividend	\$ 22.24#
3/6/61	34/40ths fractional interest in share of Marine Midland Corporation Common Stock received in 2-1/2% stock dividend	22.44#
4/4/61	14/50ths fractional interest in share of The First National City Bank of New York Capital Stock received in 2% stock dividend	23.78#
4/10/61	50/100ths fractional interest in share of Public Service Company of Colorado Common Stock received in 5% stock dividend	35.51#
4/19/61	88/100ths fractional interest in share of Mellon National Bank and Trust Company Capital Stock received in 2% stock dividend	149.60#

#Cash received deposited to principal endowment and holding of stock involved written down by the same amount.

SALE OF CORPORATE SECURITIES (Continued)

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<u>Date Sold</u>	<u>Security Sold</u>	<u>Net Sales Proceeds</u>
4/19/61	40/50ths fractional interest in share of Kimberly-Clark Corporation Common Stock received in 2% stock dividend	\$ 70.40#
4/24/61	28/100ths fractional interest in a share of The Chase Manhattan Bank Capital Stock received in 4% stock dividend	19.81#
3/6 & 7, 4/7, 10, 11, 12, 14, 17 & 20/61	3,600 Shares Link-Belt Company Common Stock, sold 2,300 at 56, 1,000 at 56-1/4 and 300 at 56-1/2 (Gain on sale over book value \$889.26)	200,165.06

#Cash received deposited to principal endowment and holding of stock involved written down by the same amount.

SALES AND EXCHANGES OF U. S. TREASURY SECURITIES

C-25 b.7

<u>Date</u>	<u>Description</u>	<u>Book Value New Securities</u>
	Following U. S. 2-3/4% Treasury Bonds, Investment Series B, due 4/1/80-75, switched into marketable 1-1/2% Treasury Notes, due 10/1/65, which were sold and the proceeds used to purchase like par amounts of U. S. 3-1/4% Treasury Bonds, due 5/15/85, with principal adjustments as indicated:	
3/21/61	\$2,000,000 par value, principal cash adjustment paid to University in amount of \$10,000.00	\$1,999,950.34
3/22/61	\$2,000,000 par value, principal cash adjustment paid to University in amount of \$10,000.00	1,999,950.34
3/29/61	\$500,000 par value, principal cash adjustment paid to University in amount of \$3,125.00	499,276.80

C-25 b.16

PERMANENT UNIVERSITY FUND INVESTMENT PROGRAM - PROPOSED CONTINUATION OF INVESTMENT ADVISER SERVICES OF LIONEL D. EDIE & COMPANY, INC., FOR 1961-62 FISCAL YEAR.--The Staff Investment Committee is of the opinion that the advisory services of the Lionel D. Edie & Company, Inc., New York, N. Y., should be continued for the 1961-62 fiscal year. Accordingly, it is recommended by the Land and Investment Committee that the Endowment Officer be authorized to execute a renewal contract with the Edie firm for a period from September 1, 1961, through August 31, 1962, at the same annual rate of \$7,500.00 for the same services as currently being furnished, payable quarterly at the end of each quarter after performance of the work called for under the contract, as required by the State Comptroller.

2-25-63

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 rates, unless otherwise stated, are on the University's standard forms, with grazing leases carrying provision for renewal for an additional five years at negotiated terms. Payments for easements and caliche permits have been received in advance. All have been approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer. Approval of the applications and execution of the instrument involved by the Chairman of the Board or the Endowment Officer is recommended.

EASEMENTS:

No.	Grantee	Type of Permit	County	Location	Distance or Area	Period	Consideration
1559	Texas Electric Service Co.	Power Line	Crane	Secs. 7, 8, 17, Blk. 30; Secs. 4, 12, 13, 32, 38, 41, 46, 47, Blk. 31; Sec. 13, Blk. 35	2,012.13 rds.	3/1/61-2/28/71	\$1,006.07
			Ector	Secs. 1, 4, Blk. 35			
			Ward	Secs. 1, 11, 12, Blk. 16			
			Andrews	Sec. 1, Blk. 11			
1560	Texas Electric Service Co.	Power Line	Andrews	Secs. 13, 27, Blk. 1; Sec. 9, Blk. 2; Sec. 38, Blk. 5; Sec. 2, Blk. 8; Secs. 37, 47, 48, Blk. 9; Secs. 1, 12, 14, 36, Blk. 11; Secs. 10, 15, 20, 22, 37, Blk. 13; Secs. 7, 11, Blk. 14	1,682.06 rds.	2/1/61-1/31/71	841.03
1561	Texas-New Mexico Pipe Line Co.	Pipe Line	Andrews	Sec. 11, Blk. 14; Sec. 29, Blk. 12	483 rds. 4½ in.	2/1/61-1/31/71	241.50
1562	Texas-New Mexico Pipe Line Co.	Pipe Line	Crane	Secs. 9, 10, 18, 19, 29, 30, Blk. 30; Secs. 11, 12, 13, 14, 24, Blk. 31	3,203 rds. 4½ in.	11/1/60-10/31/70	1,601.50
1563	El. Paso Natural Gas Company	Pipe Line	Andrews	Secs. 31, 32, 33, Blk. 9	615.424 rds. 2-3/8 in.	4/1/61-3/31/71	153.86
1564	Ray Smith Crude Oil, Inc.	Tank Farm	Crane	Sec. 7, Blk. 30	Less than 1 acre	2/1/61-1/31/62*	50.00

*Renewable from year to year but not to exceed a period of 10 years.

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No.	Grantee	Type of Permit	County	Location	Distance or Area	Period	Consideration
1565	Shell Pipe Line Corporation	Pipe Line	Andrews	Secs. 16, 17, 19, 20, Blk. 1; Secs. 24-26, 33-35, 40-43, Blk. 9	3,159 rds. 8-in.	3/1/61-2/28/71	\$3,159.00
1566	Phillips Petroleum Company (Renewal of 484)	Pipe Line	Ector	Sec. 8, Blk. 35	140.4 rds. 6-5/8 in.	7/1/61-6/30/71	105.30
1567	Phillips Petroleum Company	Pipe Line	Andrews	Sec. 2, Blk. 11; Sec. 1, Blk. 13	144.2 rds. 3 $\frac{1}{2}$ in. 106.9 rds. 4 $\frac{1}{2}$ in.	4/1/61-3/31/71	89.50
1568	El Paso Natural Gas Company	Pipe Line	Andrews	Sec. 34, Blk. 1	241.970 rds. 10-3/4 in. 94.473 rds. 4 $\frac{1}{2}$ in.	4/1/61-3/31/71	289.21
1569	Sinclair Oil & Gas Company	Surface	Crockett	Sec. 21, Blk. 46	App. 5 acres	4/1/61-3/31/71	500.00
1570	Phillips Petroleum Co.	Pipe Line	Crane	Secs. 21, 22, 27, 28, 33, 39, 40, 45, Blk. 30	60.2 rds. 2-3/8 in. 232.5 rds. 3 $\frac{1}{2}$ in. 741.5 rds. 4 $\frac{1}{2}$ in. 233.0 rds. 6-5/8 in. 319.7 rds. 7-5/8 in. 793.0 rds. 8-5/8 in. 362.3 rds. 10-3/4 in.	5/1/61-4/30/71	2,093.70
1571	Warren Petroleum Corporation	Pipe Line	Crane	Secs. 3, 10, Blk. 31	377.4 rds. 6-5/8 in.	3/1/61-2/28/71	283.05
1572	Atlantic Pipe Line Company	Pipe Line	Ward	Secs. 2, 3, 9, Blk. 16	638.36 rds. 2-in.	4/1/61-3/31/71	159.59
1573	Texas Electric Service Co.	Power Line	Andrews Crane Ector Ward	Sec. 32, Blk. 9; Secs. 1, 16, 17, 21, Blk. 11; Secs. 15, 19, 22, 23, 28, Blk. 13 Secs. 29, 30, 31, Blk. 30; Sec. 13, Blk. 31 Sec. 4, Blk. 35 Secs. 3, 9, Blk. 16	1,041.47 rds.	4/1/61-3/31/71	520.74
1574	Phillips Petroleum Company (Renewal of 485)	Pipe Line	Andrews	Secs. 31, 41, 42, Blk. 13	556.3 rds. 4 $\frac{1}{2}$ in.	7/1/61-6/30/71	278.15

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No.	Grantee	Type of Permit	County	Location	Distance or Area	Period	Consideration
1575	Sinclair Oil & Gas Company (Renewal of 474)	Surface (Filter Tank)	Andrews	Sec. 26, Blk. 14	Approx. 2 acres	6/1/61-5/31/62*	50.00
1576	Sinclair Oil & Gas Company (Renewal of 475)	Pipe Line	Andrews	Blk. 13, 14	533 rds. 4-in. 806 rds. 5-in. 1,404 rds. 7- $\frac{1}{4}$ in. 126 rds. 9- $\frac{1}{4}$ in. 219 rds. 11- $\frac{1}{2}$ in.	6/14/61-6/13/62*	228.53
1577	Texas Highway Department (In connection with 527)	Channel	Ector	Sec. 10, Blk. 35 Sec. 9, Blk. 35	0.688 acres 0.918 acres	So long as used for highway purposes	-0-

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*Renewed only for one-year period since neither will be needed by company after that time.

CALICHE PERMITS:

No.	Grantee	County	Location	Quantity	Consideration
199	Gentry Construction Company, Inc.	Crane	Block 30	1,842 cu. yds.	\$460.50
200	B T A Oil Producers	Andrews	Block 9	500 cu. yds.	125.00
201	Weaver Construction Company	Andrews	Block 9	388 cu. yds.	97.00
202	T. B. Tripp and Sons	Crane	Block 30	508 cu. yds.	127.00

GRAZING LEASES:

New No.	Old No.	Lessee	County	Location	Acreage	Period	Annual Rate Per Acre	Semi-annual Payments January-July	Annual Payments
833	669	Jay Kerr & Sons	Hudspeth	Blocks, A,B,C	102,394.3	7/1/61-6/30/66	.15	\$ 7,679.57	\$15,359.14
834	670	J. E. Baylor	Hudspeth	Blks. J, K, L, M, N	164,692.1	7/1/61-12/31/65	.15	12,351.91	24,703.81
835	672	John Dublin, Jr.	Crockett	Blks. 38, 39, 41, 42	11,245.2	7/1/61-6/30/66	.42	2,361.49	4,722.98
836	673	H. G. Bedford & Son	Andrews	Blk. 11	9,709.88	7/1/61-6/30/66	.23	1,116.64	2,233.28
837	710	Mrs. Ray Dunlap	Crockett	Blk. 29	1,434	7/1/61-6/30/66	.50	358.50	717.00
838	711	W. E. Dunlap	Crockett	Blks. 29, 30	3,650	7/1/61-6/30/66	.50	912.50	1,825.00
839	712	Hayden Miles Estate	Andrews	Blks. 13, 14	13,521.9	7/1/61-6/30/66	.25	1,690.24	3,380.48

PIPE LINE EASEMENT NO. 640 - PARTIAL ASSIGNMENT TO SHELL PIPE LINE CORPORATION FROM SERVICE PIPE LINE COMPANY.--Permission has been requested for assignment to Shell Pipe Line Corporation of approximately 1,708.30 rods of 8-inch pipe line covered by Easement No. 640 granted to Service Pipe Line Company for the 10-year period May 1, 1954 through April 30, 1964. The easement covers 3,495.0 rods of 8-inch pipe line in Sections 2, 11, 12, 13, Block 9; Sections 18, 19, 20, 25, 28, 29, 31, 32, 38, Block 1; and Section 43, Block 13, all in Andrews County with full consideration at \$1.00 per rod paid by Service Pipe Line Company. The portion assigned is in the E/2 of Section 19, Block 1 and extends across Sections 20, 25, 28, 29, 31, 32 and 38, Block 1. The assignment is effective March 1, 1961. The fee of \$25 to the University has been forwarded to the Auditor and the \$1 filing fee will be forwarded to the Commissioner of the General Land Office with copy of the instrument. Approval is recommended.

PIPE LINE EASEMENTS NOS. 583 AND 822 - ASSIGNMENT TO NORTHERN NATURAL GAS COMPANY FROM PERMIAN BASIN PIPELINE COMPANY.--Permian Basin Pipeline Company, to which the two easements listed were issued, has merged with the parent company, Northern Natural Gas Company, effective December 30, 1960. Under the terms of the easements, approval must be secured from the Board of Regents for transfer or assignment. Such approval is recommended.

Easement No. 583 covers 6,872.83 rods of 20-inch pipe line and 4,871.88 rods of 30-inch pipe line at \$1.50 per rod in Upton, Pecos, Andrews and Martin Counties for the 10-year period August 1, 1953 through July 31, 1963.

Easement No. 822 covers 3,428.20 rods of 16-inch line at \$1.50 per rod in Andrews County for the 10-year period May 1, 1956 through April 30, 1966.

Two other easements issued to Permian Basin Pipeline Company, Nos. 1009 and 1529, after revision of the University's form eliminating the need for approval in a merger situation but requiring notification, will also be transferred to Northern Natural Gas Company.

Assignment fees of \$25 each for Easements Nos. 583 and 822 to the University and filing fees of \$1 each for all four easements for the General Land Office will be received.

PERMITS FOR PROSPECTING FOR POTASH AND ALLIED MINERALS, WITH OPTION TO LEASE TO B. R. GREATHOUSE, MIDLAND, TEXAS.--At the March, 1961 meeting of the Board of Regents, approval was given for execution of seven permits, with option to lease, granted to B. R. Greathouse of Midland, Texas, upon terms and conditions set forth at that time. By agreement between the attorneys for the University and for Mr. Greathouse, a few minor changes were made in the form as submitted, together with correction of some acreage figures to conform with Frank Friend field notes. The permits dated March 1, 1961, have now been signed by the Chairman of the Board of Regents, after approval as to form by the Land and Trust Attorney and as to content by the Endowment Officer. The acreage, location and permit fee for each of the seven permits is as follows:

Permit No. 1 - Covering 4,480 acres in Crane County, Block 30, Sections 1, 2, E/2 of 3, 11, 12, 13, E/2 of 14, 24 - \$1,120.00

Permit No. 2 - Covering 1,943.15 acres in Ector and Crane Counties, Block 35 (incorrectly listed as 39 in March, 1961 docket), Sections E/2 of 5, E/2 of 6, 10, W/2 of 11, E/2 of 12 - 485.79

Permit No. 3 - Covering 11,588.10 acres in Andrews County, Block 1, Sections 27, 31-37, inclusive; Block 9, Sections 24-27 inclusive, E/2 of 34, 35-38 inclusive, E/2 of 39, 48 -	\$2,897.03
Permit No. 4 - Covering 2,982.30 acres in Andrews County, Block 10, Sections 21, W/2 of 22, W/2 of 27, 28, 33, W/2 of 34 -	745.58
Permit No. 5 - Covering 5,766.3 acres in Ward and Winkler Counties, Block 17, Sections 9-12, inclu- sive; Winkler County, Block 21, Sections 38, 39, 45, 46, 47	1,441.58
Permit No. 6 - Covering 3,844.2 acres in Winkler County, Block 21, Sections 2, 3, 4, 9, 10, 11	961.05
Permit No. 7 - Covering 5,577.3 acres in Loving County, Block 19, Sections 2-10, inclusive	<u>1,394.33</u>
	<u>\$9,045.36</u>

Each permit provides for deposit by Permittee with the University, within 30 days of date of permit, of \$500 to guarantee performance of Permittee's obligations. Since some time was necessary for completion of the papers, the Permittee, with express permission of the University staff, withheld these deposits past the 30 days until the instruments had been executed on behalf of the University. Total deposits of \$3,500 were received on April 17, and it is recommended that the Board of Regents approve and confirm the waiver of time to that date.

PERMANENT UNIVERSITY FUND--BOND MATTERS.--

71 13506.3

AUTHORIZATION TO REQUEST BIDS FOR \$6,000,000 BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PERMANENT UNIVERSITY FUND BONDS, SERIES 1961, AND RELATED MATTERS.--From a study of anticipated needs and bond proceeds still unexpended, it has been determined by the Vice Chancellor (Fiscal Affairs), and approved by the Chancellor, that the amount of the issue of Permanent University Fund Bonds, Series 1961, should be \$6,000,000. It is, therefore, recommended that the Endowment Officer be authorized to advertise for bids for sale of the bonds, printing of the bonds, and paying agency fees, and to take such other necessary steps for the issuance of the bonds, bids to be opened on or about July 11, 1961 with award by the Board of Regents at a special meeting on the afternoon of that same day.

It is further recommended that the Chairman of the Board of Regents be authorized to execute an agreement with the firm of Vinson, Elkins, Weems & Searls of Houston to serve as bond counsel for the 1961 Series, as approved at the March, 1961 meeting of the Board. The fee proposed by that firm, in line with that for the 1960 Series, is \$5,000 for an issue of \$5,000,000 plus \$.50 per bond in excess of \$5,000,000, making the fee \$5,500 plus out of pocket expenses for the \$6,000,000 issue.

REPORT OF PURCHASES, SALES AND EXCHANGE OF SECURITIES.--The following purchases, sales and exchange of securities have been made for the Trust and Special Funds since the meeting of March 17, 1961. We ask that the Board ratify and approve these transactions:

PURCHASE OF SECURITIES

<u>Date</u>	<u>Security</u>	<u>Principal Cost</u>
3/24/61	\$20,000 maturity value United States Treasury 182-Day Bills, dated 2/23/61, due 8/24/61, at 99.08945 to yield 2.20% (Estate of Lila Belle Etter)	\$19,817.89
	\$13,000 par value United States 4-5/8% Treasury Notes of Series A-1965, dated 5/15/60, due 5/15/65, at 104.21875 Net to yield 3.55% to maturity (Texas Western College - Student Union Revenue Bonds, Series 1957, Bond and Interest Sinking Fund)	13,548.44
	100 Shares Allied Chemical Corporation Common Stock, purchased at 59-3/8	5,982.44
	200 Shares The Detroit Edison Company Capital Stock, purchased at 55	11,089.00
	300 Shares Potomac Electric Power Company Common Stock, purchased at 40-5/8	12,305.43
	100 Shares Public Service Company of Indiana, Inc. Common Stock, purchased at 58-1/2	5,894.85
	200 Shares Wisconsin Electric Power Company Common Stock, purchased at 44-3/4 (Funds Grouped for Investment)	9,032.76
4/19/61	\$9,000 par value Austin National Bank 3% Time Certificate of Deposit, due in sixteen months, dated 4/24/61, due 8/24/62 (Texas Veterans of World War II Memorial Scholarship)	9,000.00
4/19 & 20/61	300 Shares Southern California Edison Company Common Stock, 100 purchased at 68-7/8 and 200 purchased at 68-3/4 (Hogg Foundation: W. C. Hogg Estate Fund)	20,775.15
4/24/61	56/100ths fractional interest in share of The Chase Manhattan Bank Capital Stock to complete extra share received in 4% stock dividend (Hogg Foundation: W. C. Hogg Estate Fund)	39.62
	\$7,000 par value United States 3-1/2% Treasury Bonds of 1998, dated 10/3/60, due 11/15/98, purchased at 94:12 Net (94.375) to yield 3.78% to maturity (Student Property Deposit Scholarship Fund)	6,606.25
	50 Shares Public Service Electric & Gas Company Common Stock, purchased at 52-1/2 (Littlefield Fund for Southern History - First Fund)	2,655.13
	100 Shares Socony Mobil Oil Company, Inc. Capital Stock, purchased at 44-1/2 (The James W. McLaughlin Fellowship Fund - Reserve for Depletion)	4,491.25
4/26/61	\$50,000 par value Austin National Bank 2-1/2% Time Certificate of Deposit, due in four months, dated 4/26/61, due 8/25/61 (Engineering Foundation - Various Donors - Unallotted)	50,000.00

SALE OF SECURITIES

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Date	Security	Net Proceeds
3/14/61	2/50ths fractional interest in a share of Radio Corporation of America Common Stock received in 2% stock dividend (Hogg Foundation: W. C. Hogg Estate Fund)	\$ 2.32
3/29/61	366 rights to subscribe for American Telephone & Telegraph Company Capital Stock (Funds Grouped for Investment)	458.03
	1,229 rights Ditto (Hogg Foundation: W. C. Hogg Estate Fund)	1,538.04
	300 rights Ditto (Hogg Foundation: Varner Properties)	375.44
	185 rights Ditto (Henry Beckman Scholarship in Mathematics for University of Texas First-year Students)	231.52
	168 rights Ditto (Joseph Lindsey Henderson Textbook Collection Endowment Fund)	210.24
	81 rights Ditto (The James W. McLaughlin Fellowship Endowment Fund - Medical Branch)	101.37
	299 rights Ditto (The James W. McLaughlin Fellowship Fund - Reserve for Depletion - Medical Branch)	374.19
	200 rights Ditto (University Cancer Foundation - M. D. Anderson Hospital and Tumor Institute)	250.29
4/4/61	4/50ths fractional interest in a share of The First National City Bank of New York Capital Stock received in 2% stock dividend (Funds Grouped for Investment)	6.79
	27/50ths fractional interest Ditto (Hogg Foundation: W. C. Hogg Estate Fund)	45.86
	6/50ths fractional interest Ditto (Hogg Foundation: Varner Properties)	10.19
	1/50th fractional interest Ditto (The William Orville Bullington Memorial Fund - Medical Branch)	1.70
4/19/61	4/50ths fractional interest in a share of Kimberly-Clark Corporation Common Stock received in 2% stock dividend (Hogg Foundation: Varner Properties)	7.04
4/24/61	16/100ths fractional interest in a share of The Chase Manhattan Bank Capital Stock received in 4% stock dividend (Hogg Foundation: Varner Properties)	11.32
	8/100ths fractional interest Ditto (The James W. McLaughlin Fellowship Endowment Fund - Medical Branch)	5.66

SALE OF SECURITIES (Continued)

<u>Date</u>	<u>Security</u>	<u>Net Proceeds</u>
4/24/61	32/100ths fractional interest in a share of The Chase Manhattan Bank Capital Stock received in 4% stock dividend (Rosalie B. Hite Endowment for Cancer Research)	\$ 22.64
	8/100ths fractional interest Ditto (The William Heuermann Fund for Cancer Research - M. D. Anderson Hospital and Tumor Institute)	5.66

EXCHANGE OF U. S. GOVERNMENT SECURITIES

<u>Date</u>	<u>Security</u>	<u>Book Value New Securities</u>
3/20/61	\$100,000 par value U. S. 2-1/4% Treasury Bonds, due June 15, 1959-62, exchanged for like par amount of 3-5/8% Treasury Bonds of 1967, dated March 15, 1961, due November 15, 1967. Subscription allotted in full. (Temporary Investments - Division of Housing & Food Service - Major Repairs, Remodeling & Replacement & Operating Reserve Fund)	\$100,000.00#

#Book value of bonds surrendered for exchange.

Postponed

LILA BELLE ETTER TRUST - PRESENT STATUS AND RECOMMENDATION RE LIQUIDATION OF REMAINING ASSETS.--The tables on the following pages present the status of the Lila Belle Etter Trust under the Republic National Bank of Dallas as Trustee under the will and the Lila Belle Etter Fund established at The University of Texas with cash distributions from the Trust:

- Table I - Review of the assets in the Trust as per Trustee's statement of 3/15/61 and of the assets in the Fund as of 4/14/61.
- Table II - Summary of cash transactions in the Fund from the beginning through 4/14/61.
- Table III - Details of the cash income to the Fund and of the deductions from cash into temporary investments, for appropriations by the Board of Regents, and for miscellaneous expenses.

According to the will of Mrs. Etter, the assets are to be reduced to cash before April 10, 1964 (ten years after date of death of Mrs. Etter) and the cash proceeds therefrom distributed to the University are to be expended within fifteen years from date received by the University.

Currently, the Endowment Officer is authorized by the Board of Regents to instruct the Trustee to liquidate assets as they are needed to take care of appropriations approved by the Board of Regents. It is now recommended that the Endowment Officer be authorized to instruct the Trustee to liquidate the remaining assets at times deemed advantageous by the Staff Investment Committee. It is further recommended that the Endowment Officer be authorized to effect reinvestment of the proceeds as received from the Trustee at the discretion of the Staff Investment Committee after appropriations approved by the Board of Regents have been taken care of.

TABLE I
 LILA BELLE ETTER TRUST - RESIDUARY PORTION
 (Republic National Bank of Dallas, Trustee)
 LILA BELLE ETTER FUND
 (Held at The University of Texas)
 - Review as of April 14, 1961 -

Asset	Book Value 4/10/54*	Market Value 3/15/61	Estimated Annual Income
A. Lila Belle Etter Trust			
(Per Trustee's Statement 3/15/61)			
<u>INVESTMENTS --</u>			
<u>U. S. Treasury Bonds:</u>			
\$ 8,000 p.v. Treas. 2-1/2s due 12/15/69-64	\$ 8,067.50	\$ 7,285.04	\$ 198.00
15,000 p.v. Treas. 2-1/2s due 3/15/70-65	15,117.18	13,631.25	371.25
20,000 p.v. Treas. 2-1/2s due 3/15/71-66	20,131.24	17,975.00	495.00
15,000 p.v. Treas. 2-1/2s due 6/15/72-67	15,079.68	13,350.00	371.25
20,500 p.v. Treas. 2-1/2s due 12/15/72-67	20,608.90	18,232.29	507.37
Total U. S. Treasury Bonds	<u>79,004.50</u>	<u>70,473.58</u>	<u>1,942.87</u>
<u>Common Stocks:</u>			
3,345 Shares Republic National Bank of Dallas Common Stock	80,537.53	227,460.00	5,563.40
189 Shares Texaco Inc. Capital Stock	6,133.28	18,900.00	533.26
Total Common Stocks.	<u>86,670.81</u>	<u>246,360.00</u>	<u>6,096.66</u>
Total Investments.	<u>165,675.31</u>	<u>316,833.58</u>	<u>8,039.53</u>
<u>CASH --</u>			
Principal Cash	677.48	677.48	-
Income Cash.	1,079.65	1,079.65	-
Total Assets in Trust as of March 15, 1961.	<u>167,432.44</u>	<u>318,590.71</u>	<u>8,039.53</u>
B. Lila Belle Etter Fund			
(Established at the University with cash from Trust)			
<u>INVESTMENTS --</u>			
\$20,000 maturity value Treasury Bill due 8/24/61#.	\$ 19,817.89	\$ 19,825.40	\$ 182.11
220,000 p.v. Treasury 2-5/8s due 2/15/65	220,000.00	213,400.00	5,775.00
Total Investments in Fund at University	<u>239,817.89</u>	<u>233,225.40</u>	<u>5,957.11</u>
<u>CASH --</u>			
After transfer of cash to cover all appropriations through 4/14/61.	(86.47)OD	(86.47)OD	-
Total Assets in Fund at the University as of April 14, 1961	<u>239,731.42</u>	<u>233,138.93</u>	<u>5,957.11</u>
TOTAL ASSETS IN TRUST AND FUND	<u>\$407,163.86</u>	<u>\$551,729.64</u>	<u>\$13,996.64</u>

* Date of death of Mrs. Etter (no amortization of book value made by Trustee).
 # Temporary investment (182-day Treasury Bill) of cash needed by 9/1/61 for appropriations made by Board of Regents for 1961-62 fiscal year.
 OD Overdraft to be cleared with 4/27/61 quarterly distribution of cash from Trustee.

TABLE II
LILA BELLE ETTER FUND
- Summary of Cash Transactions -
(From the Beginning through April 14, 1961)

Cash Additions to Fund from Trustee:

From Quarterly Distributions of Income	\$ 79,463.76
From Liquidation of Assets as Requested by University.	<u>354,867.10</u>
Total Cash to Fund from Trustee through 4/14/61	<u>434,330.86</u>

Cash Additions to Fund from University:

From University Investments - Interest Income.	<u>34,639.85</u>
Total Cash to Fund from the Beginning through 4/14/61	<u>\$468,970.71</u>

Disposition of Cash in Fund:

Held 4/14/61 in Treasury Securities.	\$239,817.89
Appropriations:	
Original Amount of Appropriations	\$244,768.00
Less Transfers of Unused Balances and year end adjustments of cash	<u>17,996.58</u> 226,771.42
Miscellaneous Expenditures (Includes additional premiums on TIAA annuities, necessary OASI contributions, travel expenses in excess of State allowances, etc)	<u>2,467.87</u>
Total Disposition of Cash in Fund from the Beginning through 4/14/61.	<u>\$469,057.18</u>
Cash in Fund as of April 14, 1961.	(\$ 86.47)OD
Estimate of Cash Income to Fund from 4/14/61 through 8/31/61:	
From Quarterly Distributions of Income by Trustee - Estimated for 4/27/61 and 7/27/61	\$ 4,000.00
From Investments Held in Fund	<u>22,887.50</u> <u>26,887.50</u>
(Includes Treasury Bill maturity on 8/24/61)	
Estimated Cash Balance to be on Hand 8/31/61	<u>\$ 26,801.03</u>

OD - Overdraft as of 4/14/61. Trustee's quarterly distribution of income on 4/27/61 will clear overdraft of cash.

TABLE III
LILA BELLE ETTER TRUST (REPUBLIC NATIONAL BANK OF DALLAS, TRUSTEE)
and
LILA BELLE ETTER FUND (THE UNIVERSITY OF TEXAS)
- Cash Income to and Deductions from Fund -
(From the Beginning through April 14, 1961)

FISCAL YEAR	FISCAL YEAR BEGINNING CASH BALANCE	CASH INCOME TO FUND				CASH DEDUCTIONS FROM FUND (AFTER ADJUSTMENTS)					FISCAL YEAR END CASH BALANCE
		TRUSTEE				UNIVERSITY					
		Quarterly Income Distributions	From Liquidation of Assets	From University Investments	TOTAL CASH INCOME	Investment of Cash in Fund	Appropriations from Cash	Miscellaneous Expenditures from Cash	Less Miscellaneous Transfers to Cash	TOTAL NET CASH DEDUCTIONS	
1954-55	\$ -0-	\$32,385.13	\$247,046.74	\$ -0-	\$279,431.87	\$260,334.71	\$ 17,000.00	\$ -0-	\$ -0-	\$277,334.71	\$ 2,097.16
1955-56	2,097.16	9,107.93	24,071.34	5,999.65	39,178.92	(175.35)(a)	28,500.00	898.14	-0-	29,222.79	12,053.29
1956-57	12,053.29	8,541.74	19,800.00	6,095.32	34,437.06	(79.68)(b)	43,200.00	45.65	-0-	43,165.97	3,324.38
1957-58	3,324.38	8,004.56	26,440.72	6,095.32	40,540.60	(79.68)(b) (20,000.00)(c)	46,400.00	88.48	(0.04)(1)	26,408.76	17,456.22
1958-59	17,456.22	8,195.68	-0-	6,987.06	15,182.74		18,900.00	44.37	(19.87)(2)	18,924.50	13,714.46
1959-60	13,714.46	8,724.53	-0-	6,575.00	15,299.53	(20,000.00)(c)	32,884.00	32.92	(17,976.67)(3)	(5,059.75)	34,073.74
1960-61 (through 4/14/61)	34,073.74	<u>4,504.19</u>	<u>37,508.30</u>	<u>2,887.50</u>	<u>44,899.99</u>	<u>19,817.89</u>	<u>57,884.00</u>	<u>1,358.31</u>	<u>-0-</u>	<u>79,060.20</u>	(86.47)*
TOTALS FROM THE BEGINNING THROUGH 4/14/61		<u>\$79,463.76</u>	<u>\$354,867.10</u>	<u>\$34,639.85</u>	<u>\$468,970.71</u>	<u>\$239,817.89</u>	<u>\$244,768.00</u>	<u>\$2,467.87</u>	<u>(\$17,996.58)</u>	<u>\$469,057.18</u>	

* Overdraft as of April 14, 1961, which will be cleared on April 27, 1961, upon receipt of Trustee's regular quarterly distribution of income.

(1) Adjustment at fiscal year end. (2) Close out of remaining balances in accounts as of 8/31/59. (3) Transfer of unused appropriations on 1/13/60.

(a) Amortization of Premium, \$81.27; repayment of accrued interest, \$94.08. (b) Amortization of Premium. (c) Matured Treasury CI.

MAIN UNIVERSITY - TOREADOR TRUST FUND FOR SALARY SUPPLEMENTATION, SCHOOL OF LAW - REPORT ON TOREADOR ROYALTY CORPORATION AND RECOMMENDATION RE PROXY AND NOMINATION OF DIRECTORS.--By trust agreement dated July 31, 1951, and accepted by the Board of Regents on September 22, 1951, three separate corporations which had acquired assets of The Matador Land and Cattle Company conveyed to the Board of Regents as Trustee all of the 960,000 shares of Preferred Stock of Toreador Royalty Corporation with par value of 62-1/2 cents per share, or total par value of \$600,000. This is 4% Cumulative (when earned) Preferred Stock with preference rights to assets as well as dividends and with rights to elect two members of the Board of Directors. The principal assets of the Corporation are certain reserved mineral rights under acreage which was owned by The Matador Land and Cattle Company.

Income from the preferred stock is used for salary supplementation in the School of Law, and the following dividends have been received since the acquisition of the stock:

1952	\$ 5,428.85
1953	6,827.16
1958	<u>24,000.00</u>
Total	<u>\$36,256.01</u>

M-8280

The company has operated at a deficit in all other years, including 1960, and at December 31, 1960, showed an earned surplus deficit of \$275,288.00. This has been due in part to deferral of final determination of profit or loss from leasing transactions, some substantial oil and gas lease bonuses having been received in 1957 and 1958. (Copies of the Report to Stockholders for the Year Ended December 31, 1960, are attached as supplemental information.)

The two directors presently representing the preferred stock held by the Board of Regents are Mr. James L. Shepherd, Jr., of the Houston law firm of Baker, Botts, Andrews and Shepherd, being one of those who was instrumental in the gift of the preferred stock to the University, and Regent J. C. Thompson. Mr. Thompson wishes to be relieved of his duties as Director. It is recommended that the Board of Regents authorize the Endowment Officer to sign and return to the Corporation the proxy covering the University's preferred stock for a special meeting of stockholders to be held May 25, 1961, in lieu of the regular annual meeting, and that the proxy set out the names of Mr. Shepherd and Sawnie Robertson (name to be supplied at Land and Investment Committee meeting) for election as the two directors representing the preferred stock.

MAIN UNIVERSITY - BESS HEFLIN FELLOWSHIP FUND - REPORT ON DELIVERY OF STOCKS AND RECOMMENDATION FOR HANDLING DIVIDEND CHECKS.--The Board of Regents on January 17, 1961, accepted the bequest by Miss Bess Heflin, who died last November, of certain stocks for the establishment of the Bess Heflin Fellowship Fund, and on March 3, 1961, all of the stocks with a total market value of approximately \$60,000 were delivered to the University by Mrs. Rex G. Baker, Independent Executrix of Miss Heflin's Estate.

Dividend checks on these stocks require special handling and it is recommended that the Board of Regents adopt the following resolution:

M-80579

RESOLUTION

WHEREAS, Miss Bess Heflin, a retired member of the faculty of the Main University, left a last will and testament duly probated in Travis County, Texas, which reads in part as follows:

"3. I give and bequeath in trust to the persons who at the time of my death compose the Board of Regents of The University of Texas as trustees for the use and benefit of The University of Texas, the following common stocks:

"Two Hundred shares of Bethlehem Steel, 450 shares of North American Aviation, and 620 shares of Standard Oil Company (New Jersey), or such number (but not in excess of the number stated) of the shares of the common stock of said companies as I may own at the time of my death.

"The trustees, acting by majority vote, are empowered to administer this trust and donation, including the income from such property, through their duly authorized agent or agents, or any officer or officers of The University of Texas who may be subject to the control of the Board of Regents, and to apply the same to the purpose or purposes hereinafter set out. The persons who may be successors in office of the members of the Board of Regents shall succeed to their title, rights, powers, and duties hereunder, so that at all times the persons who are members of such Board shall be the trustees hereunder.

Amiley

"This donation and any fund or property arising therefrom in whatever form it may take, shall be called the Bess Heflin Fellowship."

and

WHEREAS, the stock certificates are now registered in the names of the individual members of the Board of Regents and their successors as trustees under the will of Miss Bess Heflin; and

WHEREAS, the dividend checks on such stock certificates will be payable to the individual members composing the Board of Regents as Trustees; and

WHEREAS, it is the desire of the Board of Regents of The University of Texas that such dividend checks be endorsed by the University Auditor and deposited to the credit of The University of Texas in any Austin bank in which an appropriate account may be carried:

NOW, THEREFORE, BE IT RESOLVED that we, Walter P. Brennan, J. P. Bryan, H. F. Connally, Jr., Thornton Hardie, W. W. Heath, Wales H. Madden, Jr., A. G. McNeese, Jr., John S. Redditt, and Joe C. Thompson, members composing the Board of Regents of The University of Texas as trustees under the will of Miss Bess Heflin, deceased, do hereby authorize the Auditor of The University of Texas to endorse all dividend checks received on the above-mentioned shares of stocks and to deposit the same to the credit of The University of Texas in any Austin bank in which an appropriate University account is carried, and we further authorize the University Auditor to do all things necessary to accomplish this purpose.

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

ARCHER M. HUNTINGTON MUSEUM FUND - OIL AND GAS LEASE TO THE BRITISH-AMERICAN OIL PRODUCING COMPANY.--The Board of Regents, at its meeting of December 10, 1960, approved a lease to The British-American Oil Producing Company on approximately 1,000 acres of Huntington Lands in the H. B. Littlefield Survey and approximately 140 acres in the S. C. Bundick Survey, Galveston County. The lease was effective December 27, 1960 for a five-year primary term at \$60 per acre bonus, 1/6th royalty, and \$10 per acre annual rental. On March 18, 1961, the Board of Regents approved dredging a channel by British-American from Galveston Bay into a drillsite north of Swan Lake on land covered by the lease of December 27, 1960. The channel has been completed, and the drilling of University of Texas Well No. 1 was commenced on April 2, 1961. British-American advises drilling was at 10,662 feet on April 25, 1961.

By deed dated June 13, 1942, the Board of Regents sold 301.02 acres of Huntington Lands to the Texas City Terminal Railway Company retaining one-half of all minerals and mineral rights, but with full leasing rights granted the Railway Company without necessity of joinder or approval by the University. We have now been advised that a lease, dated April 5, 1961, has been entered into between Texas City Terminal Railway Company and The British-American Oil Producing Company covering 270.21 acres of the tract sold by the University, at a bonus of \$35 per acre, 1/6th royalty, \$10 per acre annual rental, and two year primary term. The total bonus was \$9,457.35 of which one-half, \$4,728.68, has been forwarded to the University and deposited in the Archer M. Huntington Museum Fund.

TEXAS WESTERN COLLEGE - FRANK B. COTTON TRUST - PROPOSAL FROM TEXAS AND PACIFIC RAILWAY COMPANY FOR LEASE ON SMALL TRACT IN COTTON ADDITION, EL PASO, TEXAS.--The Texas and Pacific Railway Company has proposed, through Dr. Ray, President, Texas Western College, that the Board of Regents lease to it a tract of approximately four acres out of the Frank B. Cotton Trust Property in the Cotton Addition, El Paso. The term of the lease is nine months, April 1, 1961 through December 31, 1961, at total rental of \$1,900 payable in advance, with privilege of subleasing in whole or in part. The Company plans to construct a team track across one end of the property, for which an easement is granted in the lease, and adapt the premises for unloading and temporarily storing building materials, and other rail shipments, subject to approval by the City of El Paso. The track will be left in place after the expiration of this lease for possible use by any industry acquiring the property by lease or purchase prior to April 1, 1963, upon executing with the Railway Company its standard industrial track contract. If such use is not developed by April 1, 1963, Texas and Pacific may remove the track.

Since there was urgency in approval of this proposal, at the request of the Chairman of the Board of Regents, the Endowment Officer, with approval by the Vice Chancellor (Fiscal Affairs), forwarded the information recited above to members of the Board on March 24, 1961, requesting approval or disapproval of the proposal and indicating their intention to cast such a vote when the matter was submitted by regular docket at the May, 1961 meeting of the Board. Affirmative replies were received from a majority of the Board and the lease was signed on behalf of the Board of Regents by Chairman Hardie on March 28, 1961 with copies furnished the Secretary of the Board of Regents, Texas Western College, and Texas and Pacific Railway Company.

Ratification of the above action and the lease is recommended.

Postponed

HOGG FOUNDATION: WILL C. HOGG MEMORIAL FUND - LEASE FOR ADDITIONAL TERM TO SIMPSON DINING CAR, INC. ON PROPERTY AT MAIN AND BELL (WHITE PROPERTY) IN HOUSTON.--Mr. E. A. Simpson and later Simpson Dining Car, Inc. have operated a dining car on the Hogg Foundation property on the northeast corner of Main and Bell in Houston for approximately 25 years under two ten-year leases and now under a five-year lease which expires December 31, 1961. The last ten-year lease was at \$750 per month. The current lease is at \$1,500 per month plus 6% of gross receipts above \$300,000 annually. The guaranteed rental of \$1,500 per month has been paid as agreed. Gross business has recently been running at about \$150,000 a year, and no additional rental has been payable. The present lease reserves to the University the right to cancel in the event of sale or lease for a term of twenty-five years or more, upon one year's notice to the lessee. All improvements on the property have been constructed by the lessee with right of removal upon termination of the lease. *m-8093*

In order to plan its operations and allow further time for depreciation of improvements, Simpson Dining Car, Inc. now proposes that the Board of Regents join with it in a lease for an additional term of two years beginning January 1, 1962 at minimum rental of \$750 per month plus 6% of gross receipts above \$150,000 annually. Such lease will carry forward the same provisions as to cancellation by the University, except that required notice to the tenant will be six months instead of one year. The current lease carries with it an escrow deposit of \$9,000 in Government bonds with one of the Houston banks to secure payment of the last six months' rental. The tenant proposes that this escrow deposit be released to him upon execution of the lease for the additional term, so that it may be used for working capital, with continued payment of monthly rental in advance and deposit with the University of \$750 covering the last month of the extended term. It is believed that salvage value of the improvements on the property afford adequate security to the University for rental.

Though this property has an appraised value of \$600,000 to \$650,000 with the result that rental of \$750 per month yields a return of only $1\frac{1}{2}\%$, the University staff has determined that it is very unlikely that more than \$750 per month can be obtained from a parking lot tenant, which appears to be the only other possible use of the property without a sale or a long-term lease. Considering all of the circumstances, it is recommended that the Board of Regents accept the tenant's proposal and authorize its Chairman to execute the appropriate instrument when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

Cross-ways *m-8020A*

BRACKENRIDGE TRACT - ASSIGNMENT OF LEASE ON LAKE AUSTIN MARINA (FORMERLY BENNETT BOAT DOCKS) BY W. W. BENNETT AND/OR TWIN STAR INDUSTRIES, INC. TO BOAT TOWN OF TEXAS, INC.--On June 13, 1959 the Board of Regents authorized a new lease with Mr. W. W. Bennett on the Bennett Boat Docks for the period July 1, 1959 to December 31, 1969. The Board granted permission on November 15, 1959 for assignment of the lease by Mr. Bennett to Twin Star Industries, Inc. The lease provides for certain improvements to the property that were to be completed by April 1, 1960. Though definite improvements were made at a cost of \$20,000 to \$25,000, all improvements required under the lease were not completed by April 1, 1960; and on May 14, 1960, the Board of Regents authorized an amendment to the lease setting out additional improvements that would be made by January 1, 1961. Twin Star Industries, Inc. began to experience financial difficulties and did not meet the requirements set out by the University staff for execution of the authorized amendment.

The University has now received a proposal for a transfer of all rights under the lease to Boat Town of Texas, Inc., which is controlled by Mr. Joe H. Frost, Jr. of San Antonio. Mr. Frost has agreed to guarantee personally the performance of the lease by Boat Town of Texas, Inc. and has reached an agreement with Twin Star Industries, Inc. and Mr. W. W. Bennett for purchase of their interests under the lease. Boat Town of Texas, Inc.

will obligate itself in a satisfactory manner to make additional improvements and to do all other things necessary for strict compliance with the obligations of the lessee.

The University is to receive a payment of \$1,000 as consideration for permission of the Board of Regents for the assignment of the lease and change in operator. Rental to the University, which is in current condition, is at \$150 per month.

It is recommended that the Board of Regents accept the proposal outlined above and authorize its Chairman to execute the appropriate papers when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.

HOGG FOUNDATION - PROPOSED PURCHASE OF MISS IMA HOGG'S PRODUCTION PAYMENT RESERVED IN 1958 CONVEYANCE OF WEST COLUMBIA ROYALTIES.--The Board of Regents as Trustee of the Hogg Foundation - Will C. Hogg Memorial Fund accepted on October 11, 1957 a proposal from Miss Ima Hogg that the Board purchase from her certain undivided mineral and royalty interests in the West Columbia Field, Brazoria County, Texas. This transaction was completed by conveyance from Miss Hogg and related papers, all dated February 26, 1958, effective February 1, 1958, and was ratified by the Board of Regents on March 15, 1958. Minutes for that date set out details of the transaction. As purchase price for these interests, the Board of Regents as Trustee paid Miss Hogg \$50,000 in cash, upon delivery of the conveyance and agreed, as evidenced by a deed of trust note, to pay her an additional \$550,000 due \$50,000 semi-annually beginning August 1, 1958. This note bears no interest but provides for prepayment on the note on each semi-annual date to the extent that 50% of the amount received by the University from these interests during the preceding six months exceeds the \$50,000 semi-annual installment on the note. The effect of this is that total receipts for each six months period have been divided one-half to the Hogg Foundation Endowment Account and the other half to Miss Hogg to apply on the note which she holds.

The conveyance from Miss Hogg carries two reservations in her favor. First, she has reserved all of her rights to oil, gas, and other minerals below the deepest producing strata as of February 1, 1958. Second, Miss Hogg reserved a deferred production payment in the total amount of \$500,000 to be calculated on the basis of posted prices for oil as of February 1, 1958, effective date of the conveyance. This deferred production payment becomes effective when the University has received a total of \$1,200,000, being the date when Miss Hogg will have received payment in full of the \$600,000 agreed to be paid to her and the Hogg Foundation has received and retained the same amount. The \$500,000 deferred production payment is to be paid out of 50% of the University's receipts after its effective date, until paid in full, with adjustments for prices as mentioned above and for certain other adjustments including taxes (not including income taxes payable by Miss Hogg).

It appears that Miss Hogg's deferred production payment will become effective in October or November of 1961, and she now proposes to sell this production payment to the Board of Regents as Trustee of the Hogg Foundation for \$500,000, payable \$50,000 six months from date of her conveyance and \$50,000 semi-annually thereafter, without interest. Based on present rate of receipts and necessary adjustments under the agreement for prices as of February 1, 1958 and for taxes, it appears that Miss Hogg would be reasonably assured of receiving actual cash payments in the total amount of approximately \$527,000, and that this amount would be received in approximately three and one-half years after effective date of the production payment. Based on these assumptions, it appears that her proposal to the Board of Regents as Trustee is at an interest rate, in favor of the Trustee, of a little better than 5%. Though this will be an acquisition of a production payment, on which there is no guarantee of payment in full, all of this production is from a salt dome structure exempt from regular statewide proration, showing an actual increase in royalty return since Miss Hogg's conveyance to the University in 1958. Texaco Inc. operates practically all of these leases,

and it appears that increases have been due to Texaco's reworking operations and good management of the leases in general.

Total receipts from the interests conveyed by Miss Hogg in 1958, by six months periods ending on the dates shown, except for the past three months, have been as follows:

August 1, 1958	\$119,872.82
February 1, 1959	152,812.74
August 1, 1959	166,791.53
February 1, 1960	166,815.71
August 1, 1960	159,620.85
February 1, 1961	192,670.63
February, 1961	32,389.24
March, 1961	30,150.76
April, 1961	<u>31,787.22</u>

\$1,052,911.50

The note in the original amount of \$550,000 held by Miss Hogg now has an unpaid balance of \$70,707.85. With anything like present rate of receipts, this remaining balance will be paid off on August 1, 1961. Thereafter, due to the down payment in 1958 of \$50,000 due Miss Hogg and adjustments for taxes, the Board of Regents as Trustee will be retaining in the Hogg Foundation Endowment Account all receipts from these royalties until October or November of 1961, at present rate of receipts, at which time it is estimated the total of \$1,200,000 will have been received and the deferred production payment retained by Miss Hogg becomes effective.

It is recommended that the Board of Regents accept Miss Hogg's proposal for sale by her to the Board of Regents as Trustee of the Hogg Foundation of the deferred production payment for total consideration of \$500,000, payable as set out above, and that the Board authorize its Chairman to execute the appropriate papers when approved as to form by the Land and Trust Attorney and as to content by the Endowment Officer.