

MINUTES OF A SPECIAL MEETING
BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA
THURSDAY, DECEMBER 21, 1972

A special meeting of the Board of Regents of the University of Oklahoma was held in the Faculty House on the Health Sciences Center Campus, Oklahoma City, on Thursday, December 21, 1972, beginning at 1:10 p.m.

The following were present at the meeting: Regent Nancy J. Davies, President of the Board, presiding; Regents Huston Huffman, Jack H. Santee, Walter Neustadt, Jr., Mack M. Braly, Thomas R. Brett, Bob G. Mitchell, M.D.

The following were also present: Dr. Paul F. Sharp, President of the University; Vice Presidents Burr, Dean, Eliel, Nordby, and White; Mr. R. Boyd Gunning, Trust Officer of the University; and Mrs. Barbara H. James, Secretary of the Board of Regents.

The first order of business was confirmation of a telephone poll taken on Friday of last week.

Murray Case Sells, an independent oil operator from Muskogee, Oklahoma and Tyler, Texas, died in 1957 leaving the bulk of his estate to ten Universities and Colleges located in Oklahoma and Texas. The University of Oklahoma received ten per cent (10%) of the estate. The First National Bank and Trust Company of Dallas was named executor. Representatives from the beneficiary schools have served as Directors of Sells Petroleum Co., Inc.

Distributions have been made from the company to the beneficiaries from time to time. The University of Oklahoma has received approximately \$500,000 from these distributions, thirty per cent (30%) of which has been placed in a Murray Sells building fund and seventy per cent (70%) in a fund to provide financial assistance for deserving students.

The properties of the corporation have been disposed of through sale except for four producing leases located in Gregg County and Rusk County, Texas, plus certain non-producing royalty interests in Harmon County, Oklahoma.

Regent Neustadt said a meeting of the Directors of the Corporation was held in Dallas on December 15 and that he was present, as well as Boyd Gunning, who represents the Regents as a Director of the Corporation. The main order of business was to examine bids on the sale of the major assets of the Company, namely the four producing leases.

The following bids were received:

December 21, 1972

11897

Mr. C. H. Murphy, Jr., President
Murphy Oil Corporation
200 Jefferson Avenue
El Dorado, Arkansas 71730

\$3,808,000

Mr. John Brumley
Southland Royalty Company
Fort Worth, Texas 76101

\$3,200,000 - Cash
Alternate Bid -
\$3,400,000. Plus 4%
interest on payout
from March, 1973 to
January, 1977

Getty Oil Co.

\$4,066,175

Mr. R. H. Hedgecock
Cities Service Oil Company
Oil Center Building
Box 300
Tulsa, Oklahoma 74102

\$4,011,500

Regent Neustadt said that Mr. Gunning and he had assumed that the above bids would be opened and final decisions could be made by the various schools at a later date, which is the normal procedure followed in University business. However, because of the nature of the bidding and the attitude of the other schools, Mr. Neustadt said they considered it important to secure an immediate decision. Therefore, following approval by President Sharp, a telephone poll was taken of the Regents to authorize acceptance of the highest bid from Getty Oil Company.

Regent Neustadt said this action should be confirmed and he so moved. Approved.

President Sharp presented and recommended approval of the following non-academic appointment at the Health Sciences Center:

Albert M. Donnell, Coordinator and Director of the Oklahoma Regional Medical Program, \$2,916.66 per month (\$35,000 for 12 months), December 15, 1972. Funds for the salary are derived from the Oklahoma Regional Medical Program grant.

Approved on motion by Regent Huffman.

At President Sharp's request Vice President Nordby and Dr. Robert Shapiro brought the Regents up to date on The Lloyd Noble Center. As of this date the sources of funds will be as follows:

December 21, 1972

11898

Bonds: Bond Proceeds	\$3,207,629
Interest	148,287
Student Facilities Fee	445,000
Gifts and Pledges and Interest	1,874,149
Miscellaneous: Pending Gifts	100,000
Other Sources	<u>160,000</u>
	\$5,935,065

Dr. Shapiro said that since the report on this project to the Facilities Planning Committee on December 13, they have continued to work with the architect and low bidder to determine what kinds of deletions might be made in the project in order to bring it within funds available. He said they are now suggesting miscellaneous changes which would deduct \$123,351 and that alternate No. 6 be accepted which would deduct an additional \$11,077. It is still the opinion that all of the add alternates must be accepted, except for Alternate No. 2 which provides for parking at an add on cost of \$127,187. They believe that our Physical Plant Department can provide this parking at less cost and it can be done as the project nears completion.

One of the proposed changes discussed with the Facilities Planning Committee last week was a change in the facade from insulated metal panels to double faced cement asbestos board and a reduction in the concrete wall thickness from 9" to 8". This would have provided a deduct of approximately \$63,000. Mr. Ray Binnicker, architect, urged that this deduction not be made and that we proceed with the materials called for in the specifications. He presented samples of the various finishes and explained the desirability of constructing the building to last a lifetime. They believe it would be much wiser to accept other deducts, such as parking which can be done by our own forces, rather than deducts in the basic construction of the building.

With these changes the project summary is as follows:

Construction:		
Base Bid		\$4,929,000
Less: Miscellaneous Changes	\$123,351	
Alternate 6	<u>11,077</u>	-134,428
Add Alternates: No. 1	77,583	
No. 3	78,993	
No. 4	57,124	
No. 5	<u>48,187</u>	+261,887
		\$5,056,459
Furnishings and Miscellaneous		431,500
Fees		316,800
Other Costs		25,000
Contingency		<u>100,000</u>
		<u>\$5,929,759</u>

December 21, 1972

11899

Total Anticipated Funds \$5,935,065

Dr. Nordby stated that we still have a cash flow problem as far as entering into a contract is concerned. The cash available as of this date is as follows:

Bond Proceeds		\$3,207,629
Student Facilities Fee		225,000
Pledges		703,674
Promissory Note		<u>500,000</u>
Total Cash Now Available		\$4,636,303

He said all of the above the State Treasurer will accept as funding for the project now. Our immediate contract funding requirements are as follows:

Base Bid		\$4,929,000
Less: Miscellaneous Changes	\$123,351	
Alternate 6	11,077	
Chillers	<u>151,000</u>	<u>-285,428</u>
		\$4,643,572
Add: Architect and Engineers Fees		251,954
Other Costs		<u>36,800</u>
Total Cash Required Now		<u>\$4,932,326</u>
Cash Flow Deficit		\$ 296,023

Dr. Nordby explained that the \$151,000 deduct for chillers is possible at this time because they will not be installed until later in the construction project and we have assurances from the contractor that this can be provided at the same cost at a later date.

Dr. Nordby said that a number of people have indicated that they would contribute to this project as soon as it is actually under construction-- \$100,000 is firmly committed and will be available as soon as the Regents take action. The balance will be available from other sources within the University. He said the cash flow deficit of \$296,023 is solvable.

Dr. Shapiro also presented a chart showing the cash expenditures that will be necessary each month during construction to cover the estimated monthly payment requests submitted by the architect and the general contractor.

President Sharp recommended that the Regents approve in principle the construction of The Lloyd Noble Center and request the University administration to proceed with contract development with Rayco Construction Company in accordance with the data presented.

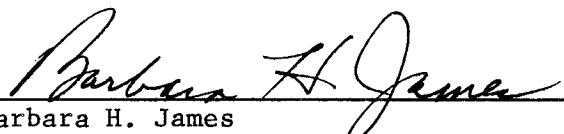
December 21, 1972

11900

Approved on motion by Regent Brett.

It was understood that the change orders and details of the contract documents will be presented to the Regents at the January 11 meeting.

There being no further business, the meeting adjourned at 1:45 p.m.


Barbara H. James
Secretary of the Board of Regents

Others present for all or part of the meeting:

Mr. Ray Binnicker, Sorey-Hill-Binnicker
Mr. Jack Graves, Sorey-Hill-Binnicker
Mr. W. R. Campbell, University Architect
Mr. Jerry Farley, University Accounting Services
Mr. Pat de la Garza, Assistant to the Vice President for Administration and Finance
Dr. Robert Shapiro, Associate Vice President for Administration and Finance
Mr. Mike Mullally, Office of the Vice President for University Development
Mr. Mike Treps, Media Information
Ms. Joan North
Tom Adams, WKY Radio
Bob Dotson, WKY-TV
Stella Roberts, Associated Press
Ed Montgomery, The Daily Oklahoman
Charles Cunningham, KTOK
Jim Bross, The Norman Transcript
Chuck Erwin, The Tulsa World