

THE UNIVERSITY OF WYOMING
MINUTES OF THE TRUSTEES

October 23, 1966

For the confidential information
of the Board of Trustee

A special meeting of the Board of Trustees of the University of Wyoming was held in the Rare Books Room of the Coe Library, The University of Wyoming, on October 23, 1966. The meeting was called to order by President Newton at 9:30 a.m. The following members answered the roll call: Brodrick, Brough, Hollon, Jones, Millett, Morgan Newton, Reed, Sullivan, True, Watt and ex officio member King. Mr. McCracken, and ex officio members Governor Hansen and Dr. Shaw were absent. Also present were Mr. Lawrence Meeboer, Executive Assistant for Business and Plant Affairs, and Mr. Elliott Hays, Deputy Executive Assistant for Business and Plant Affairs.

Dr. King explained that the purpose of the meeting was to authorize the prior redemption of a portion of the bonds as of January 1, 1967. Mr. Hays stated that funds are currently available for the prior redemption of Improvement Revenue Bonds, Series 1959, Nos. A2876-A3868, in the amount of \$993,000.00. This compares with a total of \$824,000.00 of bonds retired January 1, 1966. When this January 1, 1967 payment of \$993,000.00 is made, a total of \$3,868,000.00 of these bonds will have been paid, leaving a balance outstanding of \$7,282,000.00. This represents a pre-payment of \$2,793,000.00. A question arose as to the possibility of investing these funds, rather than using them for prior redemption. Both Mr. Meeboer and Mr. Hays stated that they believed this was not possible under the provisions of the statute but that Mr. Geraud, Legal Advisor to the Board, would be asked to render an opinion which would be transmitted to the Board. (In accordance with Board action at the December 9-10,

IMPROVEMENT
REVENUE BONDS
SERIES 1959

1966 meeting, Mr. Geraud's opinion is incorporated as an addendum to these minutes)

It was agreed that the authorizing resolution for the prior redemption should be passed at this time, but that the question concerning investment of funds should be resolved by Mr. Geraud before the funds were actually used for prior redemption.

Mr. Reed then introduced and moved the adoption of the following resolution:

R E S O L U T I O N

CONCERNING THE PRIOR REDEMPTION AS OF THE FIRST DAY OF JANUARY, 1967, OF A PORTION OF THE BONDS OF THE TRUSTEES OF THE UNIVERSITY OF WYOMING IMPROVEMENT REVENUE BONDS, SERIES 1959, AUTHORIZED TO BE ISSUED IN THE PRINCIPAL AMOUNT OF \$11,743,000.00; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD REDEEMING THE DESIGNATED BONDS; AND REPEALING ALL RESOLUTIONS IN CONFLICT HEREWITH.

WHEREAS, the University of Wyoming (herein sometimes designated as the "University") is the legal name of the state university located in the City of Laramie, in the County of Albany and State of Wyoming, under the Constitution and laws of the State of Wyoming; and

WHEREAS, the Board of Trustees of the University of Wyoming (herein sometimes designated as the "Board") controls and manages the affairs of the University and the funds, lands, and other property of the same under such regulations as may be provided by law, is the governing body of the University, and constitutes a body corporate and politic by the name of "The Trustees of the University of Wyoming" under the Constitution and laws of the State of Wyoming; and

WHEREAS, the Board by a resolution entitled:

"Authorizing the issuance of The Trustees of the University of Wyoming Improvement Revenue Bonds, Series 1959, in the principal amount of \$11,743,000.00, for the purpose of acquiring buildings, land, equipment and other improvements authorized by Chapter 153, Session Laws of Wyoming, 1959; providing the form, terms and conditions of the bonds, the manner of their execution, the method of their payment and the security therefor; providing for the immediate sale and issuance of a portion of the bonds and specifying the prices to be paid therefor; providing for the disposition of revenues derived from some of said improvements and from the Knight Hall Cafeteria, and of funds credited to the University of Wyoming under Section 20-503(c), Wyoming Compiled Statutes, 1945, as amended; pledging certain of said revenues and funds for the payment of said bonds, facilities, revenues and funds, including, but not limited to, covenants and agreements in connection therewith; ratifying action heretofore taken toward acquiring said facilities and issuing said bonds; and repealing all resolutions in conflict herewith"

adopted on the 25th day of July, 1959, as amended and supplemented by resolutions duly adopted from time to time (herein sometimes designated as the "bond resolution"), has authorized the issuance of The Trustees of the University of Wyoming Improvement Revenue Bonds, Series 1959, in the original principal amount of \$11,743,000.00 (herein sometimes designated as the "bonds"); and

WHEREAS, of said series the Board has heretofore issued bonds in the principal amount of \$11,150,000.00 and consisting of bonds numbered from A-1 to A-5328, both inclusive, in the denominations hereinafter designated and in the principal amount of \$6,650,000.00, bearing interest at the rates designated:

<u>Bond Numbers</u> (All Inclusive)	<u>Interest Rate</u> (Per Annum)	<u>Years Maturing</u> (All Inclusive)
A-1 to A-200	3.25%	1963
A-201 to A-410	3.40%	1964
A-411 to A-625	3.60%	1965
A-626 to A-845	3.80%	1966
A-846 to A-5328	4.00%	1967-1984

and being in the denominations and maturing serially on the first day of January in each of the years and amounts designated as follows:

<u>Subseries A</u>			
<u>Bond Numbers</u> (All Inclusive)	<u>Denominations</u> (Each)	<u>Amounts</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
A-1 to A-200	\$ 1,000.00	\$200,000.00	1963
A-201 to A-410	1,000.00	210,000.00	1964
A-411 to A-625	1,000.00	215,000.00	1965
A-626 to A-845	1,000.00	220,000.00	1966
A-846 to A-1075	1,000.00	230,000.00	1967
A-1076 to A-1310	1,000.00	235,000.00	1968
A-1311 to A-1555	1,000.00	245,000.00	1969
A-1556 to A-1810	1,000.00	255,000.00	1970
A-1811 to A-2075	1,000.00	265,000.00	1971
A-2076 to A-2350	1,000.00	275,000.00	1972
A-2351 to A-2640	1,000.00	290,000.00	1973
A-2641 to A-2940	1,000.00	300,000.00	1974
A-2941 to A-3255	1,000.00	315,000.00	1975
A-3256 to A-3580	1,000.00	325,000.00	1976
A-3581 to A-3915	1,000.00	335,000.00	1977
A-3916 to A-4265	1,000.00	350,000.00	1978
A-4266 to A-4630	1,000.00	365,000.00	1979
A-4631 to A-5010	1,000.00	380,000.00	1980
A-5011 to A-5180	1,000.00	170,000.00	1981
A-5181 to A-5202	10,000.00	220,000.00	1981
A-5203	5,000.00	5,000.00	1981
A-5204 to A-5244	10,000.00	410,000.00	1982
A-5245	5,000.00	5,000.00	1982
A-5246 to A-5288	10,000.00	430,000.00	1983
A-5289 to A-5328	10,000.00	400,000.00	1984

and bonds numbered B-1 to B-900, both inclusive, in the denomination of \$5,000.00 each and in the principal amount of \$4,500,000.00, bearing interest at the rate of four per centum (4%) per annum, and maturing serially on the first day of January in each of the years and amounts designated as follows:

Subseries B

<u>Bond Numbers</u> <u>(All Inclusive)</u>	<u>Amounts</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
B-1 to B-80	\$400,000.00	1986
B-81 to B-169	445,000.00	1987
B-170 to B-262	465,000.00	1988
B-263 to B-358	480,000.00	1989
B-359 to B-458	500,000.00	1990
B-459 to B-562	520,000.00	1991
B-563 to B-670	540,000.00	1992
B-671 to B-783	565,000.00	1993
B-784 to B-900	585,000.00	1994

and

WHEREAS, the Board has caused to be redeemed heretofore of said series bonds numbered A-1 to A-2875, both inclusive; and

WHEREAS, section 6 of the bond resolution, as amended by a resolution adopted on the 26th day of April, 1963, provides:

"Section 6. That the bonds of said series shall be subject to redemption prior to maturity at the Board's option in chronological order of maturities and in regular numerical order within each maturity on the first day of January in any year, for the principal amount of the bonds redeemed and accrued interest to the redemption date.

"The foregoing option of prior redemption shall not be exercised by the Board for the purpose of refunding outstanding bonds without the specific written consent of all the holders thereof.

"For the purpose of permitting the redemption of bonds prior to maturity to refund them, if then so authorized by law, and subject to the provisions of Section 21 of this resolution, bonds of the series herein authorized maturing on and after the first day of January, 1971, shall be subject to redemption prior to maturity at the Board's option in chronological order of maturities and in regular

numerical order within each maturity, on the first day of July, 1970, or on any interest payment date thereafter. Each bond so called for prior redemption for the purpose of refunding it shall be subject to redemption for the principal amount thereof, accrued interest thereon to the redemption date, and a premium consisting of three per centum (3%) of said principal amount.

"Notice of redemption shall be given by the Treasurer of the University, in the name and on behalf of the Board:

A. By publication of such notice at least once, not less than thirty days nor more than sixty days, prior to the redemption date in a newspaper of general circulation in Cheyenne, Wyoming, and

B. By mailing a copy of the notice by registered, first-class mail, postage prepaid, at least thirty days prior to the redemption date, to:

- (1) Boettcher and Company
Denver, Colorado
- (2) Coughlin and Company, Inc.
Denver, Colorado
- (3) White, Weld & Co.
New York, New York

and

- (4) The Chase Manhattan Bank, N.A.
New York, New York

(the alternate paying agent hereinabove designated).

"Such notice shall specify the number or numbers of the bonds so to be redeemed (if less than all are to be redeemed) and the date fixed for redemption, and shall further state that on such redemption date there will become and be due and payable upon each bond so to be redeemed at the place of business or office of either

"paying agent herein designated, the principal amount thereof, accrued interest to the redemption date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the bond or bonds so called for redemption shall become due and payable on the redemption date so designated, and upon presentation thereof at the place of business or office of either paying agent, together with all appurtenant coupons maturing subsequent to the redemption date, the Board will pay the bond or bonds so called for redemption.

"If any of the bonds designated for redemption shall be registered, as hereinafter provided, so as to be payable otherwise than to bearer, the Treasurer of the University shall, at least thirty days prior to the redemption date, send by registered, first-class mail, postage prepaid, a similar notice to the respective registered owners thereof at the addresses appearing on the bond registry books. The actual receipt by the owner of the bond so registered (hereinafter sometimes referred to by the general designation 'bondholder' or 'holder') of notice of such redemption shall not be a condition precedent to redemption, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such bonds or the cessation of interest on the date fixed for redemption. The notice or notices required by this section shall be given by the Treasurer of the University on behalf of the Board. A certificate by the Treasurer that notice of call and redemption has been given to the underwriters mentioned in this section, the alternate paying agent, and to each holder of registered bonds as herein provided shall be conclusive as against all parties; and no bondholder whose registered bond is called for redemption, nor any other bondholder, may object thereto or object to the cessation of interest on the redemption date fixed by any claim or showing that he failed actually to receive such notice of call and redemption.

"Nothing herein contained shall be construed as a waiver by the Board of any statutory provision or agreement that the State of Wyoming shall surrender any bonds or other securities it may hold for prior redemption for the principal amount thereof and accrued interest thereon, so long as the State owns any such securities."

and

WHEREAS, the option of prior redemption herein exercised by the Board is not exercised for the purpose of refunding any of the bonds now outstanding; and

WHEREAS, the Board will have available, in addition to the moneys to pay the interest on the outstanding bonds and becoming due on the first day of January, 1967, the sum of \$993,000.00 for the payment and prior redemption on the first day of January, 1967, of a like principal amount of the bonds thereafter maturing; and

WHEREAS, the Board has determined and does hereby declare that it is to the best interest of the University and of the Board that bonds numbered from A-2876 to A-3868, both inclusive, in the principal amount of \$993,000.00, of the designated series shall be called for prior redemption on the first day of January, 1967.

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE UNIVERSITY OF WYOMING:

Section 1. The Board has elected and does hereby declare its election to exercise its option to redeem on the first day of January, 1967, bonds numbered from A-2876 to A-3868, both inclusive, in the aggregate principal amount of \$993,000.00 and in the denomination of \$1,000.00 each.

Section 2. The Treasurer of the University be and he hereby is authorized and directed to give notice of prior redemption in the name and on behalf of the Board of the designated nine hundred ninety-three (993) bonds in strict compliance with the bond resolution, as amended. The notice of prior redemption hereinabove required to be given shall:

(a) Be given by publication at least once not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, i.e., so given prior to the first day of December, 1966, and after the third day of November, 1966, in Wyoming State Tribune, a newspaper of general circulation in Cheyenne, Wyoming; and

(b) Be given by registered, first-class mail, postage prepaid, deposited in the mails of the United States of America at least thirty (30) days prior to the redemption date, i.e., so given prior to the first day of December, 1966, to each of the following:

- (1) Boettcher and Company
Boston Building
828 Seventeenth Street
Denver, Colorado 80202
- (2) Coughlin and Company, Inc.
1200 First National Bank Building
621 Seventeenth Street
Denver, Colorado 80202
- (3) White, Weld & Co.
20 Broad Street
New York, New York 10005
- (4) The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10015

and

- (5) Each of the respective registered owners, if any, of the designated 993 bonds at the respective addresses appearing on the bond registry books kept by the designated New York bank.

Section 3. Said notice of prior redemption shall be in substantially the following form:

(Form of Notice)

NOTICE OF PRIOR REDEMPTION OF BONDS
OF
THE TRUSTEES OF THE UNIVERSITY OF WYOMING
IMPROVEMENT REVENUE BONDS
SERIES 1959 - JULY 1, 1959

NOTICE IS HEREBY GIVEN that The Trustees of the University of Wyoming, a body corporate under the Constitution and laws of the State of Wyoming and constituting the governing body of the University of Wyoming, located in the City of Laramie, Albany County, Wyoming, has exercised its option to redeem on January 1, 1967, for the principal amount of each bond so redeemed and accrued interest to the designated redemption date, 993 bonds of the bond series designated as "The Trustees of the University of Wyoming Improvement Revenue Bonds, Series 1959," originally authorized to be issued in the aggregate principal amount of \$11,743,000.00, dated July 1, 1959, which 993 bonds so called for prior redemption are in the denomination of \$1,000.00 each, bear interest at the rate of four per centum (4%) per annum, and are numbered and mature serially on the first day of January in each of the amounts and years designated as follows:

<u>Bond Numbers</u> (All Inclusive)	<u>Amounts</u> <u>Maturing</u>	<u>Years</u> <u>Maturing</u>
A-2876 to A-2940	\$ 65,000.00	1974
A-2941 to A-3255	315,000.00	1975
A-3256 to A-3580	325,000.00	1976
A-3581 to A-3868	288,000.00	1977

On the designated prior redemption date, i.e., on January 1, 1967, there will become and be due and payable in any coin or currency which is then legal tender for the payment of debts due the United States of America upon each of the designated bonds, the principal amount of each bond and accrued interest thereon to the designated redemption date, at the place of business or the office of the Deputy Executive

Assistant for Business and Plant Affairs and ex-officio Treasurer of the University, formerly known as the Director of Finance and Budget of The Trustees of the University of Wyoming and ex-officio Treasurer of the University, in Laramie, Wyoming, or at The Chase Manhattan Bank, N.A., in New York, New York, at the option of the holder or of the registered owner if the bond be registered; and from and after said date interest will cease to accrue, i.e., interest will be paid to and including December 31, 1966. Each of said bonds will be redeemed on or after the designated redemption date upon its presentation and surrender, accompanied by all of its coupons for interest maturing after said date, by the payment of said principal at either of the designated paying agents. Coupons of each of said bonds so redeemed for interest payable on or before the designated redemption date may be thereto attached for the payment of accrued interest to said redemption date with the payment of said principal; or such coupons, if detached from any such bond by its holder, may be presented separately for payment in the usual course.

This notice has been filed with the designated City of New York paying agent.

DATED at Laramie, Wyoming, this ____ day of November, 1966.

THE TRUSTEES OF THE
UNIVERSITY OF WYOMING

By /s/ Elliott G. Hays
Deputy Executive Assistant for
Business and Plant Affairs and
Ex-officio Treasurer
University of Wyoming

(SEAL)

(End of Form of Notice)

Section 4. The Treasurer of the University and the other officials of the Board or of the University or of both are hereby authorized and directed to take all action necessary or proper to effect the prior redemption of said bonds in accordance with the provisions of this resolution and of the bond resolution, as from time to time amended.

Section 5. All action heretofore taken (not inconsistent with the provisions of this resolution) by the Board and its officers and by the executive committee for investments of the Board or of the University or of both directed toward redeeming the above-designated 993 bonds heretofore issued for that purpose be and the same hereby is ratified, approved and confirmed.

Section 6. All orders, by-laws, and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any order, by-law, resolution, or part thereof, heretofore repealed.

Section 7. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 8. By reason of the fact that the University has moneys available for the prior redemption of bonds and that action must be taken promptly to effect their prior redemption as of the first day of January, 1967, the Board does hereby declare that an emergency exists, and, consequently, this resolution shall become effective immediately upon its passage.

ADOPTED this 23rd day of October, 1966.

Harold J. Newton

President
The Trustees of the
University of Wyoming

(SEAL)

Attest:

Harold E. Brough

Secretary
The Trustees of the
University of Wyoming

It was then moved by Trustee Morgan and seconded by Trustee Hollon that all bylaws and other rules and regulations of the Board of Trustees of the University of Wyoming which unless suspended in cases of emergency might prevent the final adoption of this resolution at this meeting or which unless suspended might conflict with any provision of the resolution be and the same hereby are suspended for the purpose of permitting the final adoption of said resolution at this meeting without modification as to its form, pursuant to section 7-2 of the bylaws of said Board. The question being upon the adoption of said motion and upon the suspension of said bylaws and other rules and regulations, the roll was called, and all Trustees present voted in favor of the passage of the motion and such suspension.

Eleven votes having been cast for the adoption of the motion constituting an affirmative vote of at least two-thirds of all the members of the Board, the President thereupon declared the motion to have been adopted and the bylaws and other rules and regulations so to have been suspended.

Trustee True seconded the motion for the adoption of said resolution, the roll was called, and all Trustees present voted in favor of the passage of the motion and the adoption of the resolution.

Eleven votes having been cast for the adoption of the resolution, the President thereupon declared the resolution to have been adopted.

President King then discussed the meeting which was to follow with the Community College representatives. It was agreed that while the proposed retirement program was the main item under consideration the meeting would be open to any other matters which representatives might wish to open for discussion.

Upon motion duly made and seconded the meeting was then adjourned.

Respectfully submitted,



Harold E. Brough
Secretary

MEETING WITH
COMMUNITY
COLLEGE
REPRESENTA-
TIVES

ADJOURNMENT

MEMORANDUM FROM: Joseph R. Geraud, Legal Advisor

You asked that I contact Mr. Robert M. Johnson to procure his opinion as to whether income realized from the funds pledged by the 1959 Bond Resolution and bond law, not needed for annual debt service, could be invested rather than applied to redemption of outstanding bonds.

I telephoned Mr. Johnson and he advised me that the provisions of the statute require mandatory redemption of bonds in any year that amounts credited to the University exceed the amount necessary to pay all interest and principal obligations becoming due in such year. Further, Section 19(B) of the bond resolution contains a contractual obligation with the bondholders that any excess income shall be immediately used for the prior redemption of bonds.

I concur with Mr. Johnson's conclusion. A review of the law and the resolution leads to the conclusion that if the Trustees were to invest current surplus income, they would be acting contrary to law and would be in violation of their contractual commitment.