Central Board Minutes
Thursday, December 11

The meeting was called to order by Danny Lambros in the President's office, and the reading of the minutes was dispensed with.

A recommendation from Publications Board that Central Board appoint Jack Zigmond associate editor of the Kaimin for winter quarter replacing Frank Norberg who was graduating was presented as a motion, seconded, and passed. Leuthold reported for Publicity Travel Committee that there would be a meeting that evening of students selected to publicize the University to high school students during Christmas vacation. He also reported that the board would probably give $100 to the Jubileers for a trip the second week of January. Harry Burnell reported on the Les Brown dance, stating that 936 concert and dance tickets had been sold, 359 concert tickets alone, and 119 separate dance tickets. Central Board members expressed the desire to especially commend Burnell for doing an excellent job as publicity director for the dance.

President McFarland then continued from the previous week's private meeting by reviewing the situation for financing a new field house. Such a field house would cost about $700,000 to $800,000 and would be technically paid for over a period of thirty years -- though the time would not really extend this long because of refinancing. Financing could be done by mortgage (not desired as having a high interest rate -- about 5%) or by revenue bonds (perhaps having about a 3 to $3\%$ interest rate and requiring security greater than that necessary to service the debt -- about 1\$\frac{1}{2}$ times the amount). Such revenue bonds would require debt service payments varying from around $35,000 both of the first two years to about $37,000 the third year and $40,000 the fourth. The plan would be to have such costs come from operational earning at least by the third year. Even with this payment, surplus earnings could be expected in excess of debt service and could be used for an expansion in the athletic program. Until that time the building fee, now about $30,000 to $35,000 could be used. However, under such a financing system, there would also be a need for extra security; and the president was hoping for a $25,000 yearly guarantee from the student body.

The president cited four points for such an agreement. (1) He felt that other sources would more than amply cover such costs -- despite the fact that Central Board would be obligated to contribute funds if needed. (2) He felt that income could be derived from other sources if ever needed. (3) In case of war the field house could be used as an armory, and the army would pay for such costs. And (4) He felt that there was a need for student response and interest and that such a project might help in achieving it. Like provisions have been made by the student body at Bozeman, he said -- for a loan of security credit for a dorm for 40 years. When asked about financing in case of a depression, the president declared that more students usually attend a university at such a time -- which would help payments.

The president said he would present plans to the student body, faculty, alums, and business representatives for their formal votes. He said he had been dubious about doing so earlier because the project is complicated, but he felt this would be best. Central Board members definitely agreed. He said he hoped to advertise for contracts about January 15, after voting -- as by the student body, etc. He hoped for Central Board approval so he could present the project to the State Board of Education the next Monday at one of its four annual meetings.

Briggs questioned whether adequate correct information could be given in such a short time, and Cameron questioned whether a lack of Central Board approval would stop the go-ahead on the field house. The president replied that the field house most likely could not go up this year if contracts would not be advertised until after January 15, and he said he didn't think he would go ahead without a lower
interest rate. The lower interest would amount to a saving of about \( \frac{1}{3} \% \) or about $2,000 the first year. When asked if there were other sources from which to obtain such security, the president said that state funds weren't available but that operational earnings could pay for costs -- though not at the lower interest. He said he definitely needed Central Board assistance to obtain the lower interest. Then perhaps later when refinancing would take place Central Board could be released from such a contract. The only real drawback of any sort he saw for Central Board would be that while under the contract it couldn't decide to build something else or lend credit, yet the student body would certainly have a great deal to gain from such a building.

He emphasized that this project should in no way interfere with the new student union and proceeded to explain plans for the union. He said that within all but four of the next fifteen years enrollment was expected to increase from 5 to 7\%, thereby greatly increasing both the building fund and the actual student activity fee. Additional main funds for debt service payments would be available from profits from athletic contests, ice shows, stock shows, etc. held there.

President McFarland then called for non-binding expressions of judgment on an individual basis, and six of the eight voting members present expressed approval. Cameron said he was against obligating student funds for such a long period, and Tascher refrained from voting for the time being. Leuthold asked whether funds could be borrowed in case the student financing security would be needed. President McFarland said yes, but that the University would probably be better off digging up such funds on its own. Leuthold said he would be for the proposal if two stipulations would be included: (1) that if student funds ever be used for debt service they be repaid in the future, and (2) that during future refinancing when less security would be needed ASMSU be one of the first to be relieved from obligations.

Of the seven non-voting people still present, five expressed approval. O'Donnell said he would not be for a contract extending more than about five years, and both he and Burnell emphasized that they felt Central Board members shouldn't vote until obtaining opinions from those they represent.

The following motion was then made by Jones: "That Central Board request the president of MSU to present the field house construction and financing plans as presented to Central Board for the approval of the State Board of Education at its next meeting with the understanding, however, that no part of the student activity fee be committed thereto until it be approved by a vote of the MSU student body. Leuthold seconded, and the motion was carried, six to one. The meeting was then adjourned.

Respectfully submitted,

Mary Joan Tascher
ASMSU secretary