

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

A meeting of the Board of Trustees of the University of South Alabama was duly convened on February 27, 1997, in the University Board Room.

Members Present: Judge Herman Thomas; Messrs. Jack Brunson, Crum Foshee, Ken Kvalheim, Pat Lindsey, Mayer Mitchell; Drs. Ulysses McBride, Max McLaughlin, Steve Stokes, Frederick P. Whiddon; Mesdames Jerry Goodwin, Bettye Maye.

Members Absent: Judge Otha Lee Biggs, Judge Charles Woods; Messrs. Nix and Watson.

Others Present: Drs. Dale Adams, John Filer, William Gardner, Margaret Miller, Al Pruitt, Victoria Rivizzigno, David Stearns, Richard Vinson; Messrs. Jack Drake, Bernard Justesen, Gordon Moulton, Chris Peters, Ron Rosenberger, Steve Simmons, George Smith; Ms. Maxey Roberts. Members of the press were Ms. Ronnie Clark and Roy Huffman from the Mobile Register, Beth Pate; and Mr. Sean Dunlap of the Vanguard.

Mr. Mitchell called the meeting to order at 11:00 a.m. He noted that the ice rink item was deleted from the original agenda and requested approval of the revised agenda. Upon the motion of Mr. Kvalheim, seconded by Dr. McLaughlin, the revised agenda was unanimously adopted.

Guests were acknowledged. Dr. Whiddon introduced Dr. William Gardner, an internationally known pathologist and Associate Dean of Clinical Affairs, who will serve as Interim Dean of the College of Medicine and Vice President for Medical Affairs until Dr. Pruitt's replacement is appointed. Also introduced were Dr. John Filer as Assistant to the President interfacing with academic matters and Mr. Ron Rosenberger as Assistant to the President interfacing with health related and other non-academic matters.

Mr. Mitchell called for approval of the minutes of the December 5, 1996, meeting. Mr. Kvalheim requested that approval be deferred until a specific matter is addressed and corrected.

Upon the motion of Mr. Kvalheim, seconded by Mr. Brunson, approval of the minutes of December 5, 1996, were deferred to the next Board meeting by unanimous vote.

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Financial statements for October, November, and December, 1996, were accepted and Mr. Wayne Davis briefly highlighted the overall financial situation.

In Mr. Nix's absence, Mr. Moulton summarized the detailed plans for the renovation of the Administration Building Lobby. He stated that the architectural work is being done by the TAG Group on a pro bono basis. Noting that the USA Foundation had granted the sum of \$150,000.00 for the renovation, he announced that Mr. William Hearin, a member of the Foundation Board and long-time friend of the University, has generously contributed the entire amount. The renovated Lobby will be a gift to the University from Mr. Hearin on behalf of the Hearin Chandler Foundation and the USA Foundation to honor the long and dedicated service of Dr. Frederick P. Whiddon. Though bids came in higher than expected, slight changes in the specifications can be made without effecting the quality of the renovation. He stated that the formal dedication will be held in early fall.

Dr. Stokes reported on the Health Affairs Committee meeting which was held earlier. Minutes of December 5 were approved and the Hospital Credential Reports for the Fourth Quarter were recommended for approval. The Medical Executive Committee Report for the Fourth Quarter was reviewed and two proposed Resolutions were recommended for approval.

RESOLUTION

RESOLVED that the proposed by-law amendment to the USA Knollwood Park Hospital Medical Staff By-Laws, which amendment amends Article 11.2 to add the Chair of the University of South Alabama's Department of Radiology or his or her designee as an ex-officio member of the Medical Executive Committee with voting privileges, which has been reviewed and recommended by the Medical Executive Committee of USA Knollwood Park Hospital and by the Health Affairs Committee of the Board of Trustees, is hereby approved by the Board of Trustees of the University of South Alabama.

Upon the motion of Dr. Stokes, seconded by Dr. McLaughlin, the Resolution for Bylaw amendment to the USA Knollwood Park Hospital Medical Staff was unanimously approved.

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RESOLUTION

RESOLVED, that the Medical Staff appointments and reappointments for the fourth quarter, 1996, for the University of South Alabama hospitals, as reviewed and recommended by the Medical Executive Committee with the respective Hospitals and by the Health Affairs Committee of the Board of Trustees, are hereby approved by the Board of Trustees of the University of South Alabama.

Upon the motion of Dr. Stokes, seconded by Dr. McLaughlin, the Resolution approving medical staff appointments and reappointments was unanimously approved.

Dr. Stokes noted that status reports on the Transplant Program, search for the transplant surgeon, and the search committee for Dr. Pruitt's replacement were heard. It was reported that the Medicaid HMO will be implemented in the spring as planned and that the financial status of the Visiting Nurse Association is now stabilized. Judge Thomas questioned the composition of the search committee for Dr. Pruitt's replacement and requested that a member of the Alumni Association be included. Brief discussion followed regarding search guidelines and candidate interview schedules. Mr. Mitchell stated that all members of the Board of Trustees are invited to join any activity that requires Board action.

Mr. Mitchell introduced a Resolution regarding the low bid for small group housing.

RESOLUTION

WHEREAS, the University of South Alabama Board of Trustees has approved the project of Small Group Housing for fraternities and sororities on the campus of the University of South Alabama and

WHEREAS, the University is acting as General Contractor with regard to such bids for Small Group Housing, including taking bids for components of the construction of the Small Group Housing.

NOW THEREFORE, BE IT RESOLVED that the following bid that is the lowest responsible bid for the following aspects of the

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construction be awarded:

	CONTRACTOR/SUPPLIER	AMOUNT
A/C Units (122)	Overstreet Equipment Sales	\$82,795.00

FURTHER, BE IT RESOLVED that the President or his designee are hereby authorized to enter into any agreements or commitments on behalf of the University of South Alabama in the acceptance of such bid and the acceptance of such work.

Upon the motion of Dr. Stokes, seconded by Mrs. Goodwin, the low bid from Overstreet Equipment Sales for air conditioning units for the small group housing was unanimously approved.

Mr. Mitchell introduced the Resolution regarding low bids on the Performing Arts Center.

RESOLUTION

WHEREAS, the University serves as the General Contractor, at this stage, for the completion of the Performing Arts Center on the campus of the University of South Alabama, and

WHEREAS, from time to time it is necessary to approve the award of certain bids for components of the Performing Arts Building,

NOW THEREFORE, LET IT BE RESOLVED, that the following bids, that are the lowest responsible bids for the items as designated, are hereby approved and accepted by the Board of Trustees of the University of South Alabama:

	CONTRACTOR/SUPPLIER	AMOUNT
Lockers (108)	Buck Taylor	\$ 14,892.00
Stage Draperies	Norcosto	100,142.00
Auditorium Seating (414)	Seating Concepts	44,128.50
Fire Alarm System	Hunter Security	37,084.00
Audio Visual	Modern Sound	76,995.00
Practice Modules	Industrial Acoustics	113,700.00
Stage and House Lighting	Strand Lighting	159,197.00
Wood Doors	Brabner & Hollon	23,282.00
Elevators	Bagby Elevator	39,972.00
Movable Filing System	Lundia	12,279.00

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FURTHER, BE IT RESOLVED that the President or his designee are hereby authorized to enter into any agreements on behalf of the University of South Alabama with regard to the acceptance and approval of such bids.

Upon the motion of Mr. Kvalheim, seconded by Dr. McLaughlin, the Resolution for low bids on the Performing Arts Center was unanimously approved.

Mr. Mitchell introduced a Resolution for approval of low bids for the University Center as follows.

RESOLUTION

WHEREAS, the University of South Alabama Board of Trustees has approved the construction and building of the University Center with the University acting as General Contractor, and

WHEREAS, from time to time it is necessary to approve the award of certain bids for components of the University Center,

NOW THEREFORE, BE IT RESOLVED that the following bids that represent the lowest responsible bid, in accordance with State Law, are hereby accepted and awards:

		CONTRACTOR/SUPPLIER	AMOUNT
Air Conditioning Units	Trane	\$	373,880.00
Fans	Lanico		41,950.00
Composite Floor Decking	Vulcraft		74,980.00

FURTHER, BE IT RESOLVED that the President or his designee are duly authorized to enter into any agreement on behalf of the University of South Alabama to accept and award such bids and carry out the work relating to such bid aspects of the University Center.

Upon the motion of Dr. McLaughlin, seconded by Mrs. Maye, the Resolution for low bid awards for the University Center was approved by majority vote with Judge Thomas voting nay.

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Mr. Mitchell reported on a brief discussion at the Executive Committee relative to the possible installation of an ice rink in the University Center.

Mr. Mitchell commended Mr. Justesen for the fine quality of the current construction projects. Construction schedules for the three major projects were acknowledged with appreciation.

In Dr. Sylvester's absence, Dr. David Stearns reported on the semester system conversion process which is scheduled for implementation for the Fall Semester of 1998. Tentative calendars have been established, courses are being converted, and student guidelines, including advising guidelines, for the transition period are nearing completion. Students will have a one-to-one orientation about the conversation process.

Dr. Margaret Miller, Associate Dean of the College of Arts and Sciences, presented requests for date changes of approved Faculty Service and Development Awards: Dr. Dulal Bhaumik from Spring 1997 to Fall 1998; Dr. Richard Vinson to an unspecified future date; Dr. Edward Shaw from Spring 1997 to Spring 1998.

Upon the motion of Mr. Kvalheim, seconded by Dr. Stokes, the changes to the Faculty Service and Development Awards were unanimously approved.

Dr. Whiddon stated that four endowed professorships will be available for implementation in September 1997. He read the following Resolution.

RESOLUTION

WHEREAS, the USA Foundation has established professorships to be funded over a period of time, and included among those professorships is a professorship in the Department of Political Science, and

WHEREAS, Dr. David Horton, the first Chairman of the Department of Political Science at the University of South Alabama and the individual who developed the initial Department of Political Science, served the University for many years in that capacity and subsequently served the University and the USA Foundation on its Board of Directors from the early 1980's through his death on November 7, 1996, and

WHEREAS, it is recommended that the professorship in the Department of Political Science be named for Dr. David Horton.

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NOW THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama, upon the recommendation of the President of the University of South Alabama and the entire University faculty, hereby names the professorship that will be established in the Department of Political Science as the David Horton Professorship of Political Science, and

FURTHER, BE IT RESOLVED that a copy of this Resolution be spread upon the minutes of the Board of Trustees and forwarded to the family of Dr. David Horton, expressing the appreciation of the Board of Trustees for the unending devotion, dedication and service that Dr. Horton provided to the University community.

Upon the motion of Judge Thomas, seconded by Mr. Kvalheim, the Resolution was unanimously approved.

Dr. Whiddon stated that Dr. Horton was a friend and mentor to many and a stalwart leader for all. Mr. Mitchell commented on Dr. Horton's devoted service to the University of South Alabama and to the USA Foundation where his "Staying the Course" diagram is prominently displayed.

The announcement by Senator Lindsey that Lt. Governor Don Siegelman had confirmed the appointment of Dr. Max V. McLaughlin to the University of South Alabama Board of Trustees was met with applause.

Dr. Pruitt introduced an integrated network between community health centers and USA physicians and hospitals called the Mobile Community Health Information Network System. Mr. Jim Kotis explained that grant funding from the Department of Commerce made this one-year project possible and noted that it will be an on-going supported organization which can be expanded in the future. Dr. Gardner stated that this project is just another example of the University connecting with the community. Dr. Whiddon expressed appreciation and noted the good will and public relation benefit that the system has incurred.

Mr. Mitchell introduced a Resolution regarding lighting retrofit and energy conservation.

RESOLUTION

WHEREAS, the University of South Alabama is nearing completion of a pilot project involving four buildings for retrofitting interior lights and energy conservation, and

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WHEREAS, the University is seeking bids for lighting retrofit as well as installation of an energy management system throughout the University campus, including 41 buildings on campus, and

WHEREAS, requests for bids have been forwarded and it is expected that on or about the 12th day of March, 1997, the bids will be received, and

WHEREAS, the University of South Alabama anticipates that the estimated cost of the projects will be approximately \$1,800,000.00.

NOW THEREFORE, BE IT RESOLVED that the President of the University of South Alabama and/or his designee is authorized to accept the lowest responsible bid for the retrofitting of interior lights and installing energy management system, and

FURTHER, BE IT RESOLVED that the President of the University of South Alabama and the Vice President for Finance are hereby authorized and empowered to request competitive proposals for short term tax exempt financing with a term of between five to seven years with an interest rate between 5% to 6% for the financing of the lighting retrofit and energy management system, and

FURTHER, BE IT RESOLVED that the subject officers of the University of South Alabama are hereby authorized and empowered and directed to sign any and all notes or documents required by any bank or lending institution or other entity to carry out the provisions of this resolution.

Mr. Bill Callender summarized the technical process of the lighting retrofitting and the energy conservation that will result in a major reduction in utility costs.

Upon the motion of Mr. Kvalheim, seconded by Dr. McLaughlin, the Resolution was unanimously approved.

Mr. Mitchell introduced a Resolution, recommended by the Executive Committee, authorizing the transfer of Polo-at-the-Point funds to the USA Foundation.

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RESOLUTION

WHEREAS, Point Clear Charities over a period of five years has provided to the University of South Alabama significant gifts from its annual Polo at the Point event, and

WHEREAS, this amount has been routinely transferred to the University of South Alabama Foundation with a matching amount from the Health Services Foundation, to be matched by the USA Foundation, and

WHEREAS, the Polo at the Point Fund balance in the USA Foundation at December 31, 1996, is \$1,531,505.80, and

WHEREAS, the Board of Trustees of the University of South Alabama wishes to proceed with transferring the current year's funds from the fall event in the amount of \$73,103.37 to the USA Foundation to be matched by the Health Services Foundation and the USA Foundation,

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees hereby authorizes the transfer of the amount of \$73,103.37 to the University of South Alabama Foundation, with a match of that amount by the Health Services Foundation and by the USA Foundation.

Upon the motion by Mr. Brunson, seconded by Dr. McLaughlin, the Resolution was unanimously approved.

Upon the motion of Dr. McLaughlin, seconded by Mrs. Maye, the Board of Trustees, Dr. Gardner, Dr. Pruitt, and Ms. Roberts went into executive session to discuss and review the good character and name of the various attorneys and law firms who might represent the University in the proposed tobacco litigation. Guests and other staff were excused.

Mr. Mitchell reconvened the open session and announced that until a decision was made by the Board of Trustees in open session to proceed or not proceed with the litigation, it was agreed that no decision would be made about representation. He requested that Dr. Whiddon give an overview and introduce the guests who will provide additional information on the tobacco litigation.

Dr. Whiddon stated that twenty states have brought litigation against the tobacco industry. He stated that though there is no wish to dictate to people about smoking, there is the harsh reality of caring for those who are suffering from the ill

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effects of smoking. He added that unreimbursed costs at the hospitals averages approximately \$26,000,000.00 annually.

Mr. Mitchell stated that all Board members were invited to participate in a telephone conference call earlier in which Mr. Jack Drake, an attorney with the firm of Cooper, Mitch, Crawford, Kuykendall, and Whatley in Birmingham, provided information about the current litigation. It has been proposed that the two medical schools in Alabama--USA and UAB--enter jointly into the litigation.

Mr. Drake was asked to give the status of the current litigation and summarize the benefits that might accrue to the University by participating. He stated that because of their involvement in a law suit that was filed in Circuit Court of Montgomery on behalf of the taxpayers of Alabama, he and his colleagues have been allowed to participate in discussions with the attorneys general of the twenty involved states. He summarized the litigation by saying that states are seeking reimbursement for unreimbursed expenses from tobacco companies. He suggested that a lawsuit filed on behalf of USA and UAB would be designed to recover costs for the treatment of smoking-related illnesses incurred by the two institutions through their hospitals. He stated that the firm would assume the risk and all of the litigation expense.

Mr. Mitchell affirmed the fact that the only expense to the institution would be the internal collection of data. Other expenses would be recovered by the firm out of the settlement. Dr. Whiddon stated that the firm's contingency fee would be 25% of the settlement if settled prior to trial or 30% by trial. Dr. McBride voiced concerns about USA involvement. General discussion following resulted in general consensus to authorize the President to proceed, noting that such authority is not an infringement on the authority now held by the President in the everyday course of events.

Upon the motion of Dr. Stokes, seconded by Dr. McLaughlin, the President was authorized to enter into the tobacco litigation by a majority vote, with Dr. McBride voting nay and Mr. Foshee abstaining.

Upon the motion of Dr. Stokes, seconded by Mr. Brunson, the Board of Trustees, Dr. Gardner, Dr. Pruitt, and Ms. Roberts returned to executive session.

Upon the motion of Mr. Brunson, seconded by Dr. McLaughlin, open session was reconvened. Mr. Mitchell reported that the character and name of individual attorneys in various law firms were discussed with no decisions made.

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Upon the motion of Mr. Foshee, seconded by Dr. Stokes, the President was given specific authority, supplemental to existing authority, to engage the proper legal counsel to represent the University in this matter by unanimous vote.

Meeting adjourned at 2:00 p.m.

Respectfully submitted:

Attest to:


Bettye Maye, Secretary


Mayer Mitchell, Chair

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