

UNIVERSITY OF SOUTH ALABAMA
Board of Trustees

The University of South Alabama Board of Trustees was duly convened by Mr. Mayer Mitchell, Chairman, at 10:25 a.m on Thursday, December 4, 1997, in the Board Room of the Frederick P. Whiddon Administration Building.

Board Members Present: Messrs. Jack Brunson, Crum Foshee, Ken Kvalheim, Don Langham, Mayer Mitchell; Mayor James Nix; Judge Herman Thomas, Judge Charles Woods; Mrs. Bettye Maye; Drs. Ulysses McBride, Max McLaughlin, Steve Stokes, Frederick P. Whiddon

Board Members Absent: Judge Otha Lee Biggs; Mrs. Jerry Goodwin; Senator W. H. Lindsey, Mr. Plez Watson

Others Present: Messrs. Wayne Davis, Steve Simmons, Bob Broach, Arthur Carlton, Bernard Justesen, Matt Hancock, Butch Jeffries, Sean Dunlap-Vanguard, Glenn Guilbeau-MPR, Asa Allen-WPMI, Andrew Davis and Barry Bain-WALA; Mesdames Maxey Roberts, Jan Sauer, Ronnie Clark-MPR, Mary Hatler-Vanguard; Drs. Suzanne McGill, Dale Adams, William Gardner, J. David Stearns.

Mr. Mitchell introduced and welcomed Mr. Don Langham as a new member of the Board of Trustees, replacing Mr. Plez Watson.

It was noted that the Executive Committee had unanimously approved to move directly into the Board Meeting and that Mr. Mitchell did not wish to begin the meeting without the press being in attendance. Ms. Clark of the Mobile Register entered the meeting. At that time, Mr. Mitchell asked to go into executive session at the beginning of the meeting when the agenda will be approved.

Upon the motion of Mr. Kvalheim, seconded by Mr. Nix, and unanimously approved, the members of the Board of Trustees went into executive session and all guests were excused except President Whiddon who was asked to remain. The reason for the executive session was to discuss Mr. Mitchell.

Mr. Mitchell reconvened the meeting of the Board of Trustees at 11:30 a.m. Upon the motion of Mr. Nix, seconded by Mrs. Maye, the Agenda was unanimously adopted as submitted.

Upon the motion of Mr. Brunson, seconded by Mr. Kvalheim, the minutes of the meeting of September 4, 1997 were unanimously approved as distributed.

The financial statements of July 31 and August 31, 1997 were received and reviewed.

950

950

USA Board of Trustees
December 4, 1997
Page 2

Mr. Mitchell formally introduced Mr. Don Langham who was able to join the Board of Trustees as a new member of the Board. The Board greeted Mr. Langham with applause.

The Health Affairs Committee meeting report was the next agenda item. Upon the motion of Dr. Stokes, seconded by Dr. McLaughlin, the medical staff appointments and reappointments for the 3rd quarter 1997, changes to the USA Medical Center Hospital Auxillary Constitution and Bylaws, and the Annual Competency Review for October 1, 1996 through September 30, 1997, and the Annual Safety Assessment Report were unanimously approved as submitted. The medical staff and administrative reports and the medical executive reports for USA Children's and Women's Hospital, USA Knollwood, Knollwood Long Term Care and USA Medical Center for the 3rd Quarter ending October 31, 1997, were accepted as presented.

Dr. Stokes reported that the transplant surgeon position will hopefully be filled in the near future. He noted that because of cost saving measures instituted early in the year, the hospitals are doing well financially and the Medicaid Waiver Program is a successful program and is being considered as a model for the entire State.

Dr. Gardner called attention to the Annual Report of the College of Medicine which shows a remarkable record of accomplishments. Mr. Simmons expressed appreciation to the Board for their support.

Mr. Brunson reported on the Budget and Finance Committee meeting. Due to the depth and complexity, he asked that the members of the Committee be provided with copies of budgetary and audit materials as early as possible.

Mr. Wayne Davis reviewed the Ernst and Young Audit Report which included the financial statements from the hospitals, the compliance reports, and the A133 Federal report for the year ending September 30. He stated that there had been budgeted for last year a deficit of \$953,000.00 and that was overcome ending with a surplus of \$139,000.00. Total assets increased from \$477 M to \$514 M. He noted that this was the eighteenth year that Ernst & Young has performed the University audit. Further, he called attention to the management letter included in the report and cited agreement with the suggestions.

Mr. Brunson presented the recommendation by administration for salary increases and the following resolution relative to salary increases:

USA Board of Trustees
 December 4, 1997
 Page 3

RESOLUTION

BE IT RESOLVED, that upon recommendation of the President of the University of South Alabama, the Board of Trustees hereby approves the following salary increases:

To be retroactive to April 1, 1997, a one percent merit salary increase for eligible faculty, staff, and administrative employees; to be effective October 1, 1997, a two percent merit salary increase for eligible faculty, staff, and administrative employees; to be effective October 1, 1997, a one percent parity salary increase for staff employees in accordance with the previously approved five-year staff parity plan.

Dr. Whiddon stated that the administration did not recommend any salary increases for 1996-1997 so that the recommendation is for one percent retroactive and two percent retroactive to October 1, 1997. In addition, there is an item for equity adjustment, which was a five-year program and is the last of those years, having missed one year in the five-year process. He stated that there has been a consistent policy of raises for University employees every year and that it is a merit increase with a review by administration of recommendations above or below a certain percentage. Mr. Kvalheim questioned unfilled faculty positions. Discussion followed. Dr. Whiddon suggested that Dr. Patsy Covey might wish to comment on the faculty positions. She stated that over the period of freeze, which has been the last two-three years, each dean has been given the opportunity to present critical needs relative to faculty positions and there is flexibility in being able to move monies in order to accommodate those situations. She stated that in her opinion this was the fair way to proceed so that there is not a situation where classes are not being taught and critical needs are not being met. She stated that the University academic programs have not been placed in any kind of jeopardy. She concluded by saying that she was speaking to critical needs versus desired needs.

Upon the motion of Mr. Nix, seconded by Judge Woods, the resolution of salary increases was unanimously approved.

Mr. Brunson stated that the Budget and Finance Committee recommended approval of the proposed budget for 1997-98 which includes a slight rental rate increase for Hillsdale as stated in the following Resolution. He again encouraged early distribution of future budget documents.

USA Board of Trustees
December 4, 1997
Page 4

RESOLUTION

WHEREAS, in the proposed budget planning for 1997-1998, the Department of Housing has reviewed its needs for a Hillsdale rate increase,

NOW THEREFORE, BE IT RESOLVED that the following rate increase for the houses in Hillsdale as noted above is approved to be effective January 1, 1998:

HILLSDALE RATES		
	Current Rate	Proposed Rate
2 Bedroom	\$205.00	\$215.00
3 Bedroom	230.00	240.00
3 Bedroom with carport	250.00	260.00
3 Bedroom Large with carport	265.00	275.00

Upon the motion of Mrs. Maye, seconded by Dr. Stokes, the 1997-98 budget, including the Hillsdale rental rate increase, was unanimously approved as proposed.

Dr. Stearns recommended a \$1.00 registration fee increase for the Career Services Center as presented in the following Resolution.

RESOLUTION

WHEREAS, the Career Services Center has been upgraded and enhanced to provide a greater service to students and alumni of the University of South Alabama in assisting them in locating careers,

WHEREAS, in order to continue that service, there is needed on-going additional funding to properly equip and provide additional service to those individuals utilizing the Center.

NOW THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves a \$1.00 increase to the registration fee of the University of South Alabama for the purpose of supporting the additional operations of the Career Services Center so that the registration fee will be increased from \$21.00 amount to \$22.00, and that such increase in registration fee will be effective beginning the Spring Quarter, 1998.

USA Board of Trustees
 December 4, 1997
 Page 5

Upon the motion of Mr. Brunson, seconded by Mrs. Maye, the Career Services Fee increase was unanimously approved.

Mr. Brunson presented the next Agenda item, Freshman Mandatory Meal Plan. Dr. Adams spoke to the food service issue and applauded ARAMARK for their excellent service. Mr. Hancock, President of the Student Government Association, pledged SGA support for the Plan.

RESOLUTION

WHEREAS, the University of South Alabama in providing a quality food service that is satisfactory to the student body has worked with Aramark over a period of time to assure that quality of service and,

WHEREAS, due to the increasing demands on this service and cost associated with provision of food service, it has been recommended that a mandatory meal plan be implemented in order to build community on campus through a common eating facility and to maintain a quality food service viable to the University and to its contractor,

NOW THEREFORE, BE IT RESOLVED, that a ten meal plan per week is approved to be required of all entering freshman students living in residence halls of the University of South Alabama, excluding residence facility at 1500 Government Street, and such meal plan to be effective with the Fall Semester, 1998.

Upon the motion of Mr. Nix, seconded by Dr. McLaughlin, the Freshman Mandatory Meal Plan was unanimously approved.

Mr. Mitchell introduced the subject of lease/leaseback which was briefly discussed at the Budget and Finance Committee meeting. He referred to the subject as a very complex, complicated transaction that will require intense study before completion. Mr. Wayne Davis reported that preliminary appraisals have been done with some facilities, such as the Library and certain laboratories, excluded. A preliminary total of approximately \$490,000,000.00 could be available for lease/leaseback with a useful life of 30-50 years. He added that the search for an equity investor will continue and that the legal work is progressing. General discussion of the transaction and on approved expenditures for the project followed. Mr. Mitchell requested an extension of the approved authority from \$50,000.00 to \$100,000.00.

USA Board of Trustees
December 4, 1997
Page 6

Upon the motion of Mr. Brunson, seconded by Dr. McLaughlin, an increased authority of \$50,000.00 for expenditures on the lease/leaseback project was unanimously approved.

Matching money for Polo-at-the-Point was the next topic of discussion. Mr. Mitchell recognized Mrs. Anne Nix for her commitment to this worthwhile endeavor and suggested a formal recognition of her efforts at a formal event at some future time. Mr. Davis reported that the fund, with this addition, will be \$2,300,000.00. Dr. Gardner emphasized that this fund was for the support of cancer research with the centerpiece being a comprehensive cancer program for the institution. The following Resolution was presented for approval.

RESOLUTION

WHEREAS, Point Clear Charities has donated to the University of South Alabama \$82,146.08 for the Polo at the Point Fund, and

WHEREAS, the Board of Trustees at the University of South Alabama has previously transferred those funds to the USA Foundation to be matched by the USA Foundation,

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees authorizes the transfer of the funds in the amount of \$82,146.08 to the USA Foundation to be matched, and to be added to the USA Foundation Cancer Research Fund-Polo at the Point.

Upon the motion of Mr. Brunson, seconded by Dr. McLaughlin, the Resolution for matching funds for Polo at the Point was unanimously approved.

It was announced that Mr. Happy Fulford has taken a position with the University of Alabama System. Upon the motion by Mr. Kvalheim, seconded by Judge Thomas, a formal resolution of appreciation, signed by the President and the Chairman of the Board of Trustees, was unanimously approved.

Upon the motion of Mr. Kvalheim, seconded by Mr. Langham, the two departing Trustees, Dr. Ulysses McBride and Mr. Plez Watson, were unanimously appointed Trustee Emeriti of the University of South Alabama Board of Trustees.

Dr. Whiddon requested consideration of a request from the SGA and the African American Student Association to extend the Martin Luther King Day holiday through evening classes. It was noted that the Holiday presently ends at 5:00 p.m. and does not include evening

USA Board of Trustees

December 4, 1997

Page 7

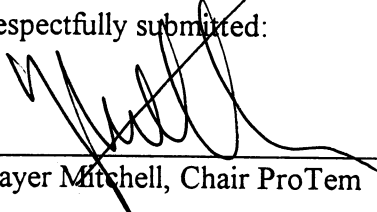
classes. The Board of Trustees acknowledged agreement that, effective January 1999, the entire day, including evening classes, be designated and given as Martin Luther King Day Holiday.

Mr. Mitchell commended Dr. Ulysses McBride for his twelve-year service to the University and the Board of Trustees. Dr. McBride responded saying that it has been a great and outstanding time.

Dr. Whiddon reminded everyone that Mr. Harry Wu is the guest speaker for commencement on Sunday and invited the Board members to attend.

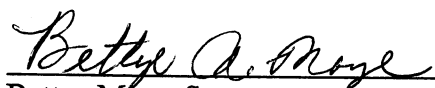
Mr. Mitchell formally adjourned the meeting at 12:30 p.m. with lunch following.

Respectfully submitted:



Mayer Mitchell, Chair Pro Tem

Attest:


Bettye Maye, Secretary