



MEMORANDUM

UNIVERSITY OF SOUTH ALABAMA

May 28, 2013

TO: USA Board of Trustees

FROM: Bettye R. Maye *BRM*
Secretary, Board of Trustees

Included herein are the unapproved minutes of Board meetings held March 8 and April 3, 2013, and for an Executive Committee meeting held May 9, 2013. Please review these documents for amendment or approval at the June 7, 2013, Annual Meeting of the Board of Trustees.

BRM:mgc

Enclosures

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES MEETING**

March 8, 2013

10:00 a.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Chair *Pro Tempore*, on Friday, March 8, 2013, at 10:03 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Trustees Scott Charlton, Tom Corcoran, Steve Furr, Sam Jones, Bettye Maye, Christie Miree, Arlene Mitchell, Bryant Mixon, John Peek, Jimmy Shumock, Steve Stokes and Jim Yance.

Members Absent: Trustees Robert Bentley, Tommy Bice, Cecil Gardner and Ken Simon.

Administration and Others: Acting President Dr. John Smith and President Gordon Moulton; Drs. Mike Boyd, Joe Busta, Phil Carr/Doug Marshall/Tom Meyer (Faculty Senate), Errol Crook, Ron Franks, David Johnson, Anthony Martino, Mike Mitchell, Ed Partridge (UAB), David Stearns, Sam Strada and Ron Styron; Messrs. Terry Albano, Keith Ayers, Owen Bailey, Parker Chastain (SGA), Wayne Davis, Stan Hammack, Mark Hoffman (NAA), Don Langham, Tom Meyer (Faculty Senate), Abe Mitchell, Norman Pitman and Steve Simmons; and Mss. Jenny Biggs, Lynne Chronister, Berry McKelvain, Geri Moulton, Lee Stearns and Jean Tucker.

Press: Messrs. Ron Edmondson (WPMT) and Rodney Rocker (WALA); and Ms. Theresa Seiger (Press-Register/al.com).

Upon the call to order, Chairman Yance observed that the Distinguished Alumni and Service Awards Gala on March 7 was a great event, and he congratulated the award recipients. He called for adoption of the revised agenda. On motion by Ms. Mitchell, seconded by Ms. Maye, the revised agenda was approved unanimously. Chairman Yance called for consideration of **ITEM 1**, the minutes of the December 6, 2012, and February 1, 2013, meetings of the Board of Trustees, as well as the December 5 meetings of the Audit Committee/Committee of the Whole and the Development, Endowment and Investments Committee. On motion by Dr. Stokes, seconded by Mr. Peek, the minutes were adopted by unanimous vote.

Chairman Yance called upon Dr. Boyd to address **ITEM 6**, a resolution authorizing adoption of a Declaration of Intent between the University of South Alabama and The Board of Trustees of the University of Alabama, on behalf of the University of Alabama at Birmingham. Dr. Boyd updated Board members on the activities of the Mitchell Cancer Institute (MCI) Executive Advisory Board (EAB), from which the concept of a consortium partnership between the MCI and the University of Alabama at Birmingham Comprehensive Cancer Center (UABCCC), one of the nation's foremost National-Cancer-Institute (NCI)-designated comprehensive cancer centers, emerged. He introduced Dr. Edward Partridge, Director of the UABCCC and EAB member, to give a perspective on this collaboration. Dr. Partridge commented on the

remarkable growth of the MCI since its creation in 2003, and on its impressive group of scientists. He stated USA's and UAB's cancer programs are Alabama's only academic programs, each with broad clinical service areas that do not overlap. He discussed a wide range of advantages the consortium would make possible, such as the sharing of science, resources and expensive equipment, and expanded clinical trials. Another important benefit is that the separate identities of each partner would remain intact. Dr. Partridge added that, together, the MCI and UABCCC would be a strong force in the political arena, and that the consortium has great potential to improve the quality of research and clinical care. Chairman Yance, who participated in the EAB site visit in December, agreed the consortium will give rise to great things. He said the Board would vote on the USA-UAB Declaration of Intent later in the meeting.

Chairman Yance called upon President Smith for presentation of **ITEM 2**, the President's Report. President Smith recognized Mr. Don Langham, Trustee Emeritus; Dr. Phil Carr, President – Faculty Senate, whom he thanked for his service; and Mr. Mark Hoffman, President – National Alumni Association. He reported on Higher Education Day held at the state capitol on February 28, stating the event had been well-attended and the local legislative delegation was pleased to see involvement by USA alumni. He introduced and thanked Dr. Michael Mitchell, Dean of Students, who will take over supervision of the Division of Student Affairs while Dr. Smith serves in the role of Acting President. He updated the Board on President Moulton's recovery.

President Smith said recruitment figures are positive, and Dr. Johnson would give a report later in the meeting. A new design for USA car tags was shown. Proceeds from car tag purchases benefit scholarships. Dr. Busta said the new tags would be available in August. Mr. Peek noted the sale of car tags provide substantial revenue, which Dr. Busta estimated at \$600,000. Dr. Busta said car tag sales had surged since the implementation of the football program. A project to place signage on the Bankhead Tunnel that promotes the University of South Alabama was discussed. Messrs. Shumock and Vince Calametti, Director of the Mobile Department of Transportation, were credited for advancing this initiative. Mr. Shumock recognized Mayor Jones for his efforts to bring the project forward. Mr. Ayers talked about the value of this marketing strategy.

President Smith detailed upcoming events. The Red and Blue Spring Football Game will take place on Saturday, April 6, at 2:00 p.m. at Ladd-Peebles Stadium, and will be preceded at 11:00 a.m. by the College of Medicine's Annual Gumbo/Chili Cookoff, benefitting the Reagan Robinson Young Scholarship Fund. President Smith said Trustees would find schedules for the 2013 football season on the table, and he gave details on the USA vs. North Florida baseball game scheduled at 6:30 p.m. at Stanky Field, as well as statistics for the 2013 baseball season. He advised that Dr. Bert Eichold would be honored as *Mobilian of the Year* on Thursday, April 4, at the Mitchell Center.

President Smith reminded Trustees and guests that USA's 50th Anniversary Grand Celebration would take place on Friday, May 3, at 6:30 p.m. at Moulton Tower and Alumni Plaza. The festivities will include food and fireworks. President Smith said production of a 50th anniversary

commemorative book, featuring key moments and figures in the University's history, is close to completion. The book will be distributed on campus and to all guests attending the May 3 gala.

President Smith said Spring Commencement would be held on Saturday, May 11, and the program would focus on USA's history. He discussed the 50th Anniversary Campaign, which he stated was in full-swing, indicating that details can be viewed on the USA Web site. Regarding construction progress, President Smith said updates would be addressed as part of division reports, and noted plans for a dedication of the USA Children's and Women's Hospital expansion on Thursday, June 6, in conjunction with the June 7 Annual Meeting of the Board of Trustees. On behalf of the Board, Chairman Yance extended congratulations to Dr. Eichold for being named *Mobilian of the Year*, and to Mr. Hoffman and the National Alumni Association for the success of the awards gala. Mr. Hoffman thanked Board members for their participation, and recognized Dr. Busta and Ms. Karen Edwards, Director – Office of Alumni Relations, for their involvement.

Concerning **ITEM 2.A**, the appointment of a Nominating Committee, Chairman Yance announced Board officers would be elected in June. He appointed Ms. Mitchell, Mayor Jones and Dr. Stokes to serve on the Nominating Committee charged with accepting nominations, and with presentation of a slate of candidates for the positions of Chair *pro tempore*, Vice Chair and Secretary at the Annual Meeting on June 7. He asked Dr. Stokes to serve as chair of the Nominating Committee.

Chairman Yance called for a report of health affairs items. Dr. Furr, Chair of the Health Affairs Committee, called upon Dr. Franks for discussion of **ITEM 4**, a report on the activities of the USA Health System and the Division of Health Sciences. Dr. Franks said two reports would be given, and he called upon Dr. Strada to comment first. Dr. Strada introduced Dr. Errol Crook, Professor and Abraham A. Mitchell Chair of Internal Medicine, for a report on USA's Center for Healthy Communities, a program established in 2003 which focuses on the elimination of health disparities. Dr. Crook, Director of the Center, advised that the National Institutes of Health had recently awarded additional funding for the program in the amount of \$7.5 million, constituting a third renewal of the grant for five years and giving the Center the distinction of a *Center of Excellence*. He outlined the Center's approach, which combines community engagement, translational research and primary research, and detailed factors influencing health disparity. He credited Drs. Roma Hanks, Chair of Sociology and Anthropology, and Hattie Myles, Assistant Dean of Student Affairs and Education Enrichment for the College of Medicine, as community outreach core co-directors, as well as project researchers Drs. William Gerthoffer, Chair of Biochemistry; Clara Massey, Professor of Internal Medicine; Kenneth Hudson, Associate Professor of Sociology; and Martha Arrieta, Director of Research for the Center, for contributing to the Center's success.

Mr. Owen Bailey, Administrator - USA Children's & Women's Hospital (CWH), updated Board members on the expansion project. He thanked Dr. Furr for chairing the development council for the hospital campaign, and Messrs. Ron Blount and Dow Bark, SA Group, the University's construction managers, for a job well done. As photos were viewed, he detailed expansion high-

lights, such as equipment and Ronald McDonald House services upgrades. He discussed the selection of Miss Jenny Biggs, former CWH patient, as Alabama's representative for the Children's Miracle Network Champion Program. Photos depicting Miss Biggs' involvement were shown. He introduced Miss Biggs, her mother Ms. Berry McKelvain, and Dr. Anthony Martino, Chair of the Department of Neurosurgery, for remarks on the treatment Miss Biggs received and the rewarding experiences gained through the Champion Program. On behalf of Children's & Women's Hospital, Mr. Bailey accepted an excellence award presented by Miss Biggs and Ms. McKelvain, who thanked him for his support and leadership.

Dr. Furr presented **ITEM 3** as follows. On motion by Mr. Peek, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR DECEMBER 2012 AND JANUARY 2013**

WHEREAS, the Medical Staff appointments and reappointments for December 2012 and January 2013 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

Dr. Furr moved approval of **ITEM 6** as follows (for copies of policies and other authorized documents, refer to **APPENDIX A**). Mr. Shumock seconded and the resolution was approved unanimously:

**RESOLUTION
DECLARATION OF INTENT
THE UNIVERSITY OF SOUTH ALABAMA MITCHELL CANCER INSTITUTE
AND THE UNIVERSITY OF ALABAMA AT BIRMINGHAM
COMPREHENSIVE CANCER CENTER**

WHEREAS, the University of South Alabama and The Board of Trustees of the University of Alabama, on behalf of its operating division, the University of Alabama at Birmingham Comprehensive Cancer Center mutually desire to enter into a Declaration of Intent to investigate the feasibility of developing a cancer research consortium partnership ("Consortium Partnership")ⁱⁱⁱ between their operational divisions known as the University of South Alabama Mitchell Cancer Institute ("USAMCI") and the University of Alabama at Birmingham Comprehensive Cancer Center ("UABCCC") aimed at future designation by the U.S. National Cancer Institute ("NCI") as an NCI Comprehensive Cancer Center Consortium Partnership, and

WHEREAS, such Consortium Partnership will have tangible and intangible benefits of high value for both universities, and for the citizens of the State of Alabama and beyond, and

WHEREAS, administrative officials of UAB have endorsed a Declaration of Intent that sets forth the goals of the Consortium Partnership, and

WHEREAS, the Board of Trustees of the University of South Alabama wishes to endorse said Declaration of Intent as well,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby approves and adopts the Declaration of Intent between the University of South Alabama and The Board of Trustees of the University of Alabama, on behalf of its operating division the University of Alabama at Birmingham, as attached hereto.

¹ The term “partnership” is used herein in the context of the latest United States National Cancer Institute (“NCI”) publication (dated September 25, 2012, pp. 4-5) entitled Policies and Guidelines Relating to the P30 Cancer Center Support Grant, and is not intended to create, nor shall it be construed as creating, a separate legal partnership entity between or among USAMCI and UABCCC or recognized or held out as a separate legal partnership entity for Alabama state law purposes or federal taxation law purposes.

Chairman Yance called for consideration of academic and student affairs items. Ms. Miree, Chair of the Academic and Student Affairs Committee, called upon Dr. Johnson to present **ITEM 7**, a report on the activities of the Division of Academic Affairs. Dr. Johnson gave an update on efforts to increase enrollment. He discussed “USA Day” and scholarship program promotions. He stated the initiatives are proving fruitful and optimism is high for a record 2013 fall enrollment. He reported on candidate interviews for the Honors Program.

Concerning the process for reaffirmation of the University’s accreditation, Dr. Johnson shared that a positive review by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) visiting team in April is necessary for continued federal financial aid funding. He said the University has satisfied most SACS standards, with 19 to be addressed on April 3, 4 and 5. An important focus of the visit will be USA’s Quality Enhancement Plan (QEP) titled *Team USA*, which concentrates on collaborative learning to improve student learning outcomes. He introduced Dr. Ron Styron, QEP director, who discussed facilitation of the QEP, which involves students working collectively on practical exercises to gain critical thinking skills. Dr. Susan Gordon-Hickey, Assistant Professor of Speech Pathology and Audiology, and Miss Kelsy Williams, USA student, gave positive feedback on the team-based approach in the classroom. President Smith thanked Dr. Johnson for his role in the SACS reaffirmation process.

Ms. Miree called upon Dr. Mitchell for presentation of **ITEM 8**, a report on the activities of the Division of Student Affairs. Dr. Mitchell provided an update on the new 350-bed residence hall that is under construction and scheduled to open for the 2013 fall semester. Photos were shown on the progress thus far. Dr. Mitchell expressed enthusiasm for the changing face of residence life on campus. He discussed a partnership with Kappa Sigma to construct a small facility on the north side of Gamma 9 near the traffic circle, to be owned and managed by the University, to be used for chapter meetings. He added that updates to the interior of Epsilon are scheduled for completion by fall. President Smith remarked on the good condition of the Beta and Gamma dorms, and observed the potential of the Kappa Sigma partnership in increasing residents on campus.

Chairman Yance called for consideration of budget and finance items. Mr. Corcoran, Budget and Finance Committee Chair, asked Mr. Wayne Davis to address **ITEM 9** reports titled *Monthly*

Fund Financial Reports for October, November and December 2012; Quarterly GASB Financial Statements, Three Months ended December 2012; and Summary Comparison of Fund Financial Reports to GASB Financial Statements, December 31, 2012 and 2011. There was no discussion.

Mr. Davis addressed **ITEM 10** as follows, noting that operation of the Springhill Avenue facility no longer serves the best interest of the University, and citing increased maintenance issues. He outlined a plan to replace the facility with a professional office building for the departments of Family Practice and Pediatrics. He stated demolition would be less costly than continued operation, and discussed the relocation of the current occupants, the largest being the Veterans Affairs Hospital, the lease of which expires in 2015. He said authorization for the construction of a new building would be sought at a future Board meeting. On motion by Mr. Corcoran, seconded by Ms. Miree, the resolution was approved unanimously:

**RESOLUTION
ARCHITECT FOR PROFESSIONAL OFFICE BUILDING
AT USA SPRING HILL AVENUE CAMPUS SITE**

WHEREAS, the University of South Alabama acquired the Spring Hill Avenue Campus from Providence Hospital in 1987, and

WHEREAS, these facilities were built in various stages dating back to the middle of the last century, and

WHEREAS, the property has served the University well in housing various clinics, administrative offices and the Colleges of Nursing and Allied Health Professions for many years, and

WHEREAS, these facilities are aging, and maintenance issues persist, and of the over 500,000 square feet of space at this site, only about half is currently occupied, and the expense to update the buildings would be significant, and

WHEREAS, the University of South Alabama College of Medicine's and Health Services Foundation's outpatient clinics for pediatrics and family practice are currently housed at this location, and the University has determined that it would be financially more advantageous to construct a new professional office building for clinics of the College of Medicine and the Health Services Foundation than update the facilities at the USA Spring Hill Avenue Campus, and

WHEREAS, President Gordon Moulton authorized a request for qualifications from numerous architectural firms for the purpose of selecting one to work with University personnel to plan this project, and

WHEREAS, the firm of Williams Blackstock Architects was selected and has now completed the programming and planning of this proposed facility, and

WHEREAS, the University now recommends building a new professional office building at that site and demolishing the former nursing students' residence hall and other structures, as appropriate,

THEREFORE, BE IT RESOLVED that the President of the University of South Alabama is authorized to engage the firm of Williams Blackstock Architects for the purpose of designing a new professional office building, and

BE IT FURTHER RESOLVED, that authorization is hereby given to demolish the former nursing students' residence hall at the Spring Hill Avenue Campus and other buildings as needed and deemed appropriate by the President of the University.

Mr. Davis presented **ITEM 10.A** as follows, noting the Administration would make a recommendation at the June Board meeting. On motion by Mr. Corcoran, seconded by Mr. Peek, the resolution was approved unanimously:

**RESOLUTION
PROPOSED FINANCING PLAN FOR CAPITAL IMPROVEMENTS**

WHEREAS, it is necessary, desirable and in the interest of the University of South Alabama (herein called the "University") that the University design, acquire, construct, install, furnish and equip various capital improvements on the property of the University including, without limitation, a physicians professional office building and various other capital improvements, together having an estimated cost not to exceed \$40,000,000 (herein collectively called the "Improvements"), and

WHEREAS, it is expected that the University will issue one or more series of revenue obligations (herein collectively called the "Obligations") pursuant to a plan of financing for the purpose of providing funds to pay the costs of the Improvements, and it is expected that the aggregate principal amount of the Obligations will not exceed \$40,000,000, and

WHEREAS, it is anticipated that all or a portion of the Obligations to be issued by the University shall be sold to one or more financial institutions pursuant to a competitive bidding process, and

WHEREAS, the University expects to incur certain costs to be paid out of general funds of the University in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements prior to the issuance of the Obligations, and the University intends to allocate a portion of the proceeds of the Obligations to reimburse the University for certain of the costs incurred in connection with said design, acquisition, construction, installation, furnishing and equipping of the Improvements paid prior to the issuance of the Obligations,

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the University, that (i) the University hereby declares that it intends to allocate a portion of the proceeds of the Obligations to reimburse the University for expenditures incurred after the date that is no more than sixty (60) days prior to the date of the adoption of this Resolution, but prior to the issuance of the Obligations, in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements; and (ii) this Resolution is being adopted pursuant to the requirements of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 1.150-2(e) promulgated thereunder,

BE IT FURTHER RESOLVED that the President of the University and the Vice President for Financial Affairs are hereby authorized and directed to explore the feasibility of selling all or a portion of the Obligations to one or more financial institutions through a competitive process and will bring to the Board of Trustees, for its approval, the University's selection of same.

Chairman Yance called for consideration of audit items. With respect to the dual role served by the Budget and Finance Committee as Audit Committee of the Board, Mr. Corcoran, Committee Chair, called upon Mr. Simmons to address the **ITEM 11** report titled *KPMG Report on USA Intercollegiate Athletics, Year Ended September 30, 2012*. Mr. Simmons stated KPMG rendered a clean, unqualified opinion. Mr. Corcoran encouraged Board members to view the related outline included in the printed materials.

As Chair of the Development, Endowment and Investments Committee, Chairman Yance called upon Messrs. Albano and Pitman to report on endowment and investment performance, **ITEM 12**. Mr. Albano reported that the return outperformed the relative index by 1.59 percent. The return from October 1, 2012, through January 31, 2013, was 5.99 percent versus a relative index of 4.4 percent. Mr. Pitman discussed the factors of the endowment's outperformance, and Mr. Albano reviewed asset allocation for the 2013 fiscal year, pointing out that the allocations were within the guidelines outlined by the University's investment policy. He discussed performance since inception, noting a performance of 4.5 percent versus an index of 3.75 percent, an outperformance of .75 percent.

Chairman Yance called upon Ms. Tucker to present **ITEM 12.A**, as follows. Ms. Tucker stated SACS prefers for relationships between the University and its related entities to be formalized. On motion by Mr. Corcoran, seconded by Ms. Maye, the resolution was approved unanimously.

**RESOLUTION
AFFILIATION AGREEMENT
BETWEEN THE UNIVERSITY OF SOUTH ALABAMA
AND THE UNIVERSITY OF SOUTH ALABAMA COLLEGE OF MEDICINE -
MEDICAL ALUMNI ASSOCIATION, INC.**

WHEREAS, the University of South Alabama College of Medicine - Medical Alumni Association, Inc. ("Corporation") was established as a non-profit, educational and charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986 for the purposes of serving the University of South Alabama ("University") through the promotion of medical education, academic and scientific research and educational projects and activities of the University of South Alabama College of Medicine, and

WHEREAS, University and Corporation have a history of interaction and cooperation that has served the interests of University, and

WHEREAS, University and Corporation anticipate that University will provide Association with specified services and facilities with which to carry out its responsibilities in exchange for the development, financial, and other service, support, and assistance Corporation shall provide University, and

WHEREAS, the Board of Directors of Corporation have approved the Affiliation Agreement as it defines the arrangements concerning services, facilities, premises, and activities between University and Corporation, and

WHEREAS, the Board of Trustees of the University of South Alabama wishes to define the aforementioned arrangements with Corporation as well,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby approves and adopts the Affiliation Agreement between University of South Alabama and the University of South Alabama College of Medicine - Medical Alumni Association, Inc., as attached hereto.

Chairman Yance called upon Dr. Busta to discuss **ITEM 13**, a report on the activities of the Division of Development and Alumni Relations. Dr. Busta discussed the 50th Anniversary Campaign, noting 46,540 gifts committed towards the goal of 50,000, and the signing of 6,477 new National Alumni Association members, meeting the goal of 50,000 new members. He said

the JagLine phone solicitation program is a success, noting more than 27,000 actual phone conversations with students and alumni, during which the operators provide University news and information. This effort improves constituency engagement. Other initiatives include a radiothon, Jaguar Athletic Fund renewals, and MCI special events. Dr. Busta reported that USA's Annual Fund drive has received recognition from the Council for Advancement and Support of Education, Southeast Division, for excellence.

Chairman Yance called upon Dr. Busta to address **ITEM 13.A** as follows. He shared background on a \$250,000 gift by Dr. and Mrs. Stokes, made in December to fund creation of an environmental resiliency center, and discussed how the idea took root, and the involvement of Ms. Chronister during the proposal process. Ms. Chronister detailed printed material describing the project. She introduced project collaborators Drs. Andrzej Wierzbicki, Dean of the College of Arts and Sciences, and Sean Powers, Director of the Dauphin Island Sea Lab. Discussion took place about how the project would address stresses on the ecosystem caused by regional growth, and the identification of methods to mitigate environmental damage, such as the detoxification of pesticides and, in terms of the BP oil spill, the development of technologies for dispersants. Ms. Chronister conveyed appreciation to the Stokeses for their generosity, and Chairman Yance, President Moulton, and Acting President Smith joined Dr. and Mrs. Stokes for the reading of the resolution by Dr. Busta. On motion by Mr. Peek, seconded by Ms. Maye, the resolution was approved unanimously. President Moulton said thanking donors for their philanthropic gestures ranks among the highest rewards of his career. He added that, through their gifts over the years, the Stokeses have made a positive impact for the citizens of the Gulf Coast region. Dr. Stokes addressed Board members and guests, expressing his thoughts on the devastation caused by the BP oil spill, which inspired his and Mrs. Stokes' gift:

**RESOLUTION
COMMENDATION OF DR. AND MRS. STEVEN H. STOKES
FOR VISIONARY LEADERSHIP**

WHEREAS, Dr. and Mrs. Steven H. Stokes have served the University of South Alabama with exemplary zeal for more than three decades, distinguishing themselves among its most loyal and generous alumni, and

WHEREAS, Dr. Stokes has advocated for and guided the advancement of the University as a member and as Chair *Pro Tempore* of the Board of Trustees during a tenure that has spanned appointments by two governors and coincided with a period of unparalleled expansion, and

WHEREAS, Dr. and Mrs. Stokes have promoted the progress of the University of South Alabama with generous gifts to establish the *Angelia and Steven H. Stokes Center for Creative Writing* and to support Moulton Tower and Alumni Plaza, the Mitchell Cancer Institute and the College of Medicine, creating a nearly \$2.7 million impact through their gifts and matching funds, and

WHEREAS, the exemplary devotion of Dr. and Mrs. Stokes to the advancement of their alma mater has inspired the USA National Alumni Association to recognize Dr. Stokes with a Distinguished Alumni Award, and the Board of Trustees to commend his service as chair by conferring the honorary title of *Chair Pro Tempore Emeritus*, and to name a state-of-the-art student residence the *Angelia and Steven H. Stokes Residence Hall* in honor of their lifelong records of service, and

WHEREAS, Dr. and Mrs. Stokes continue to encourage the highest aspirations of the University of South Alabama by providing visionary leadership and a gift of \$250,000 to enable the formation of a Center for Environmental Resiliency, and

WHEREAS, the Center for Environmental Resiliency will be a unique resource on the Gulf Coast, that will provide a broad interdisciplinary approach to develop solutions for pressing environmental concerns and to promote resilient and sustainable coastal communities and ecosystems, and

WHEREAS, the Center for Environmental Resiliency will provide a platform that will enhance the University's international visibility, promote scholarly achievement and the renown of USA's academic programs, and attract extramural funding, and

WHEREAS, the Center for Environmental Resiliency will be a source of knowledge to guide responsible policy-making and business development that will accrue toward a prosperous and healthy future for all residents of the Gulf Coast region,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees gratefully recognizes the dedicated generosity and visionary guidance of Dr. and Mrs. Steven H. Stokes, and

BE IT FURTHER RESOLVED that the Board of Trustees extends its warmest thanks with those of the President, faculty, staff, and students for the leadership and generosity of Dr. and Mrs. Stokes in supporting the establishment of a resource that promises to elevate the University of South Alabama and the entire Gulf Coast region.

Chairman Yance called upon Dr. Johnson for presentation of **ITEM 14** as follows. Dr. Johnson said Dr. Stearns has been "the face" of USA, noting that he exemplifies the value of a positive attitude. He read the resolution, and President Moulton talked about improvements in enrollment and academic programs as a result of Dr. Stearns' hard work. On motion by Ms. Miree, seconded by Ms. Maye, the resolution was approved unanimously. Mrs. Stearns talked about relocating to Mobile years earlier for Dr. Stearns to begin his career at the University of South Alabama, and Dr. Stearns noted the privilege it has been to work at USA and see it prosper. He thanked everyone for the opportunity to be a part of the University of South Alabama family:

**RESOLUTION
COMMENDATION OF DR. J. DAVID STEARNS**

WHEREAS, the University of South Alabama seeks to honor exceptional administrators and faculty who have devoted a substantial part of their careers to serving and teaching others, and who have distinguished themselves throughout their professional careers, and

WHEREAS, Dr. J. David Stearns has devoted himself to more than three decades of outstanding service to the University of South Alabama through the Division of Enrollment Services, and

WHEREAS, Dr. Stearns joined the USA family in 1979 as Director of Admissions and Records, later serving the University as Associate Dean of Students, Dean of Enrollment Services, and Assistant Vice President for Enrollment Services, and

WHEREAS, Dr. Stearns also served as Associate Vice President for Enrollment Services from 1997 until his retirement in February 2013, and

WHEREAS, during Dr. Stearns' tenure, enrollment at the University has doubled, from 7,400 in 1979 to some 15,000 in the fall of 2012, and

WHEREAS, Dr. Stearns played a key role in the establishment of USA programs including the Honors Program, the Medical School Early Acceptance Program, the Accelerated College Enrollment Program, the First Year Experience Program, the Doctor of Pharmacy Program with Auburn University, and the Recruitment and Retention Program, and

WHEREAS, Dr. Stearns has been a tireless advocate for USA's students and has championed the current scholarship program, which is among the most substantial in the state, and

WHEREAS, Dr. Stearns and his wife, Lee, have gone beyond the scope of the job by coordinating the Miss USA pageant, being enthusiastic fans and financial contributors to USA athletics, and entertaining USA alumni and constituents in their home, among many other contributions, and

WHEREAS, the University has named the Admissions Office lobby in Dr. Stearns' honor, a recognition made possible through a gift from philanthropists Bert and Fanny Meisler, for whom the student services building is named, and

WHEREAS, Dr. Stearns, a recipient of the USA National Alumni Association Distinguished Service Award, represents dreams realized, challenges overcome, doors opened, opportunities provided, and unconditional support readily offered, and

WHEREAS, Dr. Stearns has been the "face" of the University of South Alabama for more than 30 years, proving himself to be a valued advisor, mentor and friend to many generations of students and colleagues at USA,

THEREFORE, BE IT RESOLVED that the Board of Trustees expresses its sincere appreciation to Dr. J. David Stearns and his wife, Lee, for their many outstanding contributions to the University of South Alabama and offers its best wishes upon Dr. Stearns' retirement and future endeavors.

Chairman Yance asked President and Mrs. Moulton to join him for the reading of **ITEM 15** as follows, noting his service as a Board member was possible because of his admiration for the Moultons. On motion by Mr. Corcoran, seconded by Ms. Mitchell, the resolution was approved unanimously. Board members and guests expressed appreciation to the Moultons with a standing ovation. President Moulton talked about retirement, his career, and his recovery, and he thanked Dr. Smith for serving as Acting President. He expressed appreciation for the positive support of everyone in the room. Mrs. Moulton shared heartfelt remarks, and concluded with a poem recitation. Chairman Yance discussed elements relative to the presidential transition, including determination of a salary for the acting president's position, and he called for a motion to proceed, citing employment of the Presidential Search Guidelines. On motion by Mr. Shumock, seconded by Ms. Mitchell, the motion was approved unanimously. Chairman Yance stated the process to find the next President of the University of South Alabama would require dedication and hard work:

**RESOLUTION
PRESIDENTIAL TRANSITION**

WHEREAS, Gordon Moulton has given more than 46 years of unwavering service to the University of South Alabama, joining USA in its infancy as one of the institution's early faculty members in business and computing, and

WHEREAS, in addition to his career as an educator that began at USA in 1966, Gordon Moulton has served in numerous leadership roles at the University, including director of the computer center, founding dean of the School of Computing, vice president for services and planning, and, for the past 15 years, as USA's second president, and

WHEREAS, long before being named president, Gordon Moulton was a vital force in the growth and progress of the University as a senior member of USA's central leadership team and a vital asset to the University's first president, and

WHEREAS, President Moulton, as USA's chief executive officer, has provided exceptional leadership to the University, raising it to unprecedented levels of accomplishment in all of its diverse missions – teaching, research, service, and health care – touching the lives of countless people served by the institution, and

WHEREAS, President Moulton is one of Alabama's leading champions of higher education, whose advocacy for advanced learning has improved the lives of all citizens, and

WHEREAS, President Moulton believes it is now timely to transition the leadership of the University of South Alabama to a new president, and

WHEREAS, President Moulton has expressed his desire to retire from the University of South Alabama effective July 1, 2013, and

WHEREAS, the Board of Trustees desires that President Moulton's current leave be extended until his retirement date, during which time President Moulton has committed to continue to be a resource to the University, and

WHEREAS, the Chair Pro Tempore of the Board has requested and received a commitment from Dr. John W. Smith, vice president for student affairs and special assistant to the president, to continue as acting president until such time that USA's third president is selected and begins service, and

WHEREAS, the Board desires to take all actions necessary to commence with a national search to select a president to sustain the remarkable progress and momentum attained under President Moulton,

NOW, THEREFORE, BE IT RESOLVED that it is with consummate respect and appreciation that the Board does hereby accept President Moulton's retirement effective July 1, 2013, and

BE IT FURTHER RESOLVED that, consistent with the terms detailed above, the Board does hereby extend President Moulton's leave, continue the appointment of Dr. John W. Smith as acting president, and authorize commencement of the search process for a University president, and

BE IT FURTHER RESOLVED that this Board and the entire University of South Alabama family will seek appropriate opportunities to honor and celebrate the many contributions of President Moulton and his wife, Geri, including a special tribute at USA's 50th Anniversary celebration on May 3, 2013, a fitting time to acknowledge a lifetime of good works that have played such a significant role in the growth and progress of the University of South Alabama, and

BE IT FINALLY RESOLVED that the Board of Trustees does hereby extend its heartfelt gratitude to President Moulton and Geri for their many years of service that have helped the University of South Alabama over the past five decades to make a transformational positive impact on the quality of life of countless people across the Gulf Coast region, the nation, and the world.

There being no further business, the meeting was adjourned at 12:36 p.m.

Attest to:

Respectfully Submitted:

Bettye R. Maye, Secretary

James A. Yance, Chair *Pro Tempore*

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES/
PRESIDENTIAL SEARCH COMMITTEE MEETING**

**April 3, 2013
3:45 p.m.**

A combined meeting of the University of South Alabama Board of Trustees and the Presidential Search Committee was duly convened by Mr. Jim Yance, Chair *pro tempore* of the Board of Trustees, on Wednesday, April 3, 2013, at 3:45 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

BOARD OF TRUSTEES:

Present: Trustees Tom Corcoran, Steve Furr*, Cecil Gardner, Bettye Maye, Christie Miree, Arlene Mitchell*, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon* and Jim Yance*.

Absent: Trustees Robert Bentley, Tommy Bice, Scott Charlton, Sam Jones and Steve Stokes.

PRESIDENTIAL SEARCH COMMITTEE*:

Present: Drs. Joe Busta, Phil Carr (Faculty Senate), Allan Tucker and Alvin Williams; Messrs. Parker Chastain (SGA), Stan Hammack and David Trent (Airbus Mobile); and Mss. Beth Anderson and Holle Briskman.

Absent: Mr. Nino Mole (AASA).

OTHERS: Acting President Dr. John Smith; Drs. Ron Franks, Doug Marshall and Bob Shearer; Mr. Wayne Davis; and Mss. Riley Davis (SGA Pres.-Elect) and Jean Tucker.

PRESS: Ms. Ellen Mitchell (Press-Register/al.com).

Chairman Yance called the meeting of the Board of Trustees to order, and he asked Dr. Smith, Acting President, to make opening remarks. President Smith thanked Board members for taking time to meet with representatives of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). He said the SACSCOC visit was positive. Chairman Yance called upon Mr. Davis for presentation of **ITEM 1** as follows, which amends a resolution adopted by the Board on March 8. Mr. Davis detailed the reasons for revision. On motion by Mr. Corcoran, Chair of the Budget and Finance Committee, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
FINANCING OF CAPITAL IMPROVEMENTS**

WHEREAS, it is necessary, desirable and in the interest of the University of South Alabama (herein called the "University") that the University acquire certain real property and design, acquire, construct, install, furnish and equip various capital improvements on the property of the University including, without limitation, a physician's professional office building, improvements to the USA Children's and Women's Hospital of the

University, and various other capital improvements within the health care enterprise of the University, together having an estimated cost not to exceed \$50,000,000 (herein collectively called the "Improvements"), and

WHEREAS, it is expected that the University will issue one or more series of revenue obligations (herein collectively called the "Obligations") pursuant to a plan of financing for the purpose of providing funds to pay the costs of the Improvements, and it is expected that the aggregate principal amount of the Obligations will not exceed \$50,000,000, and

WHEREAS, it is anticipated that all or a portion of the Obligations to be issued by the University shall be sold to one or more financial institutions pursuant to a competitive bidding process, and

WHEREAS, the University expects to incur certain costs to be paid out of the general and plant funds of the University in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements prior to the issuance of the Obligations, and the University intends to allocate a portion of the proceeds of the Obligations to reimburse the University for certain of the costs incurred in connection with said design, acquisition, construction, installation, furnishing and equipping of the Improvements paid prior to the issuance of the Obligations,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the University, that (i) the University hereby declares that it intends to allocate a portion of the proceeds of the Obligations to reimburse the University for expenditures incurred after the date that is no more than sixty (60) days prior to the date of the adoption of this Resolution, but prior to the issuance of the Obligations, in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements; and (ii) this Resolution is being adopted pursuant to the requirements of the Internal Revenue Code of 1986, as amended (herein called the "Code"), and Treasury Regulations Section 1.150-2(e) promulgated thereunder, and

BE IT FURTHER RESOLVED, that the Board of Trustees hereby authorizes and designates the President of the University and the Vice President for Financial Affairs to declare official intent on behalf of the University from and after the date hereof for purposes of and pursuant to Treasury Regulations Section 1.150-2 promulgated under the Code; provided, that nothing herein shall permit the issuance of any bonds or other debt obligations of the University without the authorization and approval of the Board of Trustees of the University, and

BE IT FURTHER RESOLVED, that the President of the University and the Vice President for Financial Affairs are hereby authorized and directed to explore the feasibility of selling all or a portion of the Obligations to one or more financial institutions through a competitive process, and to bring to the Board of Trustees, for its approval, the University's selection of same.

Drs. Smith and Franks, and Mr. Davis left the meeting, and Chairman Yance addressed **ITEM 4**, the delegation of Presidential Search Committee duties of the Secretary of the Board of Trustees. He called for comments from Ms. Maye, who, due to the travel and time required to fulfill the role of Committee Secretary, recommended the Board's authorization of Dr. Bob Shearer to act on her behalf. On motion by Judge Simon, seconded by Ms. Maye, the Board granted unanimous approval.

With regard to **ITEM 2**, discussion of the search process, Chairman Yance indicated that the Presidential Search Guidelines had been provided. He asked that Board members pay particular attention to the code of ethics, and called for questions.

Chairman Yance called for consideration of **ITEM 3** as follows. There being no questions, and on motion by Mr. Peek, seconded by Mr. Corcoran, the charge to the Presidential Search Committee was approved unanimously:

CHARGE TO THE PRESIDENTIAL SEARCH COMMITTEE

The University of South Alabama Board of Trustees hereby charges the Presidential Search Committee to carry out the actions described in Section II.B. of the Presidential Search Guidelines, working in concert with the selected professional national search firm to seek applications from highly qualified individuals with a sincere interest in the University of South Alabama and the position of President, and, in doing so:

- thoroughly review each candidate's credentials;
- select and interview semifinalists; and
- select a slate of three to five candidates to recommend to the Board as finalists.

The committee will be guided in this process by the terms of the Presidential Search Guidelines, first adopted August, 2000, and amended August, 2001.

Chairman Yance called upon Dr. Furr, Chair of the Presidential Search Committee (PSC), to conduct the proceedings. Dr. Furr convened the PSC meeting, and Ms. Tucker gave background on the creation and revision of USA's Presidential Search Guidelines, and the requirement for a national professional search firm. Dr. Furr discussed the structure of the Committee, and credited Chairman Yance for his time and effort since initiation of the search process, and Dr. Shearer for agreeing to facilitate. Dr. Shearer discussed search firms previously engaged by the University for administrative searches. He identified eight firms that had submitted proposals, and gave an overview of each firm's size and relevant experience, including representation of institutions with medical schools and hospitals. Following discussion, Dr. Carr offered a motion that the Committee recommend the firm of R. William Funk and Associates for consideration by the Board of Trustees. Ms. Mitchell seconded and the motion was approved unanimously.

Brief discussion took place about a salary for the president, search fees and the potential for negotiation. Dr. Shearer recommended that consideration of a tentative search schedule, **ITEM 7**, be deferred for discussion with the search consultant at the next PSC meeting. Dr. Furr noted that a Web page had been created to keep the University community and public informed on the search process and the activities of the Committee. The Web address was provided. Chairman Yance thanked Drs. Carr and Marshall for meeting him to discuss the faculty's perspective. Dr. Furr stated that search costs would be paid with contingency funds. Chairman Yance thanked Mr. David Trent, Airbus Mobile, for agreeing to serve as a PSC member representing the community.

There being no further business, and on motion by Ms. Mitchell, seconded by Judge Simon, the Presidential Search Committee voted unanimously to adjourn the meeting.

Chairman Yance called for a motion to reconvene the Board meeting. On motion by Ms. Mitchell, seconded by Ms. Miree, the Trustees voted unanimously to reconvene the Board meeting. Chairman Yance thanked Dr. Furr for his service as Committee Chair.

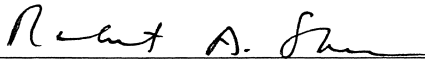
As to the appointment of a search firm, **ITEM 8**, Dr. Furr offered a motion to accept the PSC's recommendation and hire the firm of R. William Funk and Associates. Judge Simon seconded and the motion was approved unanimously. The idea of a contingency plan was addressed briefly. Having discussed potential costs with Dr. Shearer, Chairman Yance expressed confidence that the overall cost of the search would be reasonable.

Chairman Yance called upon Dr. Shearer to present **ITEM 9**, consideration of a preliminary search budget. Dr. Shearer shared expectations on expenses additional to the search firm's fee, such as those pertaining to travel, administrative costs and background checks. He recommended a search budget of \$175,000. Chairman Yance called for questions, and Mr. Gardner moved to accept the recommendation as submitted. Ms. Maye seconded and the budget was authorized unanimously. Ms. Tucker recommended that the matter of the president's salary be discussed with the search consultant at the PSC next meeting.

There being no further business, the meeting was adjourned at 4:55 p.m.


Attest to:

Respectfully Submitted:


Robert A. Shearer, J.D.,
on behalf of:


James A. Yance, Chair *pro tempore*

Bettye R. Maye, Secretary


Steven P. Furr, M.D.,
Chair, Presidential Search Committee

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES MEETING**

EXECUTIVE COMMITTEE

**May 9, 2013
2:00 p.m.**

A meeting of the Executive Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Chair *Pro Tempore*, on Thursday, May 9, 2013, at 2:00 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Trustees Steve Furr, Cecil Gardner, Sam Jones, Bettye Maye (phone), John Peek (phone) and Jim Yance.

Members Absent: Trustee Steve Stokes.

Other Trustee: Trustee Jimmy Shumock.

Administration and Others: Acting President Dr. John Smith and President Gordon Moulton; Drs. Joe Busta, Julie Estis/Kelly Woodford (Faculty Senate), Ron Franks, and David Johnson; Messrs. Wayne Davis and Stan Hammack; Mss. Riley Davis (SGA) and Jean Tucker.

Press: Mr. Gabriel Tynes (Lagniappe) and Ms. Sally Ericson (Press-Register/al.com).

Upon the call to order, Chairman Yance recognized Trustees Maye and Peek, who participated by phone. He called upon President Smith, who recognized new leaders representing the Student Government Association and the Faculty Senate, as well as media guests. He presented the following resolution to request proposals for the sale of the Knollwood Hospital complex on Girby Road, and gave a brief history of its operation and occupants. He said the sale would be in the University's best interest, and that, in anticipation of a final recommendation at the June 7 Board meeting, proceeding quickly with an advertisement and bid negotiations would be advantageous. He called for comments from Mr. Davis and Ms. Tucker. Mr. Davis stated the building lease to the Infirmary Health System expires in 92 years. He said, should the University regain ownership, costs for upkeep would continue to accrue. Ms. Tucker explained provisions to which the University is subject, including the execution of a *Declaration of Best Interest* and utilization of a real estate broker if necessary. Brief discussion took place about compensation of a broker, the lease and potential buyers. President Smith advised that USA acquired the property in 1990. On motion by Mr. Gardner, seconded by Mayor Jones, the resolution was approved unanimously:

**RESOLUTION
PUBLIC ANNOUNCEMENT FOR REQUESTS FOR PROPOSALS
FOR THE SALE OF USA KNOLLWOOD HOSPITALS,
MEDICAL OFFICE BUILDINGS ONE, TWO, THREE, AND FOUR,
WITH FURNISHINGS AND EQUIPMENT AND ADJACENT ACREAGE**

WHEREAS, the University of South Alabama (USA) owns two hospital buildings, previously known as USA Knollwood Hospitals, as well as interest in four professional office buildings on the Knollwood campus known as Medical Office Buildings One, Two, Three, and Four, and certain attendant furnishings and equipment, (Knollwood Campus) and approximately seventeen acres adjacent to the Hospitals (collectively, the Parcel), all of which have been utilized by USA, either directly or through lease, to provide not only health care services and related resources to the people of Mobile and surrounding communities but, also, a site for education and research activities of USA's Colleges of Medicine, Nursing, and Allied Health Professions; and

WHEREAS, in 2005 the University of South Alabama determined that leasing its assets on Knollwood Campus as described above, with the exception of the additional acreage, was in the best interest of the University in that it would allow USA to continue to enhance its valued missions of health care education, research, and service on the Knollwood Campus; and

WHEREAS, effective December 16, 2005, and commencing April 1, 2006, Infirmary Health Hospitals, Inc. (IHH) leased all of the above-described Knollwood Campus assets owned by USA, renaming it Infirmary West, for a period of 50 years, with the option to renew for another term of 49 years, during which time it would work to enhance the clinical services currently offered and increase the number of community based primary care physicians and medical specialists on the medical staff to serve the community need; and

WHEREAS, because USA could adequately continue its mission without owning the above-described property, it has considered the sale of its interest in same; and

WHEREAS, IHH, while continuing to lease the property from USA, totally ceased the hospital operations of Infirmary West in October 2012, indicating that the Affordable Care Act was a significant contributing factor; and

WHEREAS, due to the unique nature of the property as described in the Declaration of Best Interest attached hereto, including the cessation of hospital operations, the uncertainty of continuation of the lease by IHH, the costly nature of the property whether operating as a hospital or not, and the distance of this property from the current center of operation of the USA Health System and Colleges of Medicine, Nursing, and Allied Health Professions, USA believes it to be in the best interest of the university and the State of Alabama to proceed with negotiations after publicly announcing requests for proposals for the sale of USA's interests in the Parcel;

BE IT THEREFORE RESOLVED, that the University of South Alabama Board of Trustees, having considered the above and determined that the sale of USA's interest in the USA Knollwood Hospitals (Infirmary West), Medical Office Buildings One, Two, Three, and Four, as well as equipment and furniture located in the hospital buildings, and the adjacent approximately seventeen acres through negotiation after publicly announcing requests for proposals for the sale is in the best interest of the University of South Alabama and the State of Alabama, hereby ratifies the attached Declaration and authorizes the President of

Executive Committee
May 9, 2013
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the University to proceed with negotiations after publicly announcing requests for proposals and present the results of same to the Board of Trustees at its next meeting on June 7, 2013.

There being no further business, the meeting was adjourned at 2:10 p.m.

Attest to:

Respectfully Submitted:

Bettye R. Maye, Secretary

James A. Yance, Chair *Pro Tempore*