

MINUTES
OF THE
EXECUTIVE COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF SOUTH ALABAMA

A meeting of the Executive Committee of the Board of Trustees of the University of South Alabama was held Thursday, February 11, 1993, at 11:15 A.M. in the Board Room of the Administration Building on campus of the University of South Alabama.

There were present: Messrs. James P. Nix, Jack Brunson, John A. Counts, Aubrey D. Green, Mayer Mitchell, Mrs. Emma Hutcherson and President Frederick P. Whiddon. Also attending: Drs. Charles Connell, Albert Pruitt, Richard Vinson, Messrs. Wayne Davis, Doyle Dillard, Gordon Moulton, George Smith and Ms. Maxey Roberts. In attendance on behalf of the media was Ms. Gayle Ray.

Mayor Nix called the meeting to order and presented for approval minutes of the Executive Committee meeting of November 17, 1992, reconvened December 3, 1992, and mailed to the Trustees prior to the meeting. Upon the motion of Mr. Mitchell, seconded by Mr. Counts, the minutes were unanimously approved.

The Financial Statements of the University of South Alabama as of October 31, November 30 and December 31, 1992, mailed to the Trustees prior to the meeting, were presented and reviewed.

Mayor Nix then presented summaries of the minutes of the 3rd Quarter 1992 University of South Alabama Medical Center Medical Staff/Hospital Committee Meeting Minutes and Monthly Clinical Department Meeting Minutes, mailed prior to the meeting, which were received, reviewed and discussed: Blood Transfusion, September 23, 1992; Cancer Coordinating, September 24, 1992; Credentials, September 11, 1992; Critical Care, July 10, September 11, 1992; Drug Utilization & Evaluation, July 9, August 13, September 10, 1992; Emergency, July 20, August 17, September 28, 1992; Health, Safety & Disaster, July 14, August 11, September 8, 1992; Hospital Quality Assurance, July 28 August 25, September 29, 1992; Infection Control, September 17, 1992; Medical Record Review, August 21, 1992; Medical Staff Executive Committee, July 28, August 25, September 22, 1992; Medical Staff Quality Assurance, July 21, August 18, 1992; Operating Room, August 11, 1992; Surgical Case Review, July 23, September 24, 1992; Utilization Review, July 21, August 18, September 15, 1992; Anesthesiology, August 24, September 21, 1992; Family Practice, July 28, August 25, September 29, 1992; Internal Medicine, July 1, August 5, September 2, 1992; Neurology, June 24, July 16, August 19 September 16, 1992; Neurosurgery, August 31, 1991; OB/GYN, July 13, August 10, September 14, 1992; Ophthalmology, August 12, 1992; Orthopaedics, August 10, 1992; Pathology, July 16, August 20, 1992; Pediatrics, August 6, September 3, 1992;

Radiology (campus), July 21, August 18, September 15, 1992; Radiology, July 1, August 5, September 2, 1992; Surgery, July 27, August 31, September 28, 1992.

Mayor Nix presented the next item on the agenda, USA Knollwood Park Hospital 4th Quarter Board of Advisors Report, mailed prior to the meeting. Dr. Pruitt explained that this report contains primarily appointments and reappointments to the medical staff which are recommended by the Board of Advisors. The report also includes the Utilization Management Plan for 1993. Following recommendations by Dr. Pruitt and Dr. Whiddon, upon the motion of Mrs. Hutcherson, seconded by Mr. Mitchell, it was unanimously approved to recommend to the Board approval of the USA Knollwood Park Hospital Fourth Quarter Board of Advisors Report including approval of the Utilization Management Plan for 1993. The Report with Utilization Management Plan is attached to the minutes as Addendum No. 1.

The USA Doctors 4th Quarter Board of Advisors Summary report with revised Medical Staff Bylaws, mailed prior to the meeting, was presented by Mayor Nix. It was noted that the revised bylaws set forth the Board of Trustees of the University as the governing body for USA Doctors Hospital and clarifies the Board of Advisors. Following recommendations by Dr. Pruitt and Dr. Whiddon, upon the motion of Mr. Counts, seconded by Mr. Brunson, it was unanimously approved to recommend to the Board approval of the USA Doctors Hospital 4th Quarter Board of Advisors Summary Report with revised Medical Staff Bylaws. The Report with revised Bylaws is attached to the minutes as Addendum No. 2.

Mayor Nix then requested that Mr. Brunson present the Budget and Finance Committee's report concerning a request for a loan from the University of South Alabama Foundation for the purchase of a Magnetic Resonance Imager and the building in which it is housed. Mr. Brunson stated that, following lengthy discussion concerning this matter, the committee recommends approval to request a loan from the USA Foundation for the purchase of the equipment and housing of same. Dr. Whiddon explained that the MRI, a self-sustaining, highly sophisticated instrument, costs approximately \$2,000,000. The total project cost of the building is \$700,000. Following discussion regarding interest rates and terms of the loan, upon the motion of Mr. Brunson, seconded by Mr. Counts, it was unanimously approved to recommend to the Board approval to request a loan from the University of South Alabama Foundation to fund the purchase of the MRI in the amount of \$2,000,000, to be repaid over a period of five years at prevailing interest rates, and \$700,000 for the building in which it is housed, to be repaid over a period of ten years at prevailing interest rates.

Mr. Brunson then presented the Budget and Finance Committee's recommendation to approve an expenditure of \$2,500,000 for capital equipment for the USA Medical Center Hospital, USA Doctors Hospital and USA Knollwood Park Hospital. Dr. Pruitt observed the continuing need to maintain satisfactory equipment in the hospitals, and he explained that the expenditures will be made only on the highest priority items during the fiscal year 1993-94. Upon the motion of Mr. Brunson, seconded by Mr. Counts, it was unanimously approved to recommend to the Board approval of the \$2,500,000 expenditure for capital equipment for USA Medical Center Hospital, USA Doctors Hospital and USA Knollwood Park Hospital. The Capital Equipment list is attached to the minutes as Addendum No. 3.

Mayor Nix presented the next item on the agenda, Dialysis Program for End Stage Renal Disease, mailed prior to the meeting. Dr. Whiddon requested that Dr. Pruitt and Ms. Roberts present information regarding this program. Dr. Pruitt explained that there is a significant need to establish a chronic outpatient dialysis center at the University of South Alabama in order to continue teaching and academic programs in the Department of Internal Medicine and to serve the community's existing dialysis patient population. The center would be self-sustaining and housed on the University of South Alabama campus, adjacent to the Health Services Building. He noted that currently the University patients have been referred to local private practice physicians and outpatient chronic dialysis centers with no affiliation to the University of South Alabama. Ms. Roberts explained that the three documents, mailed to the Trustees prior to the meeting in draft form, would be the documents to be executed with the approval of this project. They are: (1) a lease of the facility, (2) administrative consulting services agreement, and (3) a management agreement. Following discussion, upon the motion of Mr. Green, seconded by Mrs. Hutcherson, it was unanimously approved to recommend to the Board approval of the establishment of a chronic outpatient dialysis center at the University of South Alabama.

Mayor Nix requested that Dr. Whiddon present the next item on the agenda, Agreement to Establish an Endowment to Support Activities of the Alabama Banking School at the University of South Alabama, mailed prior to the meeting. Dr. Whiddon stated that the Alabama Banking School has requested that the University enter into an agreement with the Banking School to develop an undergraduate banking program at the University through recruitment of an outstanding educator in the field of banking. The Alabama Banking School wishes to establish an endowed fund, following a statewide campaign to raise the initial amount of \$200,000, which is requested to be matched by the University of South Alabama Foundation. Upon successful occurrence of the goal, a position will be designated at the University of South Alabama as the Alabama Banking School Professor of Finance. Following discussion, upon the motion of Mr. Counts, seconded by Mr. Green, it was unanimously approved to recommend approval of the agreement to establish an endowment to support activities of the Alabama Banking School at the University of South Alabama. The Agreement is attached to the minutes as Addendum No. 4.

The next item on the agenda, Easement for Three-Mile Creek, was presented by Mayor Nix. Mr. Dillard presented information concerning this item, noting that the Board of Trustees, in December 1989, approved the Right of Entry Agreement with the City of Mobile for bridge replacement on Fillingim Street. Following an appraisal to investigate and analyze the property along Three Mile Creek, the City of Mobile has agreed to pay the University \$22,300 for the value of the acquisition of the property. Following discussion, upon the motion of Mr. Brunson, seconded by Mr. Counts, it was unanimously approved to recommend to the Board approval of the execution of the Permanent Drainage Easement and Temporary Construction Easement, Three Mile Creek Improvement Project.

Mayor Nix requested that Mr. Brunson, Chair of the Budget and Finance Committee, present the next item, Proposed Salary Increase. Mr. Brunson stated that the Committee received a request to recommend authorization of an average of a 3% merit salary increase for faculty and staff of the University. He noted that the 1992-93 budget previously approved by the Board of Trustees includes a provision for this

salary increase. Following discussion, upon the motion of Mr. Brunson, seconded by Mr. Counts, it was unanimously approved to recommend to the Board a proposed three percent salary increase for University faculty and staff, effective April 1, 1993.

Mayor Nix presented the next item on the agenda, Ernst and Young Management Letter Response, mailed to the Trustees prior to the meeting. Mr. Brunson, Chair of the Budget and Finance Committee, stated that the Management Letter Response was reviewed by the Committee. He noted that the Management Letter noted no material weaknesses in internal control and the four minor comments relating to payroll transactions and hospital issues have been responded to satisfactorily.

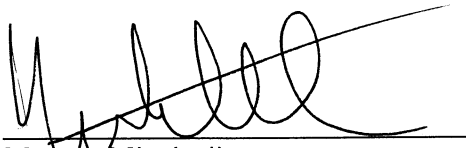
The next item on the agenda, a report of the Committee for the Search of a Director of Development, was presented by Mayor Nix. Mr. Moulton stated that the committee, co-chaired by Dr. Richard Vinson and Mr. Moulton, has met and is in the process of establishing a pool of applicants to be chosen for interview.

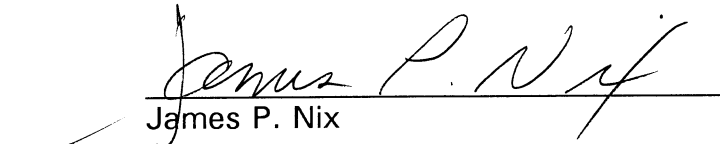
Concluding, Dr. Whiddon reminded those present that the Southern Association of Colleges and Schools Visiting Team will be on campus February 15 - 18, and he expressed appreciation to all who have worked so diligently on the Self-Study.

Upon motion duly made, seconded and unanimously approved, the meeting recessed at 12:40 p.m., to reconvene at 10:30 a.m. on March 4, 1993.

Respectfully submitted:

ATTEST:


Mayer Mitchell
Secretary


James P. Nix
Chairman