

MINUTES  
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 on Thursday, September 5, 1996, in the Board Room of the Administration Building on the campus of the University, commencing at 10:00 a.m.

There were present: Messrs. Jack Brunson, Ken Kvalheim, Mayer Mitchell, James Nix, and Mrs. Bettye Maye. Other Board members present: Drs. Ulysses McBride, Max McLaughlin, Steven Stokes; Messr. Plez Watson; Mrs. Earl Goodwin; President Frederick P. Whiddon. Also attending: Ms. Maxey Roberts; Messrs. Wayne Davis, V. Gordon Moulton, B. J. Justesen, Matt Mayo, Steve Simmons, George Smith; Drs. Dale Adams, William Broughton, Albert Pruitt, Victoria Rivizzigno, J. David Stearns, Nicholas D. Sylvester, and Richard Vinson. In attendance on behalf of the media were: Ms. Ronni Patriquin Clark of the Mobile Press.

Absent: Honorable Otha Lee Biggs, Honorable Herman Thomas; Messrs. Crum Foshee and W. H. "Pat" Lindsey.

Mr. Mitchell called the meeting to order and complimented Ms. Clark on the tenor of articles presented by the media.

The agenda was presented. Upon the motion by Mr. Nix, seconded by Mrs. Maye, the agenda was approved as distributed.

The minutes of June 6, 1996, mailed previously, were introduced. Upon the motion of Mr. Nix, seconded by Mrs. Maye, the minutes of June 6, 1996, were approved as distributed.

Financial statements for April 30, 1996, May 31, 1996, and June 30, 1996, mailed previously, were acknowledged. Mr. Mitchell reported that in the future the financial statements will be accompanied by a one-page executive summary.

Dr. Stokes reported from the Health Affairs Committee. The minutes of June 6, 1996, were approved as distributed. The credentials report from the various hospitals and the reports were recommended for approval as distributed. Dr. Pruitt stated that since the last Board meeting, the College of Medicine has received LCME accreditation for seven years.

Judge Woods, acting in the absence of Judge Biggs, reported on the Compensation Committee meeting. Upon request, Dr. Pruitt reported on the completion of the search for the Chair of the Department of Orthopedic Surgery. Dr. Arthur Manoli, Professor of Orthopedic Surgery at Wayne State University School of Medicine, has been appointed. Dr. Manoli was educated and

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trained at Vanderbilt University, the University of Washington, and in Michigan. He has a specialty in foot and ankle surgery which will be a major addition to the College of Medicine faculty and will have a major impact on USA hospitals as he builds the Orthopedic Department. Dr. Manoli's salary will be \$128,000.00 plus a Health Services Foundation component for practice, a total salary of \$385,000.00. The University contract salary is the same as the other clinical chairs and the total compensation package is nationally competitive. Dr. Pruitt requested approval of the compensation package.

Upon the motion of Mr. Nix, seconded by Mr. Kvalheim, the compensation package for Dr. Arthur Manoli, Chair of the Department of Orthopedic Surgery, was unanimously approved for recommendation to the full Board.

Judge Woods introduced the next agenda item, "Executive Compensation." He summarized previous discussions held by the Compensation Committee and reported that the Committee recommends the Chief Executive Officer receive an increase of 3.7%. He called attention to the fact that the President has not had a salary increase in five years and that other employees received a 3% increase retroactive to January 1, 1996.

Upon the motion of Mr. Nix, seconded by Mr. Kvalheim, it was unanimously approved that the Executive Compensation package, as approved by the Compensation Committee, be recommended for approval to the Board.

Since the Budget and Finance Committee had an extensive, in-depth review and discussion of the 1996-97 budget, Mr. Mitchell requested a brief summary to the Executive Committee. Mr. Davis reported that the University budget for 1995-96 was \$368,154,000.00 and the proposed budget for 1996-97 is \$367,681,000.00. The State appropriation was cut in 1995-96 by 7 1/2% or \$4,600,000.00 and the current year is level funded, which represents a \$9,200,000.00 decrease in appropriations. The tuition increase was effective January 1996. There is no increase budgeted in the 1996-97 budget. The out-of-state tuition for non-resident students outside a 50-mile radius of campus goes into effect Winter Quarter. This action, mandated by the State Legislature and approved by the Board last September, doubles non-resident student tuition and a slight decrease in enrollment is anticipated.

The hospital budget is \$197,000,000.00 for 1996-97 as compared to \$201,000,000.00 last year, including \$4,750,000.00 in depreciation. Funds are available to meet the debt service coverage covenants on the hospital bond issues.

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Dr. Whiddon noted that, based on the recommendation made at the Budget and Finance Committee meeting, in the future, transfers will be extrapolated from the budget and brought to the Board as specific actions.

Mr. Davis pointed out that the 1996-97 budget is a deficit budget of \$953,000.00 which is in O&M, Operations and Maintenance. The deficit budget of \$485,000.00 last year was in the College of Medicine. There is a \$16,000,000.00 fund balance which is comprised of accounts receivable in the hospital.

Mr. Mitchell pointed out the lack of parity between the University's State funding and the funding of other major institutions in the State. The University receives \$3,100 per student while the average for other institutions is \$4,200. This \$1,100 difference amounts to a lost each year of about \$10,000,000.00.

Mr. Davis concluded the budget summary noting that the proposed budget includes a \$10.00 increase in Hillsdale Housing rates, effective in January.

Upon the motion of Mr. Brunson, seconded by Mr. Kvalheim, the 1996-97 budget was unanimously recommended for approval to the Board.

The next agenda item was the refinancing of the 1500 Government Street property. Dr. Adams stated that the total cost for the 194-unit facility is \$2,600,000.00 or approximately \$13,000.00 per unit. Each unit is furnished with an efficiency kitchen.

Upon the motion of Mr. Brunson, seconded by Mr. Kvalheim, a request to be made to the Foundation to increase the original loan for the 1500 Government Street project to \$2,175,000.00, an additional \$365,000.00, and approval for a one-time transfer of \$425,000.00 from the Housing Account to the Construction Account was unanimously recommended for approval by the Board.

The Budget and Finance Committee recommended approval of a transfer of \$5,700,000.00 in disproportionate share funds to the Foundation. Mr. Davis stated that these funds are not budgeted due to the uncertainty of their receipt. From 1989, when the program began, to the present the total, including the requested transfer, will be \$126,300,000.00.

Upon the motion of Mr. Brunson, seconded by Mrs. Maye, the recommendation to transfer \$5,700,000.00 of disproportionate share funds to the Foundation and a one-time transfer of

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\$425,000.00 from the Housing Account to the Construction Account was recommended by majority vote for approval by the Board. Mr. Kvalheim voted in the negative.

A resolution for safety deposit boxes used by the Registrar's Office was introduced. Upon the motion of Mr. Nix, seconded by Mr. Kvalheim, the resolution following was unanimously approved for recommendation to the Board.

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#### RESOLUTION

BE IT RESOLVED THAT, the University Registrar, Associate Registrars, and Academic Records Supervisor, of the University of South Alabama, namely: Carolyn M. Parham, Juanita H. Moore, Mary E. Haynes, and Susanne D. Weaver, or any of them, be and they hereby are authorized to rent safe deposit box Number 6261 in the vault of the Airport-University Branch of South Trust Bank of Mobile, Alabama, for and on behalf of the University of South Alabama, and

BE IT FURTHER RESOLVED THAT, the South Trust Bank of Mobile is hereby authorized and directed to admit any of said persons, no other persons, severally to such safe at any time, and in permitting such admittance, the said bank shall assume no responsibility in respect to the removal of all or any part of the contents of said safe. This Resolution shall continue in force until notice to the contrary in writing shall be given to said bank.

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#### RESOLUTION

BE IT RESOLVED THAT, the University Registrar, Associate Registrars, and Academic Records Supervisor, of the University of South Alabama, namely: Carolyn M. Parham, Juanita H. Moore, Mary E. Haynes and Susanne D. Weaver, or any of them, be and they hereby are authorized to rent safe deposit box Number 621 of the University Branch of First Alabama Bank, Mobile, Alabama, for and on behalf of the University of South Alabama, and

BE IT FURTHER RESOLVED THAT, the First Alabama Bank is hereby authorized and directed to admit any of said persons, but no other persons, severally to such safe at any time, and in permitting such admittance, the said bank shall assume no

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responsibility in respect to the removal of all or any part of the contents of said safe. This Resolution shall continue in force until notice to the contrary in writing shall be given to said bank.

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Small Greek Housing was the next agenda item and was summarized by Mr. Mitchell. One of the Trustees has expressed concerns since the last Board meeting with reference to procedures followed in the construction of the small Greek housing. Construction has been stopped until actions are ratified at this Board meeting. The following resolution has been prepared and addresses all of the items of concern.

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#### RESOLUTION

WHEREAS, the Board of Trustees, at its meeting on December 8, 1994, discussed and approved the concept of small group housing for USA sororities and fraternities and approved of the appointment of an architect to proceed with such proposal, and

WHEREAS, at the meeting of March 16, 1995, the Board of Trustees reviewed the proposed site for the small group housing project, noting that the site would be placed near the existing Sigma Chi House, and further approving the concept and proposal of small group housing presented at that meeting, including financing small group housing by a loan from the USA Foundation, and

WHEREAS, the University then proceeded to determine the lowest possible cost to construct such facility, and in that process, determined through the architects' estimate of construction cost, that the construction cost was substantially more than budgeted, or an amount of \$6,423,154.00 (for 77,384 square feet at \$83.00 per square foot), and

WHEREAS, the University proceeded to bid individual sub-contract bid packages with the University Construction Department serving as the oversight for the sub-contracts.

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees reaffirms its commitment to small group housing for USA fraternities and sororities, and in that reaffirmation, would take the action as set forth below, and



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FURTHER, BE IT RESOLVED that the Board of Trustees formally accepts, approves and ratifies a proposal to fund the small group housing by a loan to the University of South Alabama as approved by the University of South Alabama Foundation at its meeting on October 16, 1995, in the amount of \$3,200,000.00 at 7% interest over a twenty-year period, plus the additional \$1,200,000.00 in proceeds from the sale of Alpha Dormitory South, and a request to the University of South Alabama Foundation to increase its loan to \$3,550,000.00 with a total amount of the project being \$4,670,000.00 (\$60.35 per square foot), and

FURTHER, BE IT RESOLVED that the Board of Trustees approves the award of the following bids as the lowest responsible bidders on the particular sub-contracts as noted:

<u>SUBCONTRACT</u>	<u>BID AMOUNT</u>	<u>BIDDER</u>
Soil Treatment	\$ 5,600.00	Peston Services
Concrete Reinforcement	44,763.00	Baird Steel
Precast Concrete (Cast Stone)	45,280.00	Cut Art Stone & Precast Co.
Pipe and Tube Railings	21,994.00	Brabner & Hollon
Roof Trusses	79,384.00	S.S. Steele
Cabinets	210,592.00	University Cabinet Shop
Access Doors	3,444.00	Brabner & Hollon
Aluminum Entrances & Curtain Wall	22,520.00	Metropolitan Glass
Aluminum Windows	16,897.00	Brabner & Hollon
Tile	24,124.00	Gleem Pain Center
Carpet and VCT	67,662.00	T.S.Wall & Sons
Specialty Signs	6,190.00	Brabner & Hollon
Fire Extinguishers and Cabinets	5,810.00	Brabner & Hollon
Toilet and Bath Accessories	25,700.00	Brabner & Hollon
HVAC	239,712.00	Farnell
Sprinkler System	68,000.00	Intl Fire Protection
Plumbing	321,149.00	Brim Construction
Electrical	424,000.00	Kitchens Electric
Water and Sewage System	105,800.00	Mid-Gulf Mechanical

FURTHER, that Precast Concrete Planks, in an amount of \$124,200.00 has been deemed to be a sole source and is approved accordingly, and

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FURTHER, BE IT RESOLVED that the following eight sub-contracts will be advertised for bid:

- 1) Asphalt Paving;
- 2) Curbs and Gutters;
- 3) Masonry Labor;
- 4) Structural Steel Material;
- 5) Asphalt Shingles;
- 6) Exterior Insulation Finish System;
- 7) Doors and Frames;
- 8) Painting.

and the bids after being received and tabulated will be forwarded to the Board of Trustees for approval at the December meeting, and

FURTHER, BE IT RESOLVED that the plot plan (Exhibit A as attached hereto) reviewed and discussed and approved at the March 16, 1995 meeting is hereby again approved and ratified by the Board of Trustees.

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Dr. Whiddon noted that, in order to keep the project moving, some action will have to be taken prior to the December meeting, but bid tabulations will be mailed to each Board member at the time.

Copies of the approved plot plan were distributed for review. Due to a concern that the plot plan had not been formally approved by the Board, all were asked to review the copy and recommend formal approval to the Board. It was noted that small components have yet to be bid. Mr. Mitchell stated that if costs exceed the parameters of \$4,670,000.00, it will be brought back to the Board for consideration.

Mr. Kvalheim, in reviewing the plot plan, questioned the fencing and was assured that the fence would not be removed. Dr. Stokes noted that the general concept of the plot plan had been adopted and he questioned the attempts to micro manage. Further discussion was deferred until the full Board convened.

Mr. Mitchell requested that Mr. Kvalheim present the next agenda item. Mr. Kvalheim reported on the character and accomplishments of Mr. Gregory Shawn Flach who was killed in a tragic boat accident before completing his degree.



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Upon the motion of Mr. Kvalheim, seconded by Mr. Nix, the awarding of a posthumous degree to Mr. Gregory Shawn Flach was unanimously recommended to the Board.

Mr. Mitchell commended Mrs. Anne Nix for being the driving force behind the Polo at the Point fund raising effort, noting that funding from extramural sources is always a positive addition to the University. Last year's Polo at the Point event raised \$72,500.00 and it is recommended that the Board approve a matching amount of \$72,500.00. The USA Foundation will match the total amount which will bring the total fund to \$1,480,000.00.

Upon the motion of Mrs. Maye, seconded by Mr. Brunson, the matching grant of \$72,500.00 was unanimously recommended for approval by the Board.

Mr. Mitchell, with Committee approval, deferred discussion on the semester system conversion to the full Board.

Bids on current projects were introduced by Dr. Whiddon. The low bid on the University Commons completion was J. F. Pate & Company at \$896,000.00. Upon the motion of Mr. Nix, seconded by Mr. Brunson, the low bid from J. F. Pate & Company was unanimously recommended for approval by the Board.

A summary of progress on the Performing Arts Building was the next agenda item. Only one bid was received and it was unopened and rejected because the policy is that two or more bids must be received. Upon the motion of Mr. Nix, seconded by Mrs. Maye, the rejection of the single bid was unanimously recommended for Board approval. Mr. Mitchell noted that actions suggested by the President will be discussed at the full Board meeting.

Dr. Whiddon reported that the lowest bid on the Medical Science expansion project came in considerably above the budgeted amount. Upon the motion of Mr. Nix, seconded by Mrs. Maye, it was unanimously recommended that the current bids on the Medical Science Building expansion project be rejected and that the project be rebid and those results be returned to the Board for approval.

With regard to the University Center, Dr. Whiddon reported that Butler and Company has been approved to construct the frame and place the roof. A bid for \$7,700.00 has been received for


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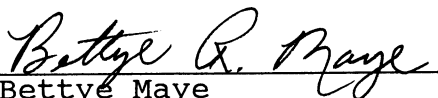
concrete and anchor bolts. Rebar bids will be forthcoming. No action was required.

Mr. Nix moved for adjournment and meeting adjourned at 11:00 a.m.

Respectfully Submitted:

ATTEST:

  
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Mayer Mitchell  
Chair

  
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Bettye Maye  
Secretary