

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

**March 4, 1999
10:00 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened at 10:03 a.m. on Thursday, March 4, 1999, in the Board Room of the Frederick P. Whiddon Administration Building by Mr. Jack R. Brunson, Chair Pro Tempore.

Members Present: Judges Herman Thomas and Charles Woods; Drs. Max McLaughlin and Steven Stokes; Mayor James Nix; Messrs. Jack Brunson, Ken Kvalheim, Don Langham, and Mayer Mitchell; and Madam Bettye Maye.

Members Absent: Governor Don Siegelman; Judge Otha Lee Biggs; Senator Pat Lindsey; Mayor Larry Langford; Dr. Ed Richardson; and Messrs. Crum Foshee and Larry Striplin.

University Administration: President Gordon Moulton; Drs. Dale Adams, Charles Baugh, Pat Covey, and Robert Shearer; Messrs. Wayne Davis and Steve Simmons; and Mesdames Gilda Hodges and Jean Tucker.

Guests: Drs. Robert Bennett (USA Alumni Association), Thomas Chilton, Calvin Jones (Faculty Senate), David Stearns, Judy Stout, John Strange, Jan Sylvestre, and James Wolfe; Messrs. Keith Ayers, David Blough, Robert Broach, Louis Cardinal (Thornton Farish, Inc.), Arthur Carlton, Bill, John, and Walter Cleverdon, Bob Galbraith, Joe Gottfried, Aubrey Green, John Harrell (Bradley Arant Rose and White), Chris Hanes (SGA), Pfilip Hunt and Larry Jackson (Gardnyr Michael Capital, Inc.), Bernie Justesen, Carlos Moore, George Smith, and Al Yeager; and Mesdames Carol, Marian, Mary, and Stephanie Cleverdon, Monica Curtis, Ellen Green, Mary Ellen Keller, Dianne Marshall, Susan Meztista, Arlene Mitchell, Carla Morgan, Anne Nix, Nancy Plesnarski, Donna Robinson, Pat Waldron, and Joan Wilhite.

Press: Messrs. Barry Bain (WALA); Tom Brennan (Harbinger); Leroy Dixon and Adam Helewski (Vanguard); and Bob Lowry (USA); and Mesdames Ronni Patriquin Clark and Mary Hattler (Mobile Register); Carolyn Haines, Renee Paul, and Joy Washington (USA); and Margaret Turner (Certified Court Reporter).

Chairman Brunson called the meeting to order by asking Dr. Adams to give an invocation. Mr. Brunson called for adoption of a revised agenda to include *ITEM 27*, a discussion of tobacco

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litigation issues. Mayor Nix moved for approval. Mr. Langham seconded and the amended agenda was adopted by unanimous vote.

Mr. Brunson called upon President Moulton to conduct the ceremony for unveiling portraits of past Chairs Pro Tempore for the USA Board of Trustees. Mayor James Nix and Messrs. Ernest G. Cleverdon, Aubrey D. Green, and Mayer Mitchell and accompanying family members were recognized. Also introduced were Ms. Joan Wilhite, the artist, as well as two new staff members: Mr. Keith Ayers, Director of Public Information, and Ms. Pat Waldron, President's Office.

Mr. Brunson called for adoption of *ITEM 2*, the minutes of the December 3, 1998, meeting of the USA Board of Trustees. Mayor Nix moved approval. Mr. Kvalheim seconded and the minutes were unanimously adopted.

As Mr. Aubrey Green and Dr. Frederick Whiddon did not accept an invitation to attend the Board meeting and address *ITEM 3*, a report from the University of South Alabama Foundation (USAF), Mr. Brunson provided an account of recent USAF board meetings relative to the questionable handling of a request for financial support from PrimeHealth of Alabama, Inc. He recounted that, due to the inadequate disclosure of transaction documentation and inadequate responses to his subsequent written requests for undisclosed data, he obtained information filed as public record. Referring to the distributed material, he drew the conclusion that the USAF had used endowment funds to subsidize a financially unstable PrimeHealth.

Dr. Stokes suggested that *ITEM 3* be tabled until PrimeHealth representatives could be available to address the issue. He recommended, too, that viable alternatives be researched to protect USA's interest in its relationship with PrimeHealth of Alabama. Given that *ITEM 3* was a report from the Chair Pro Tempore, no action was taken.

Mr. Brunson introduced *ITEM 4* (refer to Appendix A for copies of all resolutions), a resolution authorizing the Chair Pro Tempore to appoint and charge a committee, representative of the interests of USA constituencies, to develop guidelines for future presidential searches. Mayor Nix moved approval. Mr. Langham seconded. Dr. Stokes asked if the University had medical disability coverage in the event the President should become incapacitated. President Moulton affirmed that USA's disability plan was available to all employees, including the President. The Board cast its unanimous approval of *ITEM 4*.

Mr. Brunson proposed that a committee be established to plan an inaugural ceremony in keeping with the customary tradition when a new president is appointed. He asked Drs. Covey and Baugh to recommend an inaugural committee consisting of faculty, students, alumni, administration, and staff. In order that he might present a report to the Board at its annual meeting, Mr. Brunson requested that the committee provide him with a proposed budget and plans for the event by April 16.

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Mr. Brunson called for consideration of *ITEM 5*, a resolution authorizing the President and the Chair of the Long-Range Planning Committee to work together to establish a central planning committee with membership from the Board, the University community, and the local community and to implement other action as necessary to effect a long-range planning process, including the engagement of an outside consultant. It was stipulated that fees for retaining the consultant be brought before the Board prior to execution of a contract. Judge Thomas, Chair of the Long-Range Committee, reported on progress to date for determining potential consultants. Mayor Nix moved approval. Dr. Stokes seconded and the Board approved *ITEM 5* without opposition.

Mr. Brunson asked that consideration be given to *ITEM 6*, a resolution authorizing the Chair Pro Tempore to appoint a task force, with membership consisting of representatives from the Board, faculty, administration, students, and alumni, as well as the local community, to conduct a comprehensive, long-range study of the future of intercollegiate athletics at the University of South Alabama. Responding to Dr. Stokes' recommendation that the feasibility of football at USA be determined as quickly as possible, President Moulton assured that the intent was to develop a means for forecasting the viability of all sports, including football. Mr. Kvalheim added that the gender-equity issue could be examined as well. President Moulton responded to Mr. Langham's and Mrs. Maye's concerns about the men's soccer program being discontinued. Dr. Stokes moved adoption of *ITEM 6*. Mr. Kvalheim seconded and the Board voted unanimous approval.

Mr. Brunson called for a report of Health Affairs items. Dr. McLaughlin, Chair of the Board's Health Affairs Committee, moved approval of *ITEM 7*, a resolution to adopt the 4th Quarter Report of Credentials for USA Hospital physicians and allied health professionals. Mr. Mitchell seconded and unanimous approval of *ITEM 7* was granted. The Board acknowledged receipt of *ITEM 8*, a report of the USA Hospitals' Combined Medical Staff and Administrative Meeting, and *ITEM 9*, the USA Hospitals' Medical Executive Reports for the 4th Quarter, 1998.

At Dr. Stokes' request, Mr. Simmons briefed Board members about the implementation of the Renal Transplant Program.

Mr. Brunson called for a report of the Budget and Finance Committee held on March 3 at 3:30 p.m. The Board acknowledged receipt of report *ITEM 10*, USA's Financial Statements for October, November, and December, 1998. Responding to a question posed by Mr. Mitchell at the Budget and Finance Committee meeting, Mr. Davis confirmed that current assets only, as noted in the current fund portion of the October 1998 Financial Statement, decreased from investing in capital projects.

Dr. Stokes raised concern about a considerable increase in construction costs for completing the Mitchell Center. President Moulton and Mr. Davis explained that, although no budget had been adopted at the outset, \$16.5 million was available at that time for the project. Also, the University had acted as its own contractor, thus leading to inefficiencies during construction and eventually to

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cost increases. However, as compared to other facilities of comparable size, the final costs appear to be reasonable.

Having received a copy of President Moulton's letter responding to a request by Judge Woods for a list of legal fees paid by the University, Mr. Kvalheim called attention to a lawsuit, *Helen Neese vs. Maxey Roberts and the University of South Alabama*, which had been settled. Mr. Mitchell declared that he, as Chair Pro Tempore during that time, had not been made aware of that particular suit. President Moulton confirmed the existence of the litigation and said that, because of a stipulation that settlement details remain confidential, the document was on file in Ms. Tucker's office if any Board member wished to review it.

Mr. Kvalheim, Chair of the Budget and Finance Committee, acknowledged Board receipt of information *ITEM 11*, a report of two separate sales of stock.

Mr. Kvalheim called upon Mr. Davis to address *ITEM 12*, a report of a second loan from the Alabama Higher Education Equipment Loan Authority that closed at a fixed rate of 4.37% with repayment over 10 years. Mr. Davis announced that, from the available pool of \$20 million statewide, the University received a total of \$11 million.

Mr. Kvalheim asked Dr. Adams to discuss *ITEM 13*, a report that, due to the complexity of installing the Mitchell Center scoreboard, the previously approved bid from Daktronics had increased another \$8,000 in order that a performance bond be included as part of the contract.

Mr. Kvalheim moved approval of *ITEM 14*, a resolution authorizing the President and Vice President for Financial Affairs to establish a line of credit with Regions Bank for \$10 million to be accessed only as necessary within the next four years. It provides, too, that the Chair Pro Tempore be apprised prior to any transaction being executed. Mrs. Maye seconded and *ITEM 14* was passed without opposition.

Mr. Kvalheim summarized *ITEM 15*, a resolution providing Board approval of the Old Shell Road right-of-way extension and the sale of University property required for the extension. Further, it authorizes the President to accept the state's monetary offer for the property and to execute all documentation necessary to close the sale. President Moulton drew attention to a drawing of the proposed design and noted that no buildings would be affected. He stated that, as part of the agreement, the city will also construct a paved bike/pedestrian path along the University's property parallel to Old Shell Road. Mr. Langham moved approval. Mayor Nix seconded and the Board granted unanimous approval of *ITEM 15*.

President Moulton addressed *RESOLUTION 1* of *ITEM 16*, which provides for a tuition increase of 7.9 percent to become effective with the 1999 fall semester. USA's increase in tuition is one of the lowest

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statewide over the last four years. Undergraduate tuition would increase from \$82.50 to \$89 per semester hour; graduate tuition would be raised from \$106.50 to \$115. Referring to detailed comparison material, President Moulton provided a complete analysis of the factors that, over a period of time, have led to below average state funding. Further, he reviewed how conversion to the semester system contributed to decreased enrollment and a subsequent drop in tuition revenues. Despite this, USA has not resorted to reducing its spending on its students and instructional programs. President Moulton predicted, however, that because reserves are diminishing, without the proposed tuition increase, the University would have had to consider a reduction in personnel.

When called upon for his comments, Mr. Hanes, SGA President, affirmed that the administration had involved the students in discussions at the outset and that students had expressed understanding and were supportive when presented the budget data. Mayor Nix moved approval of *ITEM 16, RESOLUTION 1*. Ms. Maye offered a second.

Mr. Langham inquired about USA's lobbying effort to raise more dollars. President Moulton responded that USA was working as aggressively as possible. Ms. Maye agreed that it is important to maintain strong communication with the legislature on a regular basis. The Board cast its vote to approve *ITEM 16, RESOLUTION 1*, with opposition from Judge Thomas and Mr. Kvalheim.

Mr. Kvalheim presented *ITEM 16, RESOLUTION 2*, providing for a tuition increase for medical students from \$7,000 to \$7,700 to be effective with the 2000-2001 academic year. Dr. McLaughlin stated that the Health Affairs Committee supported the increase. Mr. Langham moved approval. Mayor Nix seconded and it was approved without opposition.

Mr. Kvalheim called upon Dr. Adams to outline *ITEM 17*, a resolution recommending that the student activity fee be increased by \$20 per semester and that the parking fee be raised by \$5 per semester effective fall 1999. This would provide additional funds for the Student Recreation Center, Jaguar Productions, SGA, debt service of the Mitchell Center, and the maintenance and security of parking areas. The activity fee is to be distributed based upon agreement between the President, the Vice President for Student Affairs, and the SGA President. Mr. Hanes concurred with *ITEM 17*, saying that use of the funds would promote a more positive student experience. Dr. Stokes moved approval. Mr. Mitchell seconded and *ITEM 17* was approved with opposition from Mr. Kvalheim.

Mr. Kvalheim called upon Dr. Covey to present *ITEM 18*, a resolution to add a technology service fee for web-based courses. Dr. Covey stated that the University had contracted with Real Education, Inc., for the installation and support. Students will be charged only if taking an entire course on-line. Mr. Kvalheim moved approval. Judge Thomas seconded and *ITEM 18* was unanimously approved.

Mr. Kvalheim asked Mr. Davis to describe *ITEM 19*, a resolution to amend the 1993 Hospital Bond Indenture in order that AMBAC, the bond insurer, might reduce the required depreciation fund from

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\$11 million to \$6 million and release the difference of \$5 million to the University to be redeposited into the Hospital's funded depreciation account. He introduced Mr. John Harrell, financial advisor to the University, who explained the process whereby the \$5 million would be returned. Mr. Kvalheim moved approval. Dr. Stokes seconded and the Board unanimously approved *ITEM 19*.

Mr. Kvalheim introduced *ITEM 20*, a resolution recommending that University bonds be issued totaling \$40,128,451, the proceeds of which would be utilized to refinance the remaining loans with the Foundation, complete existing construction projects, and to fund immediate construction needs not already in progress. The bonds are a combination of serial bonds and zero coupon bonds with net interest costs of 4.85 percent and a term of 20 years. He recognized the efforts of Messrs. Philip Hunt and Larry Jackson with Gardnry Michael Capital, the senior management firm for the bond issue; John Harrell, bond counsel representing the firm of Bradley Arant Rose & White; and Louis Cardinal of Thornton Farish, Inc. Mr. Davis presented an overview of detailed budget data, which portrayed a thorough picture of the current and imminent budget constraints facing the institution that necessitates the bond issue. He provided the breakdown of how the use of the Series 1999 bond issue proceeds as shown below:

Payoff of existing loans from the USA Foundation	\$ 11,514,500
Shortfall in funding existing construction projects	14,971,710
Future construction projects	13,140,856
Estimated cost of issuance of bonds	<u>501,385</u>
	\$40,128,451

Mr. Davis also reported the shortfall in funding other existing renovation and construction projects, including projects not eligible to be paid for with bond proceeds, was \$8,283,902, for a total shortfall in funding of existing projects of approximately \$23,000,000. Following an extensive period of questions and discussion, Mr. Kvalheim moved approval. Mr. Mitchell seconded and the Board granted unanimous approval of *ITEM 20*.

During the Budget and Finance Committee meeting held March 3, 1999, Mr. Davis reported that, with regard to page 6 of the *Financing Plans* report, the Mitchell Center is listed with a total project cost of \$29,419,627. He said that this includes actual expenditures to date of \$27,224,133 and projected costs of \$2,195,494. He indicated some of the projected costs, such as constructing and finishing classrooms, could be delayed until some later time, but the manpower and equipment were in place to complete the facility now. President Moulton said he favored completion of the facility without delay and asked Committee members for their input. There was general agreement by the Committee that the University administration should proceed to complete the Mitchell Center up to the total projected cost of \$29,419,627.

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Mr. Kvalheim offered information about plans by the Alumni Association, on behalf of students and the community as well, to offer as a gift to the University a clock and bell tower for construction on campus. A drawing of the proposed design was disseminated for review.

Mr. Brunson briefed the Board about *ITEM 21*, a resolution for approving the building plaque for the Mitchell Center. Mayor Nix moved approval. Mr. Kvalheim seconded and the Board unanimously passed *ITEM 21*.

Mr. Brunson requested that Dr. Adams introduce *ITEM 22*, a resolution providing for the lease of a parcel of University property located along Old Shell Road to the Wesley Fellowship to construct a facility. Further, it reserves an adjacent lot for future utilization. Access to the property will be from Stadium Drive and all improvements are to be approved by the USA administration. Mayor Nix moved approval. Mr. Kvalheim seconded and the Board voted unanimously to approve *ITEM 22*.

Dr. Covey presented *ITEM 23*, a resolution establishing a University Honors Program. She introduced Dr. Judy Stout, Associate Vice President for Academic Affairs, the program planning coordinator and director. Judge Thomas moved approval. Mr. Kvalheim seconded and the Board unanimously adopted *ITEM 23*.

President Moulton summarized a resolution, *ITEM 24*, which requested that the USA Foundation provide financial support for the implementation of the University Honors Program by releasing five percent of the \$15 million in endowment funds. It requests, as well, annual support from the USA Foundation and a four-year schedule ending 2001-02 by which unrestricted assets will be disbursed. However, as the Foundation has recently agreed to fund the scholarship program as outlined, President Moulton withdrew *ITEM 24* from consideration.

As previously addressed in relation to *ITEM 18*, Dr. Covey reviewed *ITEM 25*, a resolution for the implementation of distance learning via Internet access. Ms. Maye moved approval. Judge Thomas seconded and *ITEM 25* was unanimously adopted.

Dr. Covey introduced *ITEM 26*, a resolution supporting the creation of a Center for the Enhancement of Teaching and Learning. She introduced Dr. Thomas Chilton, Associate Dean of the College of Education, who will serve as academic coordinator for the Center. Mayor Nix moved approval. Dr. Stokes offered a second and the Board unanimously approved *ITEM 26*.

Ms. Tucker updated the Board on USA's involvement in tobacco litigation, *ITEM 27*. She further recommended that attorney-client privilege be considered prior to additional discussion. Thus,

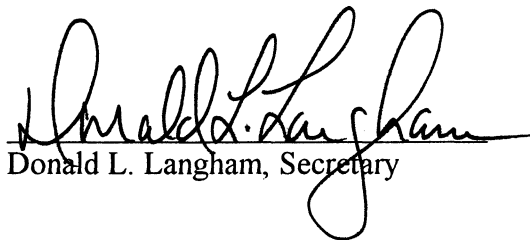
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Mr. Mitchell moved for an executive session. Ms. Maye seconded and the motion carried without opposition.

Following the executive session, the public meeting reconvened; there being no further business, the meeting adjourned at 1:00 p.m.

Respectfully Submitted:

Attest to:


Donald L. Langham, Secretary


Jack R. Brunson, Chair Pro Tempore

1089

RESOLUTION
PRESIDENTIAL SEARCH PROCESS

WHEREAS, the Board of Trustees of the University of South Alabama, on December 3, 1998, passed a resolution dissolving the Special Presidential Search Committee and appointing V. Gordon Moulton President of the University, and

WHEREAS, the Board in said resolution stated its intention to revisit the issue of the Office of the President five years from the date of said appointment of President Moulton, and

WHEREAS, the Board recognizes the interests of the constituencies of the University - students, faculty, alumni, administration, the Board of Trustees, and the regional community served by the University of South Alabama - in participating fully in the process of conducting future presidential searches.

THEREFORE, BE IT RESOLVED, that the Board authorizes the Chair Pro Tempore to appoint and charge a committee representative of such interests to develop plans and guidelines for implementing said process.

VOTE RECORD: ITEM 4

MOVED: MAYOR NIX
SECONDED: MR. LANGHAM

ACTION: UNANIMOUSLY APPROVED

RESOLUTION
LONG-RANGE PLANNING PROCESS

WHEREAS, it would be to the advantage of the entire University of South Alabama community to institute a university-wide planning process with the goal of developing a collective long-term vision for the University, and

WHEREAS, President V. Gordon Moulton has recommended to the Board of Trustees that such a process be undertaken and that it should include the entire University community, as well as input from knowledgeable supporters and citizens of the area served by the University of South Alabama, and

WHEREAS, such a planning process should be comprehensive in scope and should include for consideration critical all areas and functions of the University,

THEREFORE, BE IT RESOLVED, that the President of the University is hereby authorized to coordinate with the Chair of the Long Range Planning Committee of the Board of Trustees to appoint and establish a central planning committee and any such sub-committees as may be necessary, with membership inclusive of the Board of Trustees, University of South Alabama community, and private citizens and supporters of the University, to engage outside consultants, and to take other such measures as may be appropriate to implement a long range planning process.

VOTE RECORD: ITEM 5

MOVED: MAYOR NIX
SECONDED: DR. STOKES

ACTION: UNANIMOUSLY APPROVED

RESOLUTION
INTERCOLLEGIATE ATHLETICS TASK FORCE

1092

WHEREAS, the University of South Alabama intercollegiate athletic teams, through the efforts and dedication of student-athletes, coaches, and staff, have brought favorable recognition and credit to the University, and

WHEREAS, a viable, competitive intercollegiate athletic program enhances student life and promotes interest, support, and loyalty among students, alumni, and other constituencies, both within the University and in the community, and

WHEREAS, there exists within the University community a high level of interest in the future direction and development of the intercollegiate athletic program,

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the Chair Pro Tempore to establish a task force made up of representatives of the Board, the student body, faculty, alumni, administration, and the Mobile community to initiate a comprehensive, long range study focusing on the future of intercollegiate athletics at the University of South Alabama.

VOTE RECORD: ITEM 6

MOVED: DR. STOKES
SECONDED: MR. KVALHEIM

ACTION: UNANIMOUSLY APPROVED

RESOLUTION**USA HOSPITALS
MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR THE FOURTH QUARTER 1998**

WHEREAS, the Medical Staff appointments and reappointments for the fourth quarter 1998 for the University of South Alabama Hospitals, as recommended for approval by the Combined Medical Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED, that the appointments and reappointments be approved as submitted.

VOTE RECORD: ITEM 7

**Moved: DR. McLAUGHLIN
SECONDED: MR. MITCHELL**

ACTION: UNANIMOUSLY APPROVED

RESOLUTION
SHORT-TERM FINANCING

WHEREAS, the Board of Trustees on December 3, 1998, authorized the University to solicit competitive proposals from financial institutions to establish a \$10 million line of credit, and

WHEREAS, the credit line may be accessed until permanent financing is arranged, and maintained after financing is arranged for short-term cash management purposes and general corporate purposes,

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the establishment of a four-year \$10 million line of credit with Regions Bank at a variable interest rate of one month LIBOR plus .48%, with an interest rate cap of 6.90%, and with an option to renew annually thereafter, and

FURTHER, BE IT RESOLVED, that the Board of Trustees hereby authorizes Mr. V. Gordon Moulton, President, and Mr. M. Wayne Davis, Vice President for Financial Affairs, of the University of South Alabama, to execute, attest, acknowledge and deliver any documents required and to take all actions necessary on behalf of the University of South Alabama to carry out the transaction authorized by this resolution, and

FURTHER, BE IT RESOLVED, that the Chairman of the Board of Trustees be informed, in advance, of any borrowing and repayment of this credit line.

VOTE RECORD: ITEM 14

MOVED: MR. KVALHEIM
SECONDED: MS. MAYE

ACTION: UNANIMOUSLY APPROVED

RESOLUTION

OLD SHELL ROAD RIGHT-OF-WAY EXTENSION

WHEREAS, the University of South Alabama supports the widening of Old Shell Road from University Boulevard to Hillcrest Road to a four-lane road with a twenty-foot median with turning lanes, sidewalks, and a bike path, and

WHEREAS, the University is concerned about the traffic congestion on Old Shell Road, with the projected May 1999 completion of the Mitchell Center located on Old Shell Road, and the safety of the University's students, faculty, staff and visitors,

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves extension of the Old Shell Road Right-of-Way from sixty feet to one hundred and three feet, and the sale of such University property required to extend the-right-of way, and

FURTHER, BE IT RESOLVED, that the Board of Trustees authorizes Mr. V. Gordon Moulton, President of the University of South Alabama, to accept the State of Alabama's monetary offer for the additional right-of-way, and to execute all contracts, deeds, and other documents required to effect such sale and Right-of-Way extension.

VOTE RECORD: ITEM 15

MOVED: MR. LANGHAM
SECONDED: MAYOR NIX

ACTION: UNANIMOUSLY APPROVED

RESOLUTION
TUITION INCREASE

WHEREAS, the University of South Alabama last increased tuition Fall Quarter 1997, and

WHEREAS, the University's tuition and fees increase over the last two years was 5.44% while the median increase for all Alabama public colleges and universities was 14.58%, and

WHEREAS, the State Retirement System employer costs will increase from 4.03% to 6.38% for the fiscal year 1999-2000, and

WHEREAS, the University's tuition income has been reduced by approximately \$2,000,000 with the semester conversion, and

WHEREAS, the Mitchell Center and Laidlaw Performing Arts Building will be completed and occupied this year with increased University operating costs, and

WHEREAS, in order to ease the conversion from a quarter to a semester system for our students, the University did not implement a tuition increase in 1998-99,

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the following tuition increases to be effective for the Fall Semester, 1999:

	1998-1999 Semester Hour Fee	1999-2000 Proposed Semester Hour Fee
Undergraduate	\$ 82.5	\$ 89
Graduate	\$106.5	\$115

VOTE RECORD: ITEM 16, RES

MOVED: MAYOR NIX
SECONDED: MS. MAYE

ACTION: APPROVED (JUDGE THOMAS &
MR. KVALHEIM OPPOSED)

RESOLUTION
COLLEGE OF MEDICINE TUITION INCREASE

WHEREAS, the College of Medicine last increased tuition for the academic year 1996-97, and

WHEREAS, the 1998-99 national median tuition for public medical schools is \$9,223, and the 1998-99 College of Medicine tuition is \$7,000, and

WHEREAS, the 1998-99 national median tuition and fees for public medical schools is \$10,324, and the 1998-99 College of Medicine tuition and fees is \$9,042, and

WHEREAS, the College of Medicine requests approval now for a tuition increase for the 2000-2001 academic year to allow students advance notice for financial aid arrangements,

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the following tuition increase to be effective for the academic year 2000-2001:

1998-1999 Tuition	2000-2001 Proposed Tuition
\$7,000	\$7,700

VOTE RECORD: ITEM 16, RI
MOVED: MR. LANGHAM
SECONDED: MAYOR NIX
ACTION: UNANIMOUSLY APPROVED

1098

RESOLUTION

ACTIVITY AND PARKING FEE INCREASES

WHEREAS, the University of South Alabama wants to provide the best possible support for student service activities, and the maintenance and security of its parking facilities, and

WHEREAS, the Activity Fee was last raised in 1994, and the Parking Fee in 1991, making both the lowest in the area among major universities, and

WHEREAS, the increase in salaries and expenses have eroded the buying power of the Activity Fee and the allocations made from it for campus recreation, student activities, and student organizations, and

WHEREAS, the Mitchell Center will be used by student groups for concerts and co-curricular events,

THEREFORE, BE IT RESOLVED, that the student Activity Fee be increased by \$20 per semester and the Parking Fee \$5 per year, effective Fall 1999, to be used to finance programs in Campus Recreation, Jaguar Productions, Student Government Association, debt service of the Mitchell Center, and the maintenance and security of the parking lots. The Activity Fee will be distributed based on agreement between the President and Vice President for Student Affairs of the University, and the President of the Student Government Association.

	1998-1999 Fee	1999-2000 Proposed Fee
Parking Fee:		
Students	10	15
Faculty and Staff	15	20
Activity Fee:		
Undergraduate -		
Full-Time (12 hours +)	48	68
Part-Time (6-11 hours)	27	38
Part-Time (1-5 hours)	15	21
Graduate -		
Full-Time (6 Hours +)	48	68
Part-Time (4-5 Hours)	27	38
Part-Time (1-3 Hours)	15	21

VOTE RECORD: ITEM 1

MOVED: DR. STOKES
SECONDED: MR. MITCHELL

ACTION: APPROVED (MR. KVALHI
(OPPOSED))

RESOLUTION
SPECIAL COURSE FEE WEB COURSES

WHEREAS, the University of South Alabama seeks to provide instruction of the highest quality, to the widest student audiences, at reasonable costs, and

WHEREAS, the University is initiating a program of distance education by delivering selected courses through the online technology of the world-wide web, and

WHEREAS, the University is committed to providing this course alternative to students in such a manner that additional costs associated with this course delivery method are revenue neutral, and so that there is no associated increase in basic tuition charges to other students, and

WHEREAS, the University will support an infrastructure of resources and expertise to assist faculty and programs in meeting the new unique requirements of course modifications, new course design, curriculum development and technological skills necessary for high quality online courses,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the application of a University technology service fee for web-based courses delivered online in whole through the contracted service of Real Education, Inc., in accordance with the following schedule:

Technology Service Fee
For Online Courses

1 credit course	\$130.00
2 credit course	\$130.00
3 credit course	\$170.00
4 credit course	\$210.00
5 credit course	\$250.00

VOTE RECORD: ITEM 18

MOVED: MR. KVALHEIM
SECONDED: JUDGE THOMAS

ACTION: UNANIMOUSLY APPROVED

1100

A RESOLUTION AUTHORIZING THE ISSUANCE
OF \$40,130,000.70 ORIGINAL PRINCIPAL AMOUNT OF
UNIVERSITY TUITION REVENUE BONDS
SERIES 1999

BE IT RESOLVED by the Board of Trustees (herein called the "Board") of
UNIVERSITY OF SOUTH ALABAMA (herein called the "University") as follows:

Section 1. (a) Purpose. It is necessary, advisable, in the interest of the University and in the public interest that the University issue its \$40,130,000.70 original principal amount of Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (March 18, 1999, in the case of Series 1999 Bonds issued as Capital Appreciation Bonds), for the purpose of paying costs of capital improvements, including additions to the library, construction of small group student housing, construction of a convocation facility/arena adjacent to the health, physical education and leisure services building and other general capital improvements at the University, including retirement of notes and reimbursement to the University of amounts advanced by the University in payment of such costs.

(b) Bonds to be Issued as Additional Parity Bonds Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture. The Bonds shall be issued as additional parity bonds under Article VIII of the Indenture hereinafter referred to. In accordance with the provisions of Section 8.2(b) of the Indenture the Board hereby finds and declares as follows:

(1) the University is not now in default under the Indenture and no such default is imminent;

(2) the Bonds shall be designated Series 1999;

(3) the persons to whom the Bonds are to be delivered are set forth in Sections 6 and 10 hereof;

(4) all of the Bonds are to be issued by sale in accordance with Section 6 hereof;

VOTE RECORD: ITEM 19

MOVED: MR. KVALHEIM
SECONDED: DR. STOKES

ACTION: UNANIMOUSLY APPROVED

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VOTE RECORD: ITEM 20

MOVED: MR. KVALHEIM
SECONDED: MR. MITCHELL

ACTION: UNANIMOUSLY APPROVED

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(5) the sale price of the Bonds is set forth in Section 6 hereof;

(6) the only bonds that have previously been issued by the University under the Indenture are (a) the University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996, and (b) the University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996; and

(7) the Bonds are being issued for the purpose of paying costs of capital improvements generally described in subparagraph (a) of this Section 1.

The Trustee is hereby requested to authenticate and deliver the Bonds to the purchasers specified in Section 6 hereof upon payment of the purchase price designated therein.

Section 2. Authorization of Bonds. For the purposes specified in Section 1 of this resolution, there are hereby authorized to be issued by the University \$40,130,000.70 original principal amount of University Tuition Revenue Bonds, Series 1999, to be dated March 1, 1999, in the case of Current Interest Paying Bonds and March 18, 1999, in the case of Series 1999 Bonds issued as Capital Appreciation Bonds (herein called the "Bonds"), all under the terms, conditions and provisions set out in the Second Supplemental Trust Indenture dated as of March 1, 1999, between the University and The Bank of New York, as trustee (herein called the "Trustee"), which is supplemental to the Trust Indenture between the University and the Trustee dated as of February 15, 1996 (the said Trust Indenture, as heretofore supplemented and as supplemented by the said Second Supplemental Trust Indenture, herein called the "Indenture"). All the provisions of the Indenture respecting the Bonds are hereby adopted as a part of this resolution as fully as if set out at length herein.

Section 3. Source of Payment of the Bonds. The principal of and the interest on the Bonds shall be payable solely from the Pledged Revenues as defined in the Indenture. Nothing contained in this resolution, in the Bonds or in the Indenture shall be deemed to impose any obligation on the University to pay the principal of or the interest on the Bonds except from the Pledged Revenues. The Bonds shall not represent or constitute obligations of any nature whatsoever of the State of Alabama and shall not be payable out of moneys appropriated to the University by the State. The agreements, covenants or representations contained in this resolution, in the Bonds and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Bonds, nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Bonds nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State of Alabama. Nothing contained in this section shall.

however, relieve the University from the observance and performance of the several covenants and agreements on its part herein contained.

Section 4. Bonds Payable at Par. All remittances of principal of and interest on the Bonds to the holders thereof shall be made at par without any deduction for exchange or other cost, fees or expenses. The bank or banks at which the Bonds shall at any time be payable shall be considered by acceptance of their duties hereunder to have agreed that they will make or cause to be made remittances of principal of and interest on the Bonds, out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank or banks all reasonable charges made and expenses incurred by them in making such remittances in bankable funds at par.

Section 5. Authorization of Indenture. The Board does hereby authorize and direct the President of the University to execute and deliver, for and in the name and behalf of the University, to The Bank of New York, as Trustee under the aforesaid Trust Indenture, a Second Supplemental Trust Indenture in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution) and does hereby authorize and direct the Secretary of the Board to affix to the Second Supplemental Trust Indenture the corporate seal of the University and to attest the same.

Section 6. Sale of the Bonds. The Bonds are hereby sold and awarded to Gardnyr Michael Capital, Inc., and Thornton Farish, Inc. (herein called the "Underwriters"), at and for a purchase price equal to \$39,762,734.15 (reflecting an underwriting discount of \$236,767.00 and original issue discount in the amount of \$130,499.55), plus, with respect to the Current Interest Paying Warrants, accrued interest from March 1, 1999, to the date of their delivery.

Section 7. Authorization of the Official Statement. The Board does hereby authorize and direct the President of the University to execute, for and in the name and behalf of the University, an Official Statement with respect to the Bonds, to be dated the date of the adoption of this resolution, in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit II to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), with such changes as shall be necessary to conform to the provisions of this resolution. The Board does hereby declare that the Official Statement so executed by the President of the University shall be the Official Statement of the University with respect to the Bonds. The actions of the Underwriters in circulating, on behalf of the University, a Preliminary Official Statement respecting the Series 1999 Bonds, dated February 10, 1999, and attached hereto as Exhibit III, is hereby ratified and confirmed and the said Preliminary Official Statement is hereby adopted as the Preliminary Official Statement of the University.

Section 8. Authorization of Continuing Disclosure Agreement. The President of the University is hereby authorized and directed to execute and deliver, on behalf of the University, a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Bonds, in substantially the form presented to the meeting at which this resolution is adopted (which form shall be attached as Exhibit V to the minutes of said meeting and which is hereby adopted in all respects as if set out in full in this resolution). The said Continuing Disclosure Agreement is to be entered into contemporaneously with the issuance of the Bonds in order to assist the Underwriters of the Bonds in complying with Rule 15c2-12 of the Securities and Exchange Commission. The rights of enforcement of the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the University thereunder constitute a default hereunder or under the Indenture.

Section 9. Execution and Delivery of Bonds. The Board does hereby authorize and direct the President of the University to execute the Bonds, in the name and behalf of the University, by causing a facsimile of his signature to be imprinted thereon, and does hereby authorize and direct the Secretary of the Board to cause a facsimile of the corporate seal of the University to be imprinted on the Bonds and to attest the same by causing a facsimile of the signature of said Secretary to be imprinted thereon, all in the manner provided in the Indenture, and the President of the University is hereby authorized and directed to deliver the Bonds, subsequent to their execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate all the Bonds and to deliver them to the Underwriters, upon payment to the University of the purchase price therefor in accordance with the provisions of Section 6 hereof.

Section 10. Application of Proceeds. The entire proceeds derived by the University from the sale of the Bonds shall be paid to said Trustee under the Indenture, which is thereupon authorized and directed to apply and disburse such moneys for the purposes and in the order specified in Section 1.6 of the Second Supplemental Trust Indenture herein authorized.

Section 11. Resolution Constitutes Contract. The provisions of this resolution shall constitute a contract between the University and each holder of the Bonds.

Section 12. Severability. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 13. General Authorization. The President of the University, the Vice-President for Financial Affairs and the Secretary of the Board are hereby authorized to execute such further certifications or other documents and to take such other action as any of them may deem appropriate or necessary for the consummation of the matters covered by this resolution, to the end that the Bonds may be executed and delivered as promptly as practicable.

BE IT RESOLVED by the Board of Trustees (herein called the "Board") of UNIVERSITY OF SOUTH ALABAMA (herein called the "University") as follows:

Section 1. (a) Findings. The Board has determined and hereby finds and declares that the following facts are true and correct:

(a) Pursuant to the provisions of the Hospital Trust Indenture, dated October 15, 1993 (herein called the "Indenture"), the University has heretofore issued and sold its \$42,815,000 original principal amount of Hospital and Auxiliary Revenue Refunding Bonds, Series 1993, dated October 15, 1993 (the "Series 1993 Bonds").

(b) The Series 1993 Bonds are insured by AMBAC Indemnity Corporation (the "Bond Insurer") pursuant to a Bond Insurance Policy issued by the Bond Insurer.

(c) Pursuant to the provisions of the Indenture, including particularly the provisions of Section 17.2, the Bond Insurer is deemed to be the holder of all the outstanding Series 1993 Bonds for purpose of giving consents required by the provisions of the Indenture relating to amendments to the Indenture.

(d) Section 9.3 of the Indenture creates a special fund designated the Depreciation Fund. At the time of the issuance of the Series 1993 Bonds, the University deposited into the Depreciation Fund the sum of \$11,000,000, consisting solely of amounts considered by the University to be funded depreciation within the meaning of 42 CFR 413.1034 (e) of the Code of Federal Regulations. No portion of the proceeds of the Series 1993 Bonds was deposited into the Depreciation Fund.

(e) The University has requested that the Bond Insurer consent to the reduction of the required balance in the Depreciation Fund so that the total required to be on deposit in the Depreciation Fund shall be \$6,000,000 and that the sum of \$5,000,000 be withdrawn from the Depreciation Fund and paid to the University.

(f) The University deems it necessary and desirable that the First Amendatory and Supplemental Indenture hereinafter referred to be executed and delivered in order to effect the transaction described above.

Section 2. Authorization of First Amendatory and Supplemental Indenture. For the purposes specified in Section 1 of this resolution, the Board does hereby authorize and direct the President of the University to execute and deliver, for and in the name and behalf of the University, to The Bank of New York, as Trustee under the aforesaid Hospital Trust Indenture, a First Supplemental and Amendatory Trust Indenture in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit V to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution) and does hereby authorize and direct the Secretary of the Board to affix to the First Amendatory and Supplemental Trust Indenture the corporate seal of the University and to attest the same.

Section 3. General Authorization. The President of the University, the Vice-President for Financial Affairs and the Secretary of the Board are each hereby authorized to execute such further certifications or other documents and to take such other action as any of them may deem appropriate or necessary for the consummation of the matters covered by this resolution.

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RESOLUTION

**BUILDING PLAQUE FOR THE
MITCHELL CENTER**

WHEREAS, the Mitchell Center will be completed in 1999, and

WHEREAS, it is necessary and appropriate to provide a plaque for the Mitchell Center on which should appear the names of the current members of the University of South Alabama Board of Trustees, the names of certain other members of the University Administration and Staff, and, such other information as required by the State of Alabama Building Commission,

THEREFORE, BE IT RESOLVED, that the plaque for the Mitchell Center shall be designed as follows:

VOTE RECORD: ITEM 21

MOVED: MAYOR NIX
SECONDED: MR. KVALHEIM

ACTION: UNANIMOUSLY APPROVED

MITCHELL CENTER

MOBILE, ALABAMA
ERECTED 1999
STATE OF ALABAMA

GOVERNOR DON EUGENE SIEGELMAN
ED RICHARDSON
JIM BENNETT

PRESIDENT
VICE-PRESIDENT
SECRETARY

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

OTHA LEE BIGGS
JACK R. BRUNSON
E. CRUM FOSHEE
KENNETH C. KVALHEIM
LARRY P. LANGFORD
DONALD L. LANGHAM
W. H. LINDSEY
BETTYE R. MAYE

MAX V. MCLAUGHLIN
MAYER MITCHELL
JAMES P. NIX
STEVEN H. STOKES
LARRY D. STRIPLIN JR.
HERMAN THOMAS
CHARLES L. WOODS

V. GORDON MOULTON, PRESIDENT

**SUPERVISED BY
STATE OF ALABAMA BUILDING COMMISSION**

HARVEY GANDLER, ARCHITECT

UNIVERSITY OF SOUTH ALABAMA, CONTRACTOR

B. R. JUSTESEN - DIRECTOR, CONSTRUCTION

ALLEN W. AUBREY - COORDINATOR

BOBBY J. POOLE - SUPERINTENDENT

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RESOLUTION

WESLEY FELLOWSHIP

January 28, 1999

WHEREAS, the Board of Trustees had previously allocated a lot to be leased for the construction of a Wesley Foundation Building to be used by USA students for educational, social, and religious reasons, and,

WHEREAS, the allocated property has since been taken to be used for the Mitchell Center parking lot,

THEREFORE, BE IT RESOLVED, that the Board of Trustees now allocate an area of land 200 x 250 ft. to be leased beginning approximately 100 feet west of the Property Building located on Old Shell Road, with a 50 foot setback from the new Old Shell Road right-of-way, and that a 200' x 100' strip north of this allocation be reserved for possible lease by the group in the future. It is understood by this allocation that no entrance will be established on Old Shell Road, but that entrance to the property will occur from Stadium Drive on the current access road to the Property Building, and that all improvements to the property, access roads, parking, building construction, landscaping, etc., must be approved by the administration.

VOTE RECORD: ITEM 22

MOVED: MAYOR NIX
SECONDED: MR. KVALHEIM

ACTION: UNANIMOUSLY APPROVED

RESOLUTION
UNIVERSITY HONORS PROGRAM

WHEREAS, the University of South Alabama is dedicated to the creation of an environment of intellectual excitement and an educational climate that will stimulate both faculty and students, and

WHEREAS, the University of South Alabama strives for fresh approaches to courses and programs, and to provide quality research and scholarly achievement in all areas of its academic and community service activities, and

WHEREAS, the University seeks to enroll and retain students of diverse backgrounds and capabilities, including those students seeking more challenging and engaging academic experiences, and

WHEREAS, the University is committed to promoting the growth and development of highly motivated and academically gifted students to achieve their fullest potential both intellectually and in leadership qualities including integrity, service and stewardship, and

WHEREAS, various committees of faculty and administrators have recommended the design and adoption of a program of enhanced courses, mentored student research, meaningful community service, and cultural enrichment for exceptionally qualified students,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama authorizes and supports the implementation of a University Honors Program.

VOTE RECORD: ITEM 23

MOVED: JUDGE THOMAS
SECONDED: MR. KVALHEIM

ACTION: UNANIMOUSLY APPROVED

RESOLUTION
DISTANCE EDUCATION

WHEREAS, the University of South Alabama recognizes that technology is revolutionizing the ways in which knowledge is acquired and delivered, and

WHEREAS, University committees, task forces and administrators have carefully reviewed and deliberated the issues associated with distance education and have concluded that the University must engage in distance delivery of select educational offerings through the creative and innovative use of technology, and in so doing, will be able to reach new audiences, and

WHEREAS, the committees, task forces and administrators have recommended strategic directions in distance education,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama strongly endorses the University's initiatives in utilizing technology to deliver select educational offerings through distance learning.

VOTE RECORD: ITEM 25

MOVED: MS. MAYE
SECONDED: JUDGE THOMAS

ACTION: UNANIMOUSLY APPROVED

RESOLUTION

**CENTER FOR THE ENHANCEMENT
OF TEACHING AND LEARNING**

WHEREAS, excellence in teaching and learning is a hallmark of education at the University of South Alabama, and

WHEREAS, the University of South Alabama is committed to providing a faculty and instructional staff of outstanding teachers and scholars, equipped with sound pedagogical backgrounds and effective teaching skills, and capable of the integration of appropriate technology and knowledge delivery systems into instructional strategies, and

WHEREAS, the University of South Alabama strives to enhance and support student learning, recognizing and addressing individual differences between learners, and

WHEREAS, the University is involved in the education and preparation of the next generation of university scholars and educators, and

WHEREAS, both faculty and students must be prepared to respond to continually changing educational needs, broadened diversity in teaching and learning environments, and increased availability of instructional technologies and methods of instructional delivery,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves and supports the creation of a Center for the Enhancement of Teaching and Learning.

VOTE RECORD: ITEM 26

MOVED: MAYOR NIX
SECONDED: DR. STOKES

ACTION: UNANIMOUSLY APPROVED