

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

**June 21, 1999
10:00 a.m.**

A special meeting of the University of South Alabama Board of Trustees was duly convened at 10:05 a.m. on Monday, June 21, 1999, in the Board Room of the Frederick P. Whiddon Administration Building by Mr. Jack R. Brunson, Chair Pro Tempore.

Members Present: Senator Pat Lindsey; Mayor Larry Langford; Dr. Max McLaughlin and Steven Stokes; Messrs. Jack Brunson, Ken Kvalheim, Don Langham, Mayer Mitchell and Larry Striplin; and Madam Bettye Maye.

Members Absent: Governor Don Siegelman; Judges Otha Lee Biggs, Herman Thomas and Charles Woods; Mayor James Nix; Dr. Ed Richardson; and Mr. Crum Foshee.

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 Boerth, Bryce Evans, Elise Labbe (Faculty Senate), and Daniel Vetrosky; Messrs. Keith Ayers, L. P. Mistrot (Ernst & Young), Jeb Shell (SGA), Scott Weldon, Larry Williard (Dept. of State Examiners of Public Accounts), and Al Yeager; and Madam Monica Curtis.

Press: Messrs. Sean Dunlap and Leroy Dickson (Vanguard); Victor Stevens (WKRG); Steve Baker (WALA); Tony Spencer and Ted Hughes (WPMI); and Bob Lowry and Courtland Richards (USA); and Mesdames Deblina Chakraborty, Cheri Rehm, and Jane Schell (Vanguard); Ronni Patriquin Clark (Mobile Register); Carol Hunter (WALA), and Margaret Turner (Certified Court Reporter).

Chairman Brunson, upon convening the assembly, called for adoption of the revised agenda. Dr. Stokes moved approval. Dr. McLaughlin seconded and the amended agenda was adopted by unanimous vote.

Mr. Brunson called for consideration of *ITEM 1*, the minutes of the May 10, 1999, annual meeting of the USA Board of Trustees. Mr. Striplin moved approval. Mayor Langford seconded and the minutes were unanimously adopted.

Mr. Brunson called upon President Moulton to provide a brief commentary of new programs. President Moulton provided descriptions of the Accelerated College Enrollment Program and the Rural Telemedicine Program. He asked Drs. Covey and Baugh to make additional remarks about

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each program and respond to questions. Dr. Covey provided an update, too, of the USA Honors Program.

Following an invocation by Dr. Adams, President Moulton welcomed Messrs. L. P. Mistrot of Ernst & Young, LLP, and Larry Williard of the Alabama Department of Examiners of Public Accounts.

Mr. Brunson introduced *ITEM 2*, discussion of the USA Foundation Audit Report prepared by Ernst & Young for the year ending September 30, 1998. No representatives from the USA Foundation attended the meeting. President Moulton stated that increasing concern over the Foundation's management of the University's endowment warranted this special meeting of the Board. He said that the USA Board of Trustees has a responsibility to track USA's endowment and drew attention to the \$40 million decline of net assets, as revealed by the audit report, within the fiscal year ending September 30, 1998. Despite repeated attempts by USA officials to meet with USAF officials to discuss areas of concern, the Foundation administration has declined to send representatives to the University. Subsequently, Messrs. Brunson and Langham, as members of the Board of Directors for the USA Foundation, have filed a suit which seeks to have the self-perpetuating Foundation dissolved, as well as a temporary restraining order which prohibits meetings of the USAF Board without court permission, thus preventing the dismissal of Messrs. Brunson and Langham from that board.

Considerable discussion ensued and questions were addressed. When questioned about the USAF audit report, Mr. Mistrot responded that he had been instructed by Foundation officials not to discuss the audit. Dr. Stokes suggested that, because the suit filed would tend to hinder any discussion between the parties, Messrs. Brunson and Langham consider postponing court action for 30 days. Mayor Langford offered a motion that the USA Board of Trustees intervene in the present lawsuit. Mr. Kvalheim seconded, and further discussion ensued. Upon the call for the question, Mr. Brunson called for a *roll-call* vote, the results of which were:

AYES:		NAYS:
Mr. Brunson	Mr. Kvalheim	Senator Lindsey
Mayor Langford	Mr. Langham	Dr. McLaughlin
Ms. Maye	Mr. Mitchell	Dr. Stokes
Mr. Striplin		

The motion offered by Mayor Langford carried with seven (7) Board members voting in favor of intervention by the USA Board of Trustees into Messrs. Brunson's and Langham's lawsuit against the USA Foundation, with three (3) Board members opposing the motion.

Following a brief recess, the Board resumed its discussion of the USA Foundation Audit Report and considered, as well, the condition of PrimeHealth. Mr. Mistrot answered general questions not specific to the audit report. Mr. Brunson called upon President Moulton to address *ITEM 3* (refer to **APPENDIX A** for copies of all resolutions), a resolution authorizing the President to retain The

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Architect's Group, Inc., at a reduced charge, to modify existing plans for the expansion of the USA Library. Plans will include construction and technological upgrades to bring the Library up to acceptable standards for comparable facilities. Ms. Maye moved approval. Mr. Striplin seconded and the Board cast its unanimous vote to approve *ITEM 3*.

Mr. Brunson asked President Moulton to present *ITEM 4*, information concerning the Foundation's transfer to the University of the Walshwood property, which would allow direct access to the USA Children's and Women's Hospital. Review of the warranty deed revealed, however, a restrictive covenant and a corresponding reversionary provision. In light of his understanding that Dr. Whiddon recently assured Faculty Senate representatives that conveyance was to be without limitations, President Moulton reported that the deed had since been returned to the Foundation for execution with minor revisions and excluding the restrictive and reversionary provisions.

President Moulton described *ITEM 5*, a resolution urging the USA Foundation to immediately appoint the President to the Foundation Board with full voting rights. He reminded the Board of a similar resolution passed at its meeting in September 1998 and informed members that a slot on the USAF Board has become available with the recent resignation of Mr. George Landegger. Mr. Langham moved approval. Mr. Striplin seconded and *ITEM 5* was unanimously approved.

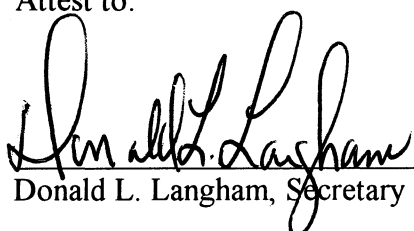
Mayor Langford called the Board's attention to methods practiced at USA Hospitals for eliminating bio-hazardous materials, specifically the incineration of bio-waste at the Medical Center, as it is located in a primarily African-American community. He stated that this constituency had expressed much concern about incineration. Mr. Simmons responded that, although the procedures in place met ADEM requirements, extensive consideration had indeed been given to the best form of disposal. President Moulton agreed with Board members that a viable alternative should be sought. Adding that the issue was complex, and following the recommendation of Mr. Mitchell and Dr. Stokes, Mr. Simmons agreed to gather comparative data complete with costs of alternative disposal techniques for presentation at the next meeting of the Board.


Concerning discussion of *ITEM 6*, an update of USA involvement in current tobacco litigation, Mr. Brunson called for a motion for executive session of the Board. Mr. Mitchell moved accordingly. Ms. Maye seconded and the motion carried without opposition.

Following the executive session, there being no further business, the public meeting adjourned at 12:15 p.m.

Respectfully Submitted:

Attest to:


Donald L. Langham, Secretary


Jack R. Brunson, Chair Pro Tempore

3141

1143

RESOLUTION

AUTHORIZING THE UNIVERSITY PRESIDENT TO CONTRACT FOR ARCHITECTURAL SERVICES FOR AN ADDITION TO THE UNIVERSITY LIBRARY BUILDING

WHEREAS the architectural plans for the expansion of the University Library were prepared based upon a building program developed in 1993, and

WHEREAS the technology available for support of library management systems and provision of services to library users has advanced - and continues to change - rapidly, and

WHEREAS review of the submitted plans by the University Library Building Committee, the University Space and Facilities Committee, and the Office of Institutional Research and Planning staff has raised significant questions about specific features of the design and its adequacy to accommodate present and anticipated library services, and

WHEREAS the University needs to maximize improvements in Library facilities and services within the context of the financial resources anticipated to be available for the expansion project.

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the President to retain The Architect's Group, Inc., to develop plans for an addition to the University Library that will incorporate construction and technological features that will best serve the needs of the University community.

VOTE RECORD: ITEM 3

MOVED: MS. MAYE
SECONDED: MR. STRIPLIN

ACTION: UNANIMOUSLY APPROVED

RESOLUTION
APPOINTMENT OF USA PRESIDENT TO USA FOUNDATION BOARD

WHEREAS, numerous constituencies of the University of South Alabama - including faculty, student, and alumni organizations - repeatedly have called upon the University of South Alabama Foundation to appoint the President of the University to the Foundation's Board of Directors, and

WHEREAS, the Alabama House of Representatives has passed a resolution, endorsed by all members of the Mobile County House delegation, urging the USA Foundation to include the President of the University on its Board, stating that it is "... standard practice nationwide for university presidents to serve on the governing boards of their respective foundations to provide unique insight into the needs of their universities, " and

WHEREAS, the Board of Trustees of the University previously passed a resolution requesting the appointment of the President to the Foundation Board of Directors, and no action has been taken by the Foundation in response to said resolution, and

WHEREAS, from the time the Foundation was established in 1968 continuously until July 30, 1998, the holder of the Office of President of the University was, in fact, a member of the Foundation's Board of Directors, either in an *ex officio* capacity or otherwise, and

WHEREAS, the immediate appointment of the President of the University to the Foundation Board will facilitate open and effective communication between the organizations and lead to new opportunities for collaborative resolution of issues that affect both organizations, and

WHEREAS, the Articles of Incorporation of the Foundation provide that as many as seven (7) regular employees, trustees, or officers of the University may serve on the Foundation Board at any one time, and presently only six directorships are held by persons in those categories, and

WHEREAS, there exists on the Foundation Board a vacancy that could be filled by the appointment of a University officer, and

WHEREAS, it is fitting, proper, and critical to the interests of the University that the President be a member of the Board of Directors of the USA Foundation,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University urges the USA Foundation to immediately appoint the President of the University to the Foundation Board, with full voting rights.

VOTE RECORD: ITEM 5

MOVED: MR. LANGHAM
SECONDED: MR. STRIPLIN

ACTION: UNANIMOUSLY APPROVED