

BOARD OF TRUSTEES FOR ALABAMA STATE UNIVERSITY
MINUTES OF RECONVENED REGULAR MEETING
JUNE 19, 2001

The Board of Trustees for Alabama State University was reconvened for the regular May 11, 2001 meeting on June 19, 2001 in the Board Room of the Joe L. Reed Acadome at Alabama State University.

The meeting was called to order at 9:03 p.m. by Chairlady Catherine W. **Wright—Agenda Item I—Call to Order**. In attendance were Trustees James C. Cox, Oscar Crawley, Buford Crutcher, Toreatha M. Johnson, Robert A. Jones, Jr., Bobby Junkins, Patsy B. Parker and Joe L. Reed. Absent was Trustee B. Maxine Coley. Chairlady Wright declared a quorum present.

Invocation was led by Trustee Reed—**Agenda Item II**.

On call for adoption of the agenda by Chairlady Wright, it was moved by Trustee Reed, seconded by Trustee Parker that the agenda be adopted. The motion was carried by unanimous vote—**Agenda Item III**.

Chairlady Wright called for the **President's Report—Agenda Item IV**. President Roosevelt Steptoe updated his May 11, 2001 report to the Board regarding the significant progress that has been made in advancing the Ph.D. program proposal in the area of Educational Leadership, Policy and Law. He reported new highlights for the Physical Therapy Program. He reported that the University has been notified by the U.S. Office of Education of a grant award for a Student Support Services Program; that funding has been received for proposal written by Dr. Karen Scissum-Gunn for the Mathematics and Sciences Trio Program; that the current summer enrollment figures suggest that the final student headcount will be the same as summer of 2000, problems experienced with students' schedules in connection with the four-day workweek; and that the Alabama Supreme Court has scheduled oral arguments for June 20 regarding the proration controversy. (**Attachment 1**)

Agenda Item V—Status Report on the Center for Leadership and Public Policy. Chairlady Wright called for the report and Executive Assistant to the President and Staff Liaison to the Board John F. Knight, Jr. made introductory comments and called on Dr. Bernadette Chapple to give a power point presentation. Following the presentation, Trustee Reed inquired about amount of funds that have been brought to ASU as a result of work done by the Center. Dr. Chapple reported that about \$200,000 has been deposited to the restricted account and other funds to the unrestricted account. Other comments and questions regarding expenses to ASU for the Center's operations, and programs and activities of the Center ensued. Mr. Knight indicated that reduction in the budget for the Center's operations will be made.

Chairlady Wright called for **Agenda Item VI—Committee Reports**. It was moved by Trustee Reed, seconded by Trustee Parker, and carried by unanimous vote that the **Executive Committee Report—Agenda Item VI-A** be given after the Executive Session.

Chairlady Wright called for the **Finance Committee Report—Agenda Item VI-B**. Trustee Reed made comments about the bond issue (\$5 million) that the Board approved at its last meeting; the approval by the Committee of a debt service surety bond (\$3 million); the Administration's request for approval of a tuition increase which would generate approximately \$2.4 million and the status of the FY 2002 Budget. He stated that the Committee makes the recommendations based on the recommendations of the Administration and what has to be done to deal with the financial crisis shortfall for \$8 million. Trustee Reed stated that \$5 million would be generated for completion of physical plant projects (Buskey Building and Lockhart Building) and \$3 million for solving the operation budget problems. He reported that last week he met with approximately 35 creditors and capital vendors/contractors to assure them that if the Board approves the bond issues today, they should be paid not later than June 29. Trustee Reed informed the Board that Mr. Rush Rice of Blount and Parrish Investment Bankers was present to answer questions when the bond issue matter comes before the Board.

Trustee Reed recommended that the several items be approved separately. Following questions and responses about the **Bond Resolution** he moved that the resolution as recommended by the Committee be approved. The motion was seconded by Trustee Junkins, and carried by majority vote. Voting aye were Trustees Cox, Crawley, Crutcher, Johnson, Junkins, Parker, Reed and Wright. Trustee Jones abstained. (**Attachment 2**)

Trustee Reed moved that the Board approve **Proposal to Replace Debt Service Reserve Funds with Surety Bond** and he called on Mr. Rush Rice to make the report on the surety bond proposal. Following Mr. Rice's report, Mr. Bill Blount made additional comments about the proposal. Following questions and responses regarding the proposal, it was moved by Trustee Reed, seconded by Trustees Parker and Johnson, that the Board adopt the resolution. The motion was carried by unanimous vote. Voting aye were Trustees Cox, Crawley, Crutcher, Johnson, Junkins, Parker, Reed and Wright. Trustee Jones abstained. (**Attachment 3**)

Trustee Reed made comments regarding the **Proposal to Increase Student Tuition** as recommended by the Administration and moved that the increase be approved. The motion was seconded by Trustee Johnson. On the call for discussion, Vice President Gallot made explanatory statements about the recommended tuition increase percentage rate of 15.3 and he noted that there will be some increase by Pell. Following much discussion, Chairlady Wright called for the vote. The motion was carried by majority vote. Voting aye were Trustees Cox, Crawley, Johnson, Jones, Junkins, Parker, Reed and Wright. Trustee Crutcher abstained. (**Attachment 4**)

Trustee Reed asked the Administration to give the **Status of FY 2002 Budget**. Vice President Gallot reported that included in the Trustees packets of information is a schedule of the proposed steps to be taken in preparing the budget for FY 2002 (**Attachment 5**); that a revenue analysis has been almost completed; that the next step is to complete an expenditure analysis; that there is the challenge to balance the FY 2002 budget; that plans are to have the draft of the budget completed for the Finance Committee's review in August. In response to questions from Trustee Reed, Vice President Gallot stated that in light of the Board actions today, it is the Administration's

hope to have those funds in the bank within six or seven days which will take care of all obligations for the Buskey and Lockhart projects and if the Blount proposal is successful and those funds can be placed in the bank within the next week and a half all of the vendors can be satisfied. In response to questions from Trustee Crutcher regarding the discovery last year that the formula used for generation of revenue was erroneous and whether the formula to be used for the upcoming year is reliable, Vice President Gallot responded that the Administration plans to use the original formula which was put in place three years ago which was a conservative approach.

Chairlady Wright called for the **Salary Equity Committee Report—Agenda Item VI-C**. Trustee Johnson distributed copies of a status report for the Committee and she called to the attention of the Board the establishment of and charge to the Committee. She informed the Board that the Committee recommended to the Chairlady and President Steptoe that a consultant would be engaged to provide management services to them and that Dr. Gerald Polinsky serve as the consultant and this has been executed. (Attachment 6) Trustee Johnson informed the Board that a resolution for the continuation of services of Dr. Polinsky (and to solicit proposals from appropriate consulting firms for the conduct of a total administrative review and analysis of the University) is included in the packets and is being recommended for Board adoption in order for the Committee to complete its tasks. The motion was seconded by Trustee Crawley. There were comments from Trustee Crutcher regarding the matter of the financial crunch and saving money for the University and questions regarding the level of the engagement of Dr. Polinsky and the cost to the University for his services between this time and September 30. Trustee Johnson gave information about the work that will be done by Dr. Polinsky and the rate (\$60.00 per hour) at which Dr. Polinsky will be paid. She stated that it was determined that the time factors for completing the work would not permit utilizing services of employees; that the Center for Leadership and Public Policy may be asked to give some assistance to the Committee; that the data base that Dr. Polinsky is working from will belong to the University and will be housed at Alabama State for future use. Trustee Parker informed the Board that the Non-academic Staff Council has been working with the Committee and provided an excellent report. Trustee Johnson indicated that the two reports will be synchronize. On call for the vote, the motion was carried by majority vote to continue the contract for Dr. Polinsky and not to exceed the \$60.00 an hour rate. Voting aye were Trustees Cox, Crawley, Johnson, Jones, Junkins, Parker, Reed and Wright. Voting nay was Trustee Crutcher.

Agenda Item VI-D—Presidential Search Committee Report. Trustee Wright reported there was a well-covered report of the search in the local newspaper; that the interviews were convened in Atlanta for Drs. Scruggs-Leftwich, Joe Lee, Patrick, Miller and Zow; that Dr. Wornie Reed is scheduled to be interviewed tomorrow at 6 p.m.; that the finalist will be invited to the University campus so that the University family can meet them and the schedule will be announced; that there will be a follow on meeting for the Trustees to interview them and make a final decision and that schedule will be announced. In response to question from Trustee Parker as to whether resumes will be sent to Trustees, Chairlady Wright stated that she thought the resumes had been mailed to Trustees by the consultant. She apologized for this not having been done. In response to Trustee Crutcher's inquiry about his membership on the Committee, Chairlady Wright explained that after her reelection as chair, new committee appointments were made for all committees, including

the Presidential Search Committee which was downsized and did not include Mr. Crutcher.

Chairlady Wright called for the **Academic Affairs Committee Report—Agenda Item VI-E**. Trustee Johnson informed the Board that the Committee had not met since the last Board meeting and does not have a report for this meeting.

Chairlady Wright called for the **Student Affairs Committee Report—Agenda Item VI-F**. Trustee Parker reported that the Student Affairs Committee has not met but that through correspondence and conversation with the Chairlady the Committee is very concerned about making sure that necessary repairs are made on the dormitories and that they will keep watch on that matter until a committee meeting is held.

Chairlady Wright called for the Board to go into **Executive Session—Agenda Item VII** at 10:55 a.m. to discuss the good name and character of certain individuals and pending legal matters.

NOTE: During the Executive Session, the recorder was inadvertently disabled and this subsequent report of the Board proceedings has been prepared without recorded backup and are subject to corrections and input from the Trustees.

Agenda Item VIII—Report from the Executive Session. Chairlady Wright called for reports from the Executive Session.

The report of the Executive Committee was given by Chairlady Wright who serves as chair of the committee. She asked the Trustees to adopt the resolutions as recommended by the Executive Committee. She explained that the first resolution is to retain law firms to represent the Trustees. Following the reading of the resolution, she called for action on it. Trustee Reed seconded the recommendation that **Resolution #1** retaining the law firms of Gray, Langford, Sapp, McGowan & Gray and Beers, Anderson, Jackson, Hughes & Patty, P.C. to advise and represent the individual members of the Executive Committee and Board of Trustees in the Case of W. James Parker v. The Board of Trustees of Alabama State University and any other matters regarding their respective rights and entitlements to legal representation be adopted. (**Attachment 7**) The motion was carried by majority vote. Voting aye were Trustees Cox, Crawley, Johnson, Jones, Junkins, Parker, Reed and Wright. Voting nay was Trustees Crutcher.

The second resolution was regarding recognizing Catherine Wright as a member of the Board of Trustees. Chairlady Wright read the resolution and call for action on **Resolution #2**. It was moved by Trustee Reed, seconded by Trustee Parker, that the resolution recognizing Catherine Wright as a member of the Board of Trustees and Chair of the Board with all rights and privileges and authorizing her to seek a second legal opinion regarding her status as an ASU Trustee from a licensed attorney in the State of Alabama at a professional fee rate not to exceed \$125.00 per hour. (**Attachment 8**) The motion was carried by majority vote. Voting aye were Trustees Cox, Johnson, Jones, Junkins, Parker, Reed and Wright. Voting nay were Trustees Crutcher, Crawley.

Chairlady Wright made comments and offered a resolution establishing the **Office of Full-time General Counsel**. The motion was seconded by Trustee Reed, and carried by majority vote to adopt the resolution. (**Attachment 9**) Voting aye were Trustees Cox, Johnson, Jones, Junkins, Parker, Reed and Wright. Voting nay were Trustees Crawley and Crutcher.

Chairlady Wright offered motion to employ Attorney Fred Gray as **Interim Counsel**. The motion was seconded by Trustee Reed and carried by majority vote. Voting aye were Trustees Cox, Johnson, Reed and Wright. Voting nay were Trustees Crawley, Crutcher, and Junkins. Abstaining was Trustee Parker.

President Steptoe reported that there was discussion of a resolution regarding **enhancing the authority of the Vice President for Fiscal Affairs**. It was moved by Trustee Reed, seconded by Trustee Parker that the resolution be adopted. (**Attachment 10**) The motion was carried by majority vote. Voting aye were Trustees Cox, Johnson, Jones, Junkins, Parker, Reed and Wright. Abstaining were Trustees Crawley and Crutcher.

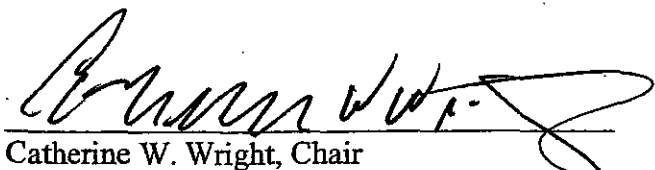
President Steptoe reported that the Board accepted the proposed settlement offer of Temco in the **Case of ASU v. Bear Brothers**.

Agenda Item IX—Personnel Actions. On motion by Trustee Reed, second by Trustee Johnson, and carried by unanimous vote, the personnel recommendations were accepted.

There was no other business to come before the Board, and Chairlady Wright recessed the meeting until call of the chair.

Roosevelt Steptoe, President of the University and
Secretary to the Board

AFFIRMED



Catherine W. Wright, Chair
Board of Trustees for Alabama State University