

**BOARD OF TRUSTEES FOR ALABAMA STATE UNIVERSITY
REGULAR MEETING
BOARD ROOM – JOE L. REED ACADOME
February 7, 2003
1:30 P.M.**

The regular meeting of the Board of Trustees was held on February 7, 2003 in the Board Room of the Joe L. Reed Acadome. The meeting was called to order at 1:30 p.m. by Chairlady Catherine W. Wright—**Agenda Item I**. Trustees in attendance were Trustees Buford Crutcher, Elton Dean, Thomas H. Figures, Toreatha M. Johnson, Robert A. Jones, Jr., Bobby M. Junkins, Patsy B. Parker, Lister H. Proctor, Joe L. Reed and Catherine W. Wright. Absent were Trustees James C. Cox and Lawrence Lemak. Chairlady Wright declared a quorum present. Others in attendance were President Joe A. Lee, Mr. Freddie Gallot, Jr., Dr. Leon Frazier, Dr. William Brock, Dr. Alfred S. Smith, Mr. Ricky Drake, Mr. Olan Wesley, Dr. Derryn Moten, Ms. Aretha Flucker, Mrs. Jessyca Darrington, Mr. Bill Blount and Mr. Rush Rice.

President Joe A. Lee gave the invocation—**Agenda Item II**.

Chairlady Wright stated that the first order of business was to swear in new trustee, Mr. Elton Dean. By request of Chairlady Wright, Mr. Dean was sworn in by Judge Junkins.

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

On call for **Agenda Item IV—Adoption of the Minutes of the September 20, 2002 Meeting**, corrections to the minutes were made by Trustee Parker. Chairlady Wright called for a motion to adopt the minutes with noted corrections. **On motion by Trustee Parker, second by Trustee Figures, the minutes, as amended, were adopted by unanimous vote.**

Chairlady Wright called for the **President's Report—Agenda Item V**. President Lee welcomed Trustee Dean to the Board and indicated that he looked forward to working with him. President Lee reported on the deaths of president of the Commuter Student Association and the mother of the Faculty Senate president. He asked that prayers be extended for relatives of the University family who have been deployed for the war.

President Lee thanked the Chairlady and the Board for their support of the efforts taken over the last few months to move the institution forward. He introduced Dr. Richard Cosby, who was appointed Athletic Director in November.

President Lee reported that the administration had successfully addressed the concerns of the Southern Association of Colleges & Schools (SACS) and that all sanctions have been dropped; that there are no pending sanctions by SACS. He thanked Drs. White and Smith, Mr. Gallot and others who worked to get this matter cleared up. He told the Trustees that the University received SACS's approval to move

to level 5—the doctoral degree granting level; that the University must bespeak that designation; that the first doctoral class in Educational Leadership, Policy and Law began in January with 16 students in the first cohort; that there were in excess of 400 inquiries regarding the doctoral program. President Lee reported that a site visit by the Association of Collegiate Business Schools and Programs (ASBSP) has recently been finished; that there were some general observations and an expressed concern about the College of Business Administration (COBA) salaries; that the committee commended the University on the quality of its faculty and students in COBA; that the visiting team indicated openly that they were very impressed with the program and with the University. President Lee thanked Drs. Vaughn and Self and the COBA faculty for the hard work that they did in preparing for the visit.

President Lee informed the Board that 172 new students had been enrolled for the spring semester and that housing is at 95% occupancy for the second semester; that notification had been received that two students, Romair Marshall and Charlie Hudson, made the finalists level at the regional American College Theater Festival in Savannah, Georgia; that these students won top honors in the competition and beat out over a 1,000 students representing universities (University of Virginia, Virginia State, Florida State, University of Florida, University of Kentucky, University of Alabama and Auburn) in Virginia, West Virginia, South Carolina, North Carolina, Tennessee, Mississippi, Georgia, Kentucky, Florida and Alabama; that those students will represent the ten-state region at the national competition in March at the Kennedy Center in Washington, D.C. He informed the Trustees that more than 70 ASU students will be listed in the 2003 edition of *Who's Who Among Students in American Universities and Colleges*; that the university will offer two bio-medical research training programs this summer for high school students, college freshman and sophomores; that the major broadcasting network MBC, a bona fide cable network, owned by Holyfield and Willie Garry, televised the January 25th men's basketball game as a new effort by the Southwestern Athletic Conference (SWAC) to put the SWAC schools into the homes of more people; that the basketball game against Alabama A&M on the 15th of February will be televised also; that the lady Hornets are still undefeated in the SWAC and the men are ranked #3; that it is expected that both teams will play in the championship games March 12th, 13th and 14th in Birmingham; that there had been some tremendous successes with the recruiting for the football program by the signing of some very nationally known figures, and a top 10 national standout who chose ASU over the University of Alabama, and the transfer of two students from SEC schools.

President Lee reported that *ASU Today* has been selected as a special merit award recipient by the Council for Advancement and Support the Education (CASE) for Case District 3; that it was *ASU Today's* 43rd recognition since 1996; that a partnership between Alabama State University and the University of Alabama at Birmingham has been awarded a \$980,000 grant to produce a possible vaccine against clymidia infection and develop ways to reduce unintended pregnancies, sexually transmitted diseases and high risk sexual behavior in adolescence; that the lead investigator for ASU is Dr. Karyn Scissum-Gunn who is already working on cutting edge research on how to dispense vaccine to people in third world nations by growing the vaccine in food rather than

having to deal with sterilization and refrigeration; that she has gotten national publicity for the research; that as a level 5 institution, the University must be on the cutting edge of knowledge, research, technology and publishing; that the publishing is happening in the Educational Leadership, Policy and Law area and that the research is occurring in our Physical Therapy program, in the sciences programs and in the education programs.

President Lee stated that to continue producing at this high level some dire needs must be addressed; that these needs include faculty and staff salaries, deferred maintenance, faculty and student facilities needs, advancing technology, aging facilities and constructing new facilities for academics and for students needs.

President Lee reported that the University was afforded the opportunity to join with two other institutions and present and develop a program that would be used by the *National College Review* for the travel channel; that the TV crew has been working on campus, and the finished product will soon be seen in more than 70 million homes. He closed his report with the viewing of an eight-minute ASU video that will be released in March and three commercials about ASU that are currently being shown on TV.

Chairlady Wright expressed commendations to President Lee, the faculty, staff and students on behalf of the Board of Trustees

Chairlady Wright called for **Agenda Item VI—Committee Report-Finance and Properties Committee**. Trustee Reed, Chair on the Committee on Finance and Property, expressed appreciation to the Chairlady, members of the Committee, and President Lee for making his staff and the information available the committee needed to put the recommendations together. He told the Chairlady that he would offer a motion to adopt the recommendations, speak to the motion and respond to questions, if there were any. He informed the Trustees that one recommendation is that tuition be increased beginning the fall of 2003, and he **offered a motion that the Board approve the resolution. The motion was seconded by Trustee Wright.** Trustee Reed spoke to the motion and gave points regarding the University needing more funds for operation. He noted that Alabama State gets only 36% of its operating funds from the State of Alabama and that the remainder is derived from tuition, grants and restricted funds; that the Committee reviewed the matter of faculty salaries and the dire needs of the University. He called attention to the breakdown, placed in their folders, of the proposed financial plan for operations and capital expenditures recommended by the Committee and the President and gave detailed information regarding the income from the proposed tuition increase of \$4,500,000 and the amounts of the income that will be used for faculty and staff pay increases and benefits (\$2,000,000), operations and student services (\$1,000,000), and 2003 bond debt service (\$1,500,000). He stated that Alabama State University would borrow \$24,000,000 and the debt service on the \$24,000,000 annually would be \$1,500,000. Trustee Reed spoke to the dire needs for an academic building that would cost about \$7,000,000, the student center would cost about \$7,000,000, and the dining hall and deferred maintenance would cost about \$3,000,000, and the remaining \$7,000,000 would be used for the Cramton Bowl project. Trustee Reed gave information about the Cramton Bowl plan; about evidence suggesting that the cost of constructing a

new football stadium with 30,000 seats would be about \$60,000,000; that not having the funds to build from ground up, that the next best thing would be to help the City of Montgomery to refurbish Cramton Bowl; that there has been some discussion with the Mayor of Montgomery, President Lee, Chairlady Wright Vice President Freddie Gallot, Dr. Richard Cosby and himself; that on-going discussion continues. He informed the Trustees that at this time the City of Montgomery has about \$4,000,000 to refurbish Cramton Bowl; that there is some discussion about Alabama State making Cramton Bowl its permanent home.

Questions were raised regarding the proposed tuition increase, whether there would be a cap on the number of hours students can take for the tuition amount, whether the increase would be phased over a period of time, if there would be additional benefits to students because of the increase, whether the faculty and staff salary increases would be guaranteed from the proposed income increase, if there had been any investigation regarding building an on-campus football stadium, what will ASU get for putting \$7,000,000 in the Cramton Bowl renovation, and would there be cost beyond the \$7,000,000, whether the \$2,000,000 would be adequate to cover the salary inequities and faculty/staff salary increases; would the \$7 million be sufficient for the student center based on what has been looked at over the years. It was noted by President Lee that the \$2,000,000 would be sufficient and Vice President Gallot stated that the amount of funds needed to complete the salary equity issue is \$437,000 and that amount is in the \$2 million and would be taken off of the top of the \$2 million.

Trustee Reed distributed an exhibit showing what other institutions charge for tuition and he noted that if the proposed increase is approved, ASU's tuition charge would still be less than Alabama A&M and AUM as well as some other state institutions. In response to question, Trustee Reed stated that only the Board can make the decision to phase the tuition increase, and that he, the President nor the Finance Committee recommend it; that their recommendation is to approve the proposed increase in tuition at this meeting so that it can become effective 2003 Fall Semester, that the faculty and staff salary increases and inequities will be guaranteed with the tuition increase. Trustee Reed stated that he had not done any personal investigation regarding building on-campus football stadiums; that he felt the opportunity to go in with the City of Montgomery should not be passed up; that ASU and the City of Montgomery would jointly own Cramton Bowl; that it would be expanded to 27,000 to 30,000 seats; that there is a proposal to also build sky boxes over and beyond the cost for the current proposal; and that there will be another report made to the Board on this matter before it is finalized. There was some discussion regarding the construction of the Stillman College football stadium, the source of the funding and the seating capacity. Trustee Reed stated that the President and Finance Committee is recommending \$7,000,000 for the Cramton Bowl proposal; that if any changes are made to the overall cost for the renovation, that would have to come back to the Board for approval. He told the Trustees that the lawyers are reviewing a memorandum of understanding and that the City has put out some requests for proposals which would be brought to the Board. In response to question, he noted that the City has its own request for proposals out; that ASU doesn't have them out.

Trustee Jones commented that he plans to propose an amendment to bond resolution to include another law firm to be co-counsel on this bond because of their minority diversity operation. He complimented Blount & Parrish because they have already taken a step to include minorities.

There were no further questions, and Chairlady Wright called for the vote. In response to question, it was noted that the vote call was on the motion for the tuition increase which includes the bond issue matter. **Trustee Jones amended the motion to include using the law firm of Balch and Bingham as co-underwriters counsels for the 2003 Tax Exempt Bond Issue, the amended motion was seconded by Trustee Parker and carried by unanimous vote—Agenda Item VI-A, Tuition Increase—Academic Year Beginning Fall 2003.**

Trustee Figures noted that the agenda listed 2002 Tax Exempt Bond Issue rather than 2003. The correction will be made to the agenda and minutes.

Trustee Reed continued the Finance Committee report and informed the Trustees that the President had recommended that there be an increase in the residence hall room deposit, and the Committee accepted the President's recommendation. Trustee Reed asked President if he wished to make comments about the residence hall deposit recommendation. President Lee told the Board that the administration is recommending that there be an increase in the room deposit from \$100 to \$200 to guarantee a room and give a better barometer on whether or not a student is going to show up; that almost \$75,000 was spent to get housing ready for students who had paid the deposit and were on the housing roster but did not enroll; that the money could have been well spent in some other area; that he believes a student would not walk away from \$200 as quickly as he would walk away from \$100; that the deposit would be credited towards the student's fees. **Trustee Reed moved that the recommendation be approved. The motion was seconded by Trustee Parker and carried by unanimous vote—Agenda Item VI-B, Increase Residence Hall Room Deposit.**

Trustee Reed offered the motion for some budget adjustments to be made for the fiscal year 2002-2003. He noted that the budget adjustment needed is about \$475,000 and that the resolution was in their folders. Trustee Reed asked President Lee to speak to the motion .

President Lee stated that the increase in the budget is being requested to take care of some much needed repairs, for software for the computer system, the maintenance agreement and license. He explained that the software computer system was inadvertently attached to Title III and that it cannot be done that way if it is not enhancement; that if it is supplanting or if it looks like supplanting, it would be a problem for the University which he could not allow to happen. President Lee indicated that what is being proposed will enable corrections to be made and ensuring that if the software system collapses, the University will be able to get the collapse taken care of quickly; that the license fee and maintenance agreement fee of about \$379,000.00 needs to be paid.

President Lee also informed the Trustees that Lockhart Hall has been opened; that a maintenance schedule and staff was not included for Lockhart Hall and in order to finish this calendar year \$51,000 is needed; that in the future a maintenance contract should be included for new buildings

President Lee stated that graduate courses through the School of Education are offered at Southern Normal in Brewton; that the University has a considerable investment in that property and that there is a security guard during the day; that police protection is needed for the University's investment and for the people who come to classes at night and on the weekends; that an additional \$45,000.00 is needed for security.

Trustee Reed moved the adoption of the President's recommendations. Trustee Wright seconded the motion which was carried by unanimous vote—Agenda Item VI-C, Budget Adjustment-Fiscal Year 2002-2003.

Trustee Reed moved that the resolution concerning the football complex be approved. He explained that some time ago the University entered into an agreement with Acton Mobile Industries for the lease of trailers for the football program and with the option to purchase; that the University is at the point of having to decide whether to return the trailers because of the upcoming expiration of the lease, or to buy them at a price of \$165,000, a price that was negotiated from \$176,000. Trustee Reed asked President Lee to make comments. President Lee stated that the football facility is first class; that it is a plus for recruiting for the athletics program; that it is well set up; that it was used by the Tennessee Titans; that we need to purchase the facility and make sure that it is a permanent part of the University acquisitions and that is his recommendation. **It was moved by Trustee Parker, seconded by Trustee Dean, that that the resolution be adopted. The motion was carried by unanimous vote—Agenda Item VI-D, Acquisition of Football Complex.**

Trustee Reed informed Chairlady Wright that there was one other aspect of the bond that needed to be passed. He asked Chairlady Wright to recognize Mr. Bill Blount of the firm Blount & Parrish to make comments. Mr. Blount informed the Trustees of the expectation that the University will get a very good investment grade rating as in previous years; that this 2003 bond issue will be insured and as a result will carry a triple "A" rating from Moody's and Standard and Poor. Mr. Blount asked Mr. Rush Rice of Blount & Parrish to give information regarding the resolutions that were pending. that one authorizes the issuance of the bond issue that had been discussed and which was amended to include the firm of Balch and Bingham as co-underwriters counsel; that the second resolution approves the first supplemental indenture which converts the portion of the 1993 bond issue that was taxable back to tax free interest bond. Following questions and responses, **it was the consensus of the Board to have the University Counsel review the documents.**

Trustee Reed stated that two bond actions, one old and the other new, needed to be taken. Mr. Rice explained the new one, a parameter resolution, that authorizes the University to issue up to \$25 million up to 30 years up to 5 ½ % interest rate. On being

recognized, **Trustee Reed moved that the resolution refinancing the old bond done last year be adopted. The motion was seconded by Trustee Jones.** Mr. Rush Rice gave information regarding bonds, explaining in detail what was being done with the old bond (the first resolution) that was approved by the Board in January, 2002; that this resolution is just affirming this action is what the Board wants done; that approval had been given for a first supplemental indenture authorized in January, 2002. **On call for the vote by Chairlady Wright, the motion was carried by unanimous vote.**

Mr. Rice made detailed comments about the new bond (the second resolution), explaining the excellent opportunity to borrow money to do the projects discussed at a very low interest rate for 30 years. He responded to question, stating that they (Blount & Parrish) are looking at being able to get \$25,000,000 for 30 years for about \$1.5 million a year to fit the goals of the tuition. He further explained that for 20 years debt service amount would be \$1.9 million a year. **Trustee Reed was recognized and he moved that the resolution be adopted. The motion was seconded by Trustee Parker, and carried by unanimous vote---Agenda Item VI-E, 2003 Tax Exempt Bond Issue.**

Trustee Reed ended the Finance Committee report by thanking the Chairlady, the President and his staff for work done, and the Trustees.

Trustee Reed told the Chairlady that he wanted to be certain that there was acceptance of the principle enunciated in the proposal for Cramtom Bowl. **He offered a motion to accept the basic fundamentals.** President Lee stated that Trustee Reed had spoken about a Memorandum of Understanding (MOU). It was determined that the MOU had been forwarded to the Trustees. Trustee Reed stated that the idea is to not adopt it totally but to adopt the fundamental principles to proceed and operate on. Chairlady Wright requested Trustee Reed to restate his motion. **Trustee Reed moved that the resolution be adopted. The motion was seconded by Trustees Figures and Dean, and carried by unanimous vote.**

Chairlady Wright called for a ten-minute break before the executive session. The Board went into Executive Session following the break—**Agenda Item VII**

On call for the **Report from the Executive Session—Agenda Item VIII,** President Lee stated that there was no report from the executive session.

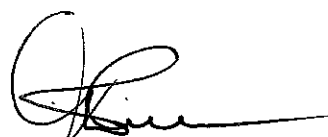
Chairlady Wright called for **Agenda Item IX—Personnel Actions.** In response to question from Chairlady Wright, President Lee responded that all of the Personnel Actions would be taken as a report. **On motion by Trustee Crutcher, second by Trustees Johnson and Parker, the motion was carried by unanimous vote.**

Chairlady Wright stated that **Agenda Items X, XI and XII—Reports from the Student Government Association, Faculty Senate and Non-Academic Staff Council—will be accepted as written reports by Board consensus.**

On call for **Agenda Item XIII—Other Business**, President Lee stated that there were two items he wanted to present for actions. He told the Trustees that two resolutions were sent to them; that one involved the ASU sick leave policy. He then called on Mr. Olan Wesley, Director of Personnel and Human Relations, to present the Item. Mr. Wesley told the Board of the fact sheet which provided information regarding Legislative ACT 99 578 that was before them and that the resolution is to approve the University incorporating it in its policy procedures. **It was moved by Trustee Parker, seconded by Trustee Johnson , that the resolution be adopted.** In response to question from Trustee Crutcher, Item 3 under sub section was explained and it was noted that an employee separated from the University is not compensated for sick leave but can transfer it if employed in another state job. **On call for the vote, the motion was carried by unanimous vote.**

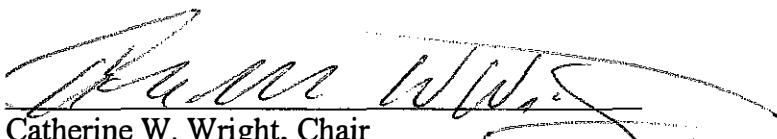
President Lee informed Chairlady Wright that the second resolution was to change the employee probationary period from six months to 12 months for all non-teaching employees. He indicated that six months is insufficient time to get a true assessment of an employee's performance. Following much discussion regarding this Item, **it was moved by Trustee Junkins, seconded by Trustee Parker the resolution be adopted.** The motion was carried by majority vote. **Voting aye Trustees Dean, Figures, Johnson, Jones, Junkins, Parker, Proctor, Reed and Wright. Voting nay was Trustee Crutcher.**

There was no other business to come before the Board, and the Chairlady adjourned the meeting at 5:00 p.m.



Joe A. Lee, President of the University
And Secretary to the Board

APPROVED



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