

BOARD OF TRUSTEES FOR ALABAMA STATE UNIVERSITY
MINUTES OF CALLED MEETING
OCTOBER 14, 1999

The Board of Trustees for Alabama State University convened in a called meeting on October 14, 1999 in the Board Room of the Joe L. Reed Acadome at Alabama State University. Chairlady Wright called the meeting to order at 9:30 a.m. and declared a quorum present.—**Agenda Item I.** In attendance were Trustees B. Maxine Coley, James C. Cox, Toreatha M. Johnson, Patsy B. Parker, Joe L. Reed, Lanny S. Vines. Absent were Trustees Larry H. Keener, Oscar Crawley, Buford Crutcher, Robert A. Jones, Jr., and Donald V. Watkins. Prayer was led by Trustee Coley.

Chairlady Wright called for **Agenda Item II—Adoption of the Agenda.** It was moved by Trustee Parker, seconded by Trustee Cox, that the agenda be adopted. Trustee Parker amended her motion to include a recess after the President's Report to give time for the other Trustees to arrive and make reports. The amended motion was seconded by Trustee Cox. President Harris indicated that the consensus of the passage of the agenda would take into account standing reports from the Faculty Senate, Non-academic Staff Council and the Student Government Association as a part of the regular on-going Board agenda. Trustee Parker asked if those reports are not on the agenda because the meeting is a called meeting. President Harris answered affirmatively. Chairlady Wright called for the vote and the motion was carried unanimously that the agenda be adopted as amended..

Agenda Item III—Adoption of the Minutes of September 20, 1999 Meeting. Chairlady Wright called for adoption of the minutes. It was moved by Trustee Parker, seconded by Trustee Johnson, and unanimously carried that the minutes be adopted..

Chairlady Wright called for the **President's Report—Agenda Item IV.** President Harris informed the Board that he would report on several items in response to questions asked of him, and that some items will be delayed because a person who is to assist him with a portion of the report is on the airplane the Board is awaiting. President Harris reported that the NCAA Division I Study has been completed; the factual errors have been corrected and the report will be mailed for review by all Trustees around the 20th of October well in advance of the time the ad hoc committee has scheduled its November 16th meeting.

There was much discussion regarding Trustees receiving written, detailed reports of committee meetings within a week following meetings, transmittal of Board minutes within the time period required by the Board **Bylaws**, coordination of committee meetings with Board meetings, withholding committee items for discussion and action from the Board agenda that have not been transmitted to Trustees within the required time period for review, and the chairs's/President's responsibilities for issuance of the detailed minutes of meetings. President Harris stated that after committee meetings he will prepare the minutes in concert with chairs of committees and disseminate them to Trustees. There was discussion regarding the President's responsibility for preparation of agendas, notification of meetings, submission of minutes to the Board Chair and Trustees as appropriate, Trustees not having resources for preparing and submitting documents themselves, the Board meetings schedule, a regular schedule of committee meetings, and compliance

with the **Bylaws** requirements for transmitting information to Trustees within 14 days in advance of Board meetings.

It was moved by Trustee Vines that the committee chair be responsible for seeing that the minutes are generated so that they reach the Board members by seven days following committee meetings and that the Trustees will have seven days for review/analyzation of the minutes before a Board meeting at which committee matters would be placed on the meeting agenda. The motion was seconded by Trustee Reed with the understanding that the **Bylaws** would need to be changed pursuant to rules for changing the **Bylaws** to carry out the motion. President Harris called the Trustees' attention to the logistical issue of the time required to get mail to Trustees Coley and Johnson. Chairlady Wright noted that the **Bylaws** allow Trustees to submit agenda items five days before a meeting. Trustee Reed suggested that the Board pass by consensus that the five-day provision be adjusted to comply with the spirit of the motion. President Harris is to circulate to all Trustees a paper explaining the spirit of the discussion and motion.

Trustee Reed called to the attention of the Board that the **Bylaws** requires that all intercollegiate athletics matters are handled by the Student Affairs Committee. President Harris certified that the **Bylaws** stipulates that intercollegiate athletics are handled by the Student Affairs Committee. Trustee Reed asked that the minutes reflect this fact.

President Harris reminded the Trustees that at the last meeting the Relocation document had been received from the lawyers and distributed to them with the request that Trustees' responses to the document be sent to him by October 15. No responses have been sent to him and he assumes that there are no real issues with the document which will be used as it is.

President Harris stated that he was asked by three Trustees to report on the ASTA Building to the full Board. He gave descriptive information and a history of the ASTA Building. President Harris reported that except for the National Alumni Association's office, ASU has no operation in the building; that ASU pays for the utilities and telephone lines, and provides custodial services. Chairlady Wright told the Trustees that a final report will be made as to what is to be done about the building as a result of the financial analysis that is to be done by the consultants.

President Harris reported that final agreement has been reached in the **Allen Case** which includes all of the matters that the Board said should be included. The document, received on October 13, 1999, was made available to the Trustees for report purposes only. He informed the Trustees that he asked the attorney handling the case to be present to give a report on the case.

Trustee Reed asked President Harris to have a survey conducted to determine what other institutions are doing regarding dormitory in-room visitations to determine if ASU is behind on this matter. He stated that ASU students want to have in-room visitation. Trustee Reed noted that this matter is one that the Student Affairs Committee should investigate.

President Harris informed the Trustees that there has been a request for an update on the Baptist Hospital building and that John Knight who has had more direct involvement will give the

report. Mr. Knight gave a general overview-update and introduced Mr. Daniel Hughes of the Summit Corporation who gave a summary of the possible uses of the building in regards to space utilization and operation costs. Mr. Hughes distributed some information regarding the Baptist Hospital building and explained the feasibility report on the physical structure, utilization of space and operating costs.

Trustee Vines made comments regarding the Baptist Hospital Report not being on the agenda and expressed his concern regarding presentations being made without prior notice and information being sent to the Trustees in order for review of the information to be made. He stated that it is inappropriate for the report to be made at this time and unfair to the Trustees. He indicated that certain preliminary things need to be done prior to the report being made – real estate appraisal, tax consequences, ASU's current use, cost of rehabilitation, income from other users, and future needs. He noted that the qualified person to determine these things has not been brought on board and that he felt that the Trustees could not deal with the information intelligently though with everything else considered, he was generally inclined to feel that it is something that the Trustees ought to seriously consider.

Chairlady Wright explained to the Trustees that she is responsible for the Summit representatives being present to make the report because she felt the issue needed to be placed on the table again. She asked President Harris to put the item in his report and to have an overview given and to place information on the project in the hands of Trustees. She stated that it is not intended for the Trustees to make any decision on the project today. Trustee Reed made comments regarding ASU's strategic plans and the unfinished things that are to be done, what an institution is expected and required to carry financially without penalizing other components of the institution. Trustee Vines inquired if there was any time urgency to deal with the project. Mr. Knight stated that if the University is interested in the facility there is a time issue; that in terms of a relationship with Baptist, they have not entertained any other possible buyer; that there are some other entities interested in the property and if ASU takes the position that there is no interest in the facility, Baptist should be informed. He told the Trustees that the forensic sciences issue needs to be addressed. He gave information about the forensics funding from the Legislature and indicated that forensics representatives had looked at the Baptist facility and are encouraging ASU to utilize it since it will meet their needs. Mr. Knight informed the Trustees that there is a combination of projects (Lister Hill Healthcare operation, for example) and if ASU is interested in having some involvement with them, the information needs to be put together and pursued, He reiterated that the intent of the report is to share information regarding the potential use of the facility and he spoke of the need for space for several of ASU's current programs as well as office space.

Mr. Hughes made comments and stated that he feels that there is time for the Trustees to get the studies referred to for analyzation and for reaching conclusions. Baptist has given the time needed for running some analyses and he feels that ASU can go back to Baptist and inform them that the Board has some other reports that have to come in and that some consensus will have to be reached to either pursue the project or not. Trustee Parker asked for all of the expenses to be compiled on one list. Chairlady Wright indicated that the Baptist Hospital report will be placed on

the November agenda. She asked President Harris to make sure that any other information that needs to be made available to the Trustees is prepared. Chairlady Wright thanked Mr. Hughes for the presentation.

(As this discussion concluded Trustees Oscar Crawley, Buford Crutcher, Robert A. Jones, Jr. and Donald Watkins joined the meeting.)

Chairlady Wright informed the Trustees that the President's Report would continue with a report from Attorney David Long. Mr. Long reported in detail on the **Allen Case** agreement, reached on October 13, 1999, which agreement was in line with what he discussed with the Trustees initially. In answer to question about the time line that the Board has for expressing approval of the agreement, Mr. Long stated that it is important to do so quickly and before the State Board of Education's special meeting on October 28. Mr. Vines asked if there could be a consensus of the Board to have time to study the agreement and to determine whether there should be a special meeting and if so, when that meeting should be held. Trustee Reed suggested that after the Trustees read the agreement, if there are no major objections, the Executive Committee can be given authorization to meet and approve the agreement; that if there are concerns, the Board can convene and express those concerns. Mr. Vines suggested that the Trustees be given a week to read the agreement and a deadline to submit in writing objections or problems. It was the general consensus that any concerns are to be submitted in writing by October 22 to President Harris and that barring none President Harris will inform Mr. Long of the Board's approval of the agreement. If there are concerns by any Trustee, President Harris will convey those to Mr. Long for clarification.

Chairlady Wright called for **Agenda Item V--Report on Institutional Analysis**. Trustee Vines made the report. He reminded the Trustees that earlier Board authorization had been given to have evaluations by experts in four areas-- curriculum and its focus, personnel relative to that curriculum, physical plant after determination is made regarding the direction of the curriculum and where the university wants to be in the future, and financial. He stated that the initial inquiry probably should be the financial analysis to determine currently how every dollar is being allocated to the various university activities. He stated that information regarding where the University is, what is available for spending, what the financial situation is, and how the financial resources are currently being used will impact the analysis of the other three experts, and will also enable the Trustees to know how it relates to one project versus another in order to make intelligent decisions. Regarding the financial analysis, he feels that the Board would want to get one or more of the national, more qualified financial analysis consultants who are experts in evaluating institutions similar to ASU. He noted that a list of very qualified financial analysis experts had been submitted to the Trustees and explained that those consultants would be unable to perform the front line work in logistically getting the necessary information. They would need someone locally to get the information and feed it to them. He suggested that it would be best to hire a highly qualified local person to get the detailed information and work in concert with the national experts and to make recommendations.

Trustee Vines indicated that he has looked around for a local person who does not have a conflict, is not politically involved and with good relationships who can relate to the University's unique posture. He told the Trustees that he had interviewed J. Wray Pearce who eminently fits the

qualifications and has impeccable credentials. Trustee Vines proposed that the Board employ Mr. Pearce at today's meeting and he suggested that the Trustees could approve an at-will contract at competitive rates which would enable him to have input in the selection process of the national financial analysis experts because he would be working with them. (Trustee Vines explained that if the Board accepts his recommendation and hires Mr. Pearce today, they could decide who would be the University's primary contact person for acquiring the necessary information that would be requested. Trustee Vines stated that the local individual would report directly to the Board as a whole; that there would be no reporting to an individual nor would any individual Board member give instructions. A Trustee could provide any information to the local individual based on specialized expertise in an area.

The national financial experts would apply their expertise and give views of how the funds are allocated and how every dollar is spent and make the determination as to whether there is any waste. It was noted by Trustee Watkins that this evaluation is not required by any outside accreditation agency; that the institutional analysis is part of the quality control examination that the Board is doing to determine what the University's condition is in the four broad areas and to find out if there are any improvements that are needed or warranted.

Chairlady Wright suggested that the Board may need to consider bringing in a group of consultants; that there may be merit in the Board employing a team of experts with a team leader and that instructions/directions be given them regarding the four areas that they are to analyze with tasks laid out for them. The analyzations of the four area could be done at the same time and a report issued upon completion of their analysis. Trustee Vines explained that one of the problems with the team approach is that each area is a separate discipline. Trustee Parker agreed that having areas analyzed separately is probably the best approach and that when the Trustees get the independent reports they will put them together and determine where there is correlation.

Trustee Vines suggested that for a time line, the Trustees could proceed with engaging Mr. Pearce, and letting him begin ferreting out the financial information; that at the November 17 meeting he would have all of the other qualified experts that he would have very carefully screened for the four areas for the Trustees to interview and decide which ones they want to hire. He informed the Trustees that if anyone has other names they want considered he can screen those individuals as well. Trustee Vines stated that the Trustees might wish to select two or more experts for each of the four areas in addition to the financial analysis expert. He told the Board that if there could be agreement to interview on November 17, and making a decision on experts to be hired by December 1, the experts could be given 120 days, including the Christmas holidays, for the Board to get a finalized report with integrated information by April 1. He suggested that the Board could take 45 days to absorb the information which would place them in position to make some intelligent, critical decisions based on the reports. He stated that by May 15 everything should be in place for the Trustees to be in a posture to discharge their fiduciary duties.

Trustee Vines stated that he feels an effective fund raiser can not be conducted on any level without having all of the institutional analysis information put together; that when it is understood that ASU knows what it is doing and where it is going, how it is going to get there and can present

a concrete plan, that tremendous fund raising activities can be generated on a national level with grants people, with the private and governmental sector and on the local level. He stated that until the University gets on that level he does not think that the funds can be raised that he has in mind.

Trustee Vines explained that each expert needs to report directly to the Board every 30 days as maximum reporting time. If the experts have problems getting the information they need, that should be reported to the Board and the Board will get that matter resolved. He doesn't feel that there should be any intermediaries or any one member of the Board involved and that because of the nature of the analysis the full Board needs to coordinate. It was the consensus of the Board that the president will be the contact person for the experts to receive information and reports will be made directly to the Board.

After much discussion regarding the scope of the work to be done, Trustee Johnson explained that there are some specific components of assessment that are generally defined and that if there are experts, they generally know what the components are and don't have to have an outline of the components. The experts will bring to the Board at the presentation meeting the general criteria for doing an assessment and the Board will either accept, reject or add. She further noted that the Board, at this time, does not have to be concerned about what the components will be. There was no other discussion.

Trustee Watkins moved that the Board today hire J. Wray Pearce on an at-will contract basis pursuant to his reasonable, customary hourly rate to conduct the preparatory work for the financial assessment that will be done in connection with the institutional analysis. The motion was seconded by Trustee Johnson. President Harris reminded the Board that the motion has budgetary ramifications and he asked the Board to give some leeway as to how to go about providing for the payment for the work Mr. Pearce will be doing because it is not budgeted. He stated that they can find a way to do it but he wanted to call to the Board's attention that it is not budgeted and that something has to be put in the budget to handle the payments. Trustee Vines stated that once the Board interviews on the 17th and the experts are told what they are to do, they will probably give some preliminary idea of their expenses at that time. Chairlady Wright noted the motion on the floor and called for any other further discussion. In answer to question regarding competitive rates, Mr. Pearce was asked to give rate information. He explained that a team of people would be working so that they would get the most efficient rates to do the work that they could do. His firm would wind up with charges of rates from \$50.00 to \$150.00 an hour depending on who does the work from the lowest to the highest in the firm. In answer to question regarding information the financial experts would request, he explained that from his perspective he would look back about five years at financial statements and budgets, academic disciplines and student population and try to bring some analysis to that as information to be provided to the other consultants. He indicated that his firm's foundation point would be to look at all the areas where money comes in and goes out; that a list of data would be provided before they arrive indicating what they would like to have and they would be directed by the president where they could find that information. On call by Chairlady Wright for the vote, the motion was carried unanimously.

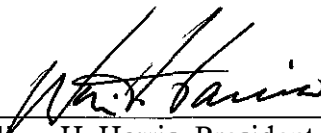
Trustee Vines stated that his report was completed. He reiterated that he will get at least two

or more resumes of the people who will be interviewed in each of the disciplines to the Trustees at least a week ahead of time for their review. He invited Trustees to submit names of additional people to him that they feel are qualified and are top notched. He stated that he wants to get people that the Board feel will be of the best quality and will provide the best possible advise available. Trustee Wright indicated that she provided the name of Dr. Nate Anderson.

Chairlady Wright called for the **Executive Session—Agenda Item VI** at 11:55 a.m. and reconvened at 12:57 p.m. for **Report from the Executive Session—Agenda Item VII**. President Harris reported that there was nothing to report out of the Executive Session.

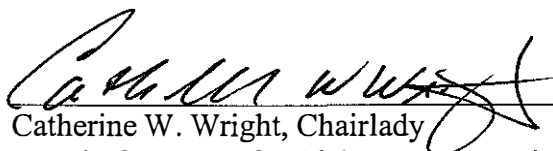
Agenda Item VIII—Other Business. Chairlady Wright called for other business and informed the Board that there was a letter from the National Alumni Association with some issues that will be one item of carry-over business to be placed on the agenda for the November meeting. President Harris reminded Chairlady Wright that her decision was to put those issues on the agendas of the appropriate committees for review rather than taking the issues up in a full Board meeting. She asked the committees to remember make appropriate issues a part of their agendas. President Harris indicated that the letter from the National Alumni Association would be sent to all committee chairs.

There being no other business to come before the Board, the meeting was adjourned at 1 p.m. until November 17, 1999.



William H. Harris, President of the University and
Secretary to the Board

AFFIRMED:



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