



**ALABAMA STATE UNIVERSITY BOARD OF TRUSTEES  
MINUTES  
RECONVENED FROM THE MAY 5, 2006 MEETING  
JULY 24, 2006  
9:00 A.M.**

**I. CALL TO ORDER**

Chairman Elton Dean called to order the reconvened meeting of the May 5, 2006 recessed meeting in the Salon BC meeting room at the Renaissance Ross Bridge Golf Resort & Spa in Hoover, Alabama on July 24, 2006, at 9:23 a.m., Central Daylight Time.

**II. INVOCATION**

The invocation was given by Trustee Marvin Wiggins.

**III. ESTABLISHMENT OF QUORUM**

On roll call a quorum was affirmed by President Joe A Lee.

**Present:** Trustees Oscar Crawley, Buford Crutcher, Elton Dean, Taylor Hodge, Bobby Junkins, Patsy Parker, Joe L. Reed, Marvin Wiggins, Catherine Wright and Herbert Young

**Absent:** Trustees Thomas Figures and Lawrence Lemak

**IV. ADOPTION OF THE AGENDA**

**Trustee Wiggins moved, seconded by Trustee Parker, to adopt the agenda. The motion carried with majority vote; abstention by Trustee Reed.**

Trustee Reed expressed unreadiness. He wanted to state for the record that it is his opinion that this is a special/called meeting as opposed to a reconvened meeting. He further stated that he recalled that the May 5, 2006 meeting was adjourned and not recessed. Therefore, he questioned the legality of this meeting because only the Governor can call special/called meetings.

**V. ACTION ITEMS**

**A. Approval of the Bond Parameters Resolution**

Chairman Dean asked President Lee to present the Resolution. Dr. Lee asked Mr. Bill Blount to make a statement on the trip to New York and Attorney Terri Sewell to present the specific details of Bond Parameters Resolution.

Mr. Blount of Blount Parrish & Roton Investment Bankers stated that during the trip to New York, five municipal bond insurers made a bid on ASU's bond proposal. He further stated that ASU's finances have done well over the last few years and is indicated in the current bond ratings with Moody, Standard and Poors and other agencies. The only concern mentioned by the various agencies is the declining enrollment. He further reported that Excell, an aggressive triple A bonding company, has currently bid on the bond at 18.9 basis points.

Chairman Dean thanked Mr. Blount, Attorney Terri Sewell, Vice President Gallot, Trustee Young, Trustee Wright and President Lee for their representation of the University during the trip to New York.

Trustee Reed praised the diligent work of the Board of Trustees, Vice President Gallot and Finance Committee Chair in getting the University's finances in order.

Trustee Wright remarked that the trip to New York was a pivotal point for ASU and that it was good to hear the discussion about ASU in a positive manner.

**Trustee Crutcher moved, seconded by Trustee Hodge, to commend all parties involved in getting the bond issue passed. The motion was seconded by Trustee Hodge. The motion passed by unanimous vote.**

Attorney Terri Sewell, Bond Counsel, took the floor to discuss the Resolution. She addressed the parameters of the issuance of the series 2006 Bonds that will address housing needs at the University; source of payment of the bonds based on tuition, fees and housing revenue; sale of the Series 2006 Bonds; and, the execution and delivery of the Series 2006 Bonds.

After much discussion, President Lee recommended that the Board accept the Resolution to issue the series 2006 Bonds.

**Trustee Wright moved, seconded by Trustee Crawley, to accept the President's recommendation to approve the Resolution approving the issuance of the Series 2006 Bonds. The motion passed by majority vote; Trustee Reed abstained. (Reference resolution is attached to these minutes).**

Trustee Wiggins moved, seconded by Trustee Crutcher, that First Tuskegee Bank become the depository of the 2006 Series bond proceeds to the extent that the Attorney will agree.

President Lee cautioned the Board in regards to the motion on the floor. He stated his concern based on the guidelines of the Southern Association of Colleges and Schools. He questioned whether the University can give particular consideration to First Tuskegee Bank as opposed to any other bank. He then asked Mr. Gallot, Vice President for Fiscal Affairs, to comment on the current relationship the University has with First Tuskegee Bank.

Mr. Gallot informed the Board that the University is currently in negotiation with First Tuskegee Bank. Due diligence is being applied in this instance because First Tuskegee Bank already holds \$5M of another University bond issue and the University currently has a checking account with them. He opined that before placing any additional proceeds with First Tuskegee Bank, it is incumbent upon the University to do everything possible to the extent legally possible under the Alabama safe law.

Based on the aforementioned discussion, Trustee Wiggins withdrew his motion until further legal investigation is done on the matter of depositing bonds proceeds into First Tuskegee Bank.

**B. Approval of Resolution Approving the Settlement Agreement between Alabama State University and Alabama A & M University and Alabama State Board of Education, Chancellor Roy Johnson, Athens State University and Calhoun State Community College**

President Lee asked Attorney Kenneth Thomas, University Counsel, to discuss the Resolution approving the Settlement Agreement between Alabama State University, Alabama A & M University and the State Board of Education in the *Knight v. State* case.

Attorney Thomas informed the Board that in November 2005, there was an objection to the termination of the Decree in the *Knight v. State* case and a settlement agreement was submitted to the Court. The parties have agreed to a settlement which includes 1,000 (500 for ASU & 500 for Alabama A & M) scholarships be approved starting in 2007 for any student who finishes a 2-yr post secondary degree to attend ASU or Alabama A&M.

Trustee Reed's concern is that the Governor and state of Alabama are not a part of this agreement. He questioned how ASU will benefit from this agreement and where the funding source for the scholarships will come from.

Attorney Kenneth Thomas stated that the alternative is for the Decree to end with nothing.

President Lee acknowledged the comments of Dr. Reed and Attorney Thomas. He further informed the Board that Judge Murphy will act on the Settlement Agreement in September 2006.

After a lengthy discussion by the Board, President Lee recommended that the Board adopt the Resolution approving the Settlement Agreement in the case of *Knight v. State*.

**Trustee Wiggins moved, seconded by Trustee Hodge, that the Board adopt the Resolution approving the Settlement Agreement in the *Knight v. State* case. The motion passed by majority vote; Trustee Reed opposed.**

**VI. OTHER BUSINESS**

There was no other business to come before the Board.

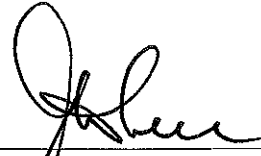
**VII. ADJOURNMENT**

**Trustee Marvin Wiggins moved, seconded by Trustee Parker, to adjourn the meeting. The motion passed unanimously.**

Approved:



**Elton N. Dean, Sr., Chairman  
Alabama State University  
Board of Trustees**



**Joe A. Lee, President of the University  
and Secretary to the Alabama State  
University Board of Trustees**



**Sandra J. Malone, Recorder**

**Attachments: Agenda – July 24, 2006  
Posting of Meeting with Secretary of State  
Resolution Approving Issuance of the Series 2006 Bonds  
Resolution Approving the Settlement Agreement (Knight v. State)**