



**ALABAMA STATE UNIVERSITY
BOARD OF TRUSTEES SPECIAL MEETING**

**Dunn-Oliver Acadome Board Room
November 21, 2014
11:00 A.M.**

MINUTES

I. Call to Order

The special meeting of the Alabama State University Board of Trustees was called to order by the President of the Board Governor Robert Bentley @ 11:14 A.M.

II. Invocation

The invocation was given by Dr. Leon Wilson

III. Pledge of Allegiance

The Pledge of Allegiance was recited by all.

IV. Establishment of Quorum

Governor Bentley, Chairman Baker, Trustees Buford Crutcher, Robert Gilpin, Alfreda Green, Taylor Hodge, Angela McKenzie, Ralph Ruggs, Pamela Ware, Herbert Young were present; Trustee Bobby Junkins was absent.

V. Adoption of Agenda

It was moved and seconded to approve the amended agenda moving the vote on the bylaws amendment and budget review after the president's report. The amended agenda was approved by the majority.

VI. Adoption of Minutes

The minutes from 9/26/2014 were not adopted due to corrections needed.

1

VII. Election of Vice-Chair

Trustee Ruggs received a total of four votes from Governor Bentley, Trustee Langham, Trustee Gilpin, and Trustee Ruggs.

Trustee Alfreda Green received a total of seven votes from Chairman Baker, Trustee Hodge, Trustee Green, Trustee Ware, Trustee McKenzie, Trustee Young, and Trustee Crutcher.

- **Alfreda Green was named Vice-Chair of the ASU Board by a majority vote.**

VIII. President's Report

- The President's report included information about ASU being named in Ebony Magazine, Dr. Lee Childer-Army Award, a new Cancer Research Grant of \$578,000, College of Liberal Arts on Social Science Symposium on Creative Research, Veterans Day Celebration, Author and Educator Steve Perry Leadership Luncheon held on campus, ASU Air Force ROTC Dt. 019 received the State of Alabama award by Gov. Bentley. Dancers BFA Inaugural recital, 9 Students traveled to Peru with a medical exchange program. 4 ASU students received the Thurgood Marshall Scholarship from the Coca-Cola foundation in Washington, D.C. 137 New Honor Society inductees, Gear-Up Alabama focused on removing barriers and increasing low income students entry into college.
- The announcements were the Annual Christmas tree lighting on Dec. 3rd, 290th Commencement Ceremony Dec. 12th @ 3 pm, the University Closing for holiday break, establishment of the President's action call center, satellite campuses will be restructured, founders day's black tie event, and an overview of the establishment of the Office of Religious Life and Spiritual Development.
- SACSCOC leadership interviewed senior leadership, board members, Governor's staff, and students. The major concern was the past financials and the need for the final audit report in March 2015.

Chairman Bakers questioned how the Office of Religious Life and Spiritual Development would be funded.

President Boyd stated through donations from the Catholic Dioceses, the Jewish community, and the continued support from UMC which already has representation on campus.

Vice-Chair Green inquired about the restructuring of the satellite campuses, and were there ideas to possibly close and redirect funding toward online courses.

President Boyd responded that site closures were expected.

Trustee Crutcher commented to Governor Bentley about the Universities need for funding, and if he could consider additional funding for ASU in the future.

Governor Bentley responded by stating he has spent some time at ASU over the past year, and he wants to see it succeed and do well.

Chairman Baker announced a fund raiser for trustees ending the first week in February.

Trustee Young stated all contributions made to the University by trustees are not captured to reveal actual giving. He recommended creating a level system of giving to create a documented system of information describing trustee's total involvement.

Trustee Gilpin asked the chair if a vote was needed for the Technology Manual.

Dr. Boyd stated that a vote was needed.

➤ **It was moved and seconded to accept the Technology Manual, and approved by a majority vote of the board.**

IX. 2015 Operating Budget Proposal

Trustee Gilpin stated that the University had been operating under the budget that was approved at the 9/26/2014 meeting with the stipulation to return within 60 to 90 days to review a revised budget.

Trustee Gilpin informed the board the new budget presented represents cuts of \$24 million due to the diligence of Wanda Smith and the finance team. Trustee Gilpin asked for CFO Wanda Smith to address the board.

VP of Finance Wanda Smith reported a balanced budget that did not require any salary or wage cuts, and stated there was an extensive review in the area of fixed cost.

Cost cutting strategies were also presented as options for the board to consider.

- Voluntary Separation Plan
- 2015 Furlough
- Flat 2.5% Salary Cost for Benefits

Trustee Young asked how adjustments will be made to capture money that was already spent.

Mrs. Smith answered that reallocations will be made, but the bottom line is fixed and changes will only occur from revenue.

Trustee Young stated that the co-mingling of funds with Development is a recipe for disaster. Funding for suites, sponsorships donations and development funding are different things. The statement of sponsorship is not revealing the revenue portion.

Trustee Young further stated that revenue for the stadium shows zero income which is incorrect. Revenue is being driven from season ticket holders, sky boxes and sponsors. Some is still Development, but an amount needs to be designated as revenue from the advertising on the jumbo screen because of the cost associated with name recognition to an audience of 8000 to 9000 for home games.

Wanda Smith answered by stating the finance team can work on addressing that concern.

Trustee Young stated the current process was implemented by the previous administration and needed to be corrected and reported to reveal actual transactions.

Trustee Green asked Mrs. Smith if early retirement was considered.

Mrs. Smith answered that it was not considered as an option to prevent targeting a specific age group.

Vice-Chair Green commented it would be voluntary, and recommends this as an option to be considered as another cost cutting strategy, as well as a five year plan for budgeting. She stated reviewing the budget annually is a point of failure due to a lack of forecasting. Based on the number of new students and grants, there should be an increase in revenue each year. She stated that we do need the State's help, but we also want to help ourselves by planning.

Mrs. Smith recommended a two year budget to the president, and they are taking baby steps to a biannual budget.

Vice-Chair Green stated that if we could start with two, she would be satisfied with that.

Mrs. Smith stated she could commit to that now and will work on it moving forward.

Vice-Chair Green stated she did not see the Magic City Classic revenue

Chairman Baker stated that Magic City was included.

Trustee Gilpin moved to approve the Budget as provided. Trustee Ruggs recommended renaming the proposed budget Revision #1, since the revised budget was already approved.

➤ **Trustee Gilpin moved to approve Budget Revision #1, and Trustee Ruggs seconded the motion. The budget was approved by a majority with two abstentions.**

Chairman Baker thanked the Finance Team for all of their hard work and dedication, and recognized Trustee Gilpin.

Trustee Gilpin requested Attorney Kenneth Thomas to present the amendment to the by-laws.

Attorney Thomas stated the purpose of the amendment is to address the issue raised by SASCOC that the current bylaws were absent of a procedure for removal of a trustee. Suggestions were made and agreed upon by members of the board, and Attorney Thomas read the recommended amendment and asked if there were any questions.

- **It was moved and seconded to accept the proposed amendment establishing a process for trustee removal. The amendment was passed unanimously.**

The presiding Chair for the continuation of the agenda was yielded by Governor Bentley to Chairman Baker.

X. Faculty Senate

Chairman Hardy requested some changes to the board committee representatives, and request of consideration regarding improving decorum during commencement ceremonies. Chairman Hardy also informed the board of recent faculty senate elections where he was re-elected Chair and Senator Brenda Gill was elected Vice-Chair.

XI. Non-Instructional Staff

Georgette Varner brought forth recommendation for the elimination of the \$446 building and technology fee for personnel enrolled in classes at the University, and asked for the waiver of tuition and fees to be considered. She also requested consideration of payroll deduction at the ASU Bookstore in order to allow employees enrolled in classes to purchase books.

XII. SGA

SGA President Daren Dubose shared how the students were excited and engaged during Homecoming. He expressed the student's appreciation of events moving to a weeklong celebration they could participate in.

He further reported that the schedule change helped the students to get more involved and increased school spirit.

XIII. Committee Meetings

a) Executive Committee

No Action

XIV. Personnel Actions

President Boyd presents the Personnel Report for action.

Trustee Young stated there were two items to be taken out and discussed further. Actions #1 under Non-Instructional staff, and #4 under Special Athletic Appointments.

- **It was motioned and seconded to remove the items from the report for further discussion.**
The motion was passed by a majority.

Trustee Gilpin moved to approve the revised Personnel Report and it was properly seconded. The Personnel Report was passed by a majority vote.

Trustee McKenzie requested future reports to include the salary, if the position is new or backfill, and justification for why the position is needed.

Vice-Chair Green asked the board if the moratorium on hiring would be revisited.

Chairman Baker stated that the freeze will be revisited in the future.

Vice-Chair Green stated that the University is constantly hiring, and that the board is not adhering to their own word.

Chairman Baker stated it would be addressed at the next meeting by possibly having it amended or rescinded.

Attorney Thomas presented certification to validate Executive Session due to pending litigation.

Trustee Young questioned if item #1 from the Personnel Report could be discussed in executive session.

Attorney Thomas answered yes.

- **It was moved to go into executive session for item #1 and item #4 pending legal litigation. The motion was properly seconded and passed by a majority.**

After return from executive session, Chairman Baker asked for questions, action or motion for item #1 under non-instructional staff. There was no action.

Chairman Baker asked for a motion for item #4 under Special Athletic Appointments.

- **It was moved and seconded not to accept the recommendation for item number #4. The motion was properly seconded and passed by a majority.**

Chairman Baker asked for a motion on pending litigation w/gourmet services.

- **Trustee Ruggs made a motion that the allegations made by Gourmet Services do not warrant any further action by the University. It was seconded and passed by a majority vote.**

Chairman Baker asked for a motion concerning the Stacy Danley litigation.

- **It was motioned and seconded not to accept the settlement offer by Stacy Danley. The motion passed by a majority.**

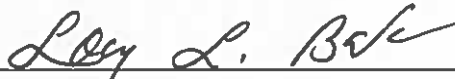
XV. Other Business

None

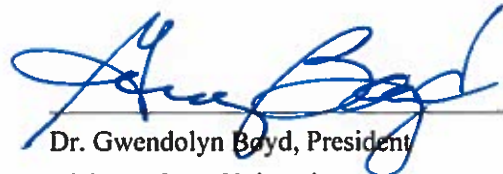
XVI. Adjournment

Meeting was adjourned at 2:36 P.M.

Witnessed on 2/24 of November 2014 by:



Lucy L. Baker, Chairman
Alabama State University
Board of Trustees



Dr. Gwendolyn Boyd, President
Alabama State University
Secretary, Board of Trustees

ATTACHMENTS:

1. Amendment Article I, Section VII
2. Resolution 2014-2015 Operating Budget Revision 1
3. Executive Session Legal Certification

As stated in ASU's response SACS COC letter regarding the failure to comply with CS 3.2.5, the ASU Board of Trustees will act upon revisions to Article I, Section VII of the ASU Board of Trustees By-Laws at its November 21, 2014. Article I, Section VII governs dismissal of Board members. The revisions to the by-laws include a violation of Alabama Code § 16-50-29 (1975) as an appropriate reason for dismissal. The revisions to the by-laws also include a procedure for the enforcement of the code should it be violated by a Board member. The revisions are as follows:

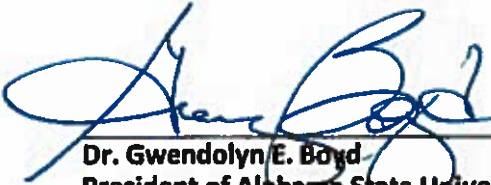
Section 7. The Board may remove any appointed member of the Board with cause and by fair process. For purposes of this section, any one or more of the following shall constitute grounds for removal 1) the conviction of a felonious crime or a crime involving fraud, embezzlement or dishonesty, 2) the failure to attend three consecutive statutory meetings of the Board, or 3) violating the conflict of interest provisions of Alabama Code § 16-50-29 (1975). Upon the recommendation of the Executive Committee, the Trustee shall be given notice of the allegations of cause by the Chairman of the Board (or by the Vice Chairman if the Chairman is to be noticed). The Trustee shall be afforded an opportunity to be heard before the Board at a properly noticed meeting. Following this fair process and determination made by the Board that the Trustee has committed one of the above-listed grounds for removal; the Trustee shall be removed upon a vote of the majority of the Board. Upon removal, the Board shall request that the Governor appoint a replacement for the removed Trustee.

The revisions to the by-laws will strengthen the ASU Board of Trustees' ability to monitor its members' compliance with Alabama Code § 16-50-29 (1975).

Approved by the Alabama State University Board of Trustees:

November 21, 2014.


Honorable Lucy L. Baker
Chair, ASU Board of Trustees


Dr. Gwendolyn E. Boyd
President of Alabama State University
Secretary, ASU Board of Trustees

**RESOLUTION OF THE ALABAMA STATE UNIVERSITY BOARD OF TRUSTEES
2014-2015 OPERATING BUDGET (REVISION #1)**

WHEREAS, Alabama State University has completed its budget preparation process;

WHEREAS, the University has considered all the basic needs of the University;

WHEREAS, the University has reviewed all available resources in support of this recommended budget;

WHEREAS, on September 26, 2014 the Alabama State University presented a budget for the 2014-2015 School Year. However, the Vice President of Business and Finance advised that additional budget cuts needed to be made and that the Board of Trustees agreed to receive a revised budget within sixty (60) days;

WHEREAS, based on the representations made at the September 26, 2014 meeting, a revised budget was prepared;

NOW, THEREFORE, BE IT RESOLVED, The Alabama State University Board of Trustees hereby approves the attached revised 2014-2015 Operating Budget for Alabama State University.

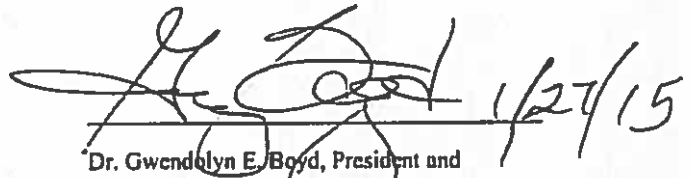
Done this the 21st day of November, 2014.

APPROVED:



Lucy L. Baker, Chairman

Alabama State University Board of Trustees



Dr. Gwendolyn E. Boyd, President and

Secretary Alabama State University

Board of Trustees



OFFICE OF GENERAL COUNSEL

M E M O R A N D U M

To: Board of Trustees for Alabama State University

From: Kenneth L. Thomas/*klt* *KLT*
Alabama State Bar Number: ASB-3924-M69K

Re: Executive Session to Discuss Pending Litigation

From: November 21, 2014

This letter is to advise the Board of Trustees of Alabama State University (“the Board”) that I have reviewed the matter upon which it is considering convening an executive session for discussion with legal counsel. I have determined that this matter is appropriate for executive session under Section (7)(a)(3) of Act No. 2005-40.

Pursuant to the Act, a copy of this letter should be attached to the Minutes of the Executive Committee Meeting wherein the Executive Committee has considered and approved a Motion to Convene for Executive Session.

:sgs

**ALABAMA
STATE
UNIVERSITY**

P.O. Box 271
MONTGOMERY,
ALABAMA
36101 0271
334.229.1465
334.277.2301
www.alasu.edu