

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

MINUTES

MARCH 2, 2017

HEALTH AFFAIRS COMMITTEE

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

BUDGET AND FINANCE COMMITTEE

AUDIT COMMITTEE

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

EVALUATION AND COMPENSATION COMMITTEE

MARCH 3, 2017

BOARD OF TRUSTEES

- 1 Approve: Minutes
- 2 Report: President's Report
- 3 Report: Faculty Senate President's Report
- 4 Report: Student Government Association President's Report
- 4.A Approve: Certificates of Appreciation

CONSENT AGENDA

- 5 Approve: USA Hospitals Medical Staff Credentials for November and December 2016, and January 2017
- 7 Approve: Dean and Professor Emeritus
- 18 Approve: Director of the Jaguar Athletic Fund., Inc.

HEALTH AFFAIRS COMMITTEE

Report: Steve Furr, Chair

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Report: Bettye Maye, Chair

BUDGET AND FINANCE COMMITTEE

Report: Tom Corcoran, Chair

AUDIT COMMITTEE

Report: John Peek, Chair

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

Report: Jim Yance, Chair

EVALUATION AND COMPENSATION COMMITTEE

Report: Jimmy Shumock, Chair

- 18.A Approve: President's Contract Extension

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**March 3, 2017
10:30 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened by Judge Ken Simon, Chair *pro tempore*, on Friday, March 3, 2017, at 10:30 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Alexis Atkins, Chandra Brown Stewart, Scott Charlton (phone), Tom Corcoran, Steve Furr, Ron Jenkins, Bettye Maye, Arlene Mitchell, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.

Member Absent: Robert Bentley.

Administration and Others: Owen Bailey, Andrew Byrd, Richard Carter, Lynne Chronister, Josh Cogswell, Josh Crownover (SGA), Taylor Davis, Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, Shaun Holloway, Sav Hoyt, David Johnson, John Marymont, Abe Mitchell, Mike Mitchell, Darshan Patel, Aishwarya Prakash, JuWan Robinson, John Smith, Margaret Sullivan, Marcus Tan, Carl Thomas (AASA), Jean Tucker, Chris Vinet, Tony Waldrop, Scott Weldon, Doug Whitmore (NAA) and Kelly Woodford (Faculty Senate).

The meeting came to order and the attendance roll was called. Chairman Simon called for adoption of the revised agenda. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the revised agenda was adopted unanimously.

Chairman Simon called for presentation of **ITEM 2**, the President's Report. President Waldrop recognized Honorary Trustee Mr. Abe Mitchell and National Alumni Association President Mr. Doug Whitmore.

President Waldrop recognized the contributions of Provost Johnson as a member of the Southern Association of Colleges and Schools (SACS) Board of Trustees and Executive Council, as well as in relation to South's creation of Global USA. He asked Provost Johnson to give an update on the searches for the positions of Executive Director of Libraries and the Honors College Dean. Provost Johnson stated Dr. Lorene Flanders, who serves currently as University of West Georgia's Dean of Libraries, accepted the position of Executive Director of Libraries, to become effective April 1. He said the search committee for a Dean of the Honors College had identified four finalists and campus interviews are being coordinated. He projected the position would be filled by the end of the semester and indicated one candidate was internal. As to the position of Vice President for Development and Alumni Relations, President Waldrop said the campus interview

USA Board of Trustees

March 3, 2017

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process was complete and a decision would be made once recommendations from the search committee were submitted for evaluation.

President Waldrop reported 15 individuals affiliated with the University of South Alabama as an alumnus and/or an employee were named in the Mobile Bay Magazine annual feature *40 Under Forty*. He introduced Dr. Andrew Byrd, Director of the Office of Commercialization and Industry Collaboration; Mr. Josh Cogswell, Director of University Development; Dr. Aishwarya Prakash, Assistant Professor of Oncologic Sciences at the Mitchell Cancer Institute (MCI); and Dr. Marcus Tan, MCI Surgical Oncologist. He noted Dr. Kari Benson, Pharmacist at USA Medical Center and the MCI, and Ms. Margie Friedman, Neonatal Intensive Care Unit Nurse at USA Children's and Women's Hospital, were named in the article as well.

President Waldrop advised that the Office of Marketing and Communications was recognized by the Council for Advancement and Support of Education (CASE) with an Award of Excellence for the Upward & Onward Campaign promotional booklet and with a Special Merit Award for South's Pandora radio advertising campaign. He congratulated Mr. Haskins and the staff of the Office of Marketing and Communications. He remarked on the clever pitch of Gulf Shores in a student recruitment publication.

President Waldrop called upon Dr. Erdmann for an update on the construction of a covered practice facility. As photos of the site were shown, Dr. Erdmann stated construction of the Jaguar Training Center (JTC) was moving forward with the ground work progressing ahead of schedule and installation of piping, drainage, pilings and the foundation to follow. He said the steel structure would be an asset for all sports programs and for general campus use as well, and noted completion is anticipated in September or October. President Waldrop asked Dr. Erdmann to comment on the recruitment implications. Dr. Erdmann stated a facility of this type is expected nowadays on university campuses and the primary advantage of having the JTC will be to minimize disruption of football practices that would otherwise be canceled or delayed due to lightning and heavy rain.

President Waldrop called for a report from Mr. Fulford. Mr. Fulford gave an update on Leadership South activities. He reminded Board members that the goal of the program is to educate participants about University operations and the roles of others, and, in the process, foster relationships. He called for remarks from Assistant Vice President for Auxiliary Services and Leadership South class member Dr. Chris Vinet. Dr. Vinet called it a privilege to be involved in the Leadership South program. She gave an overview of the first quarter's activities, which included interaction with administrative, academic and health departments, as well as with local and state government officials and business leaders. She stated the experience has proven more rewarding than she anticipated and she thanked President Waldrop, Dr. Smith, Mr. Fulford and Mr. Lawkis for making the opportunity possible.

Chairman Simon called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on December 2, 2016. On motion by Mr. Corcoran, seconded by Mr. Windom, the minutes were approved unanimously.

Chairman Simon called upon Dr. Fisher for presentation of **ITEM 3**, a report by the President of the Faculty Senate. Dr. Fisher noted his term as Faculty Senate President would soon expire. He talked about the role of the faculty in the student experience and expressed pride for the diligent efforts of his colleagues in terms of teaching, research and service. He commented on the wide-ranging research pursuits of the faculty, noting their contributions to a strong research foundation at South. He encouraged the Board and the Administration to continue to seek avenues for additional revenue to help compensate the faculty for their good work. He shared the opinion that the people of the University work cooperatively to move the University forward and he said he had enjoyed working with the leadership.

Chairman Simon called upon Mr. Crownover for presentation of **ITEM 4**, a report by the President of the Student Government Association (SGA). Mr. Crownover stated his address to the Board would be his last as President of the SGA. He conveyed enthusiasm for the meaningful progress made by the SGA over the academic year, noting a significant overhaul of the student organization funding system, as well as efforts promoting engagement in the political process, through which more than 300 students became registered voters. He said the largest musical concert on campus in some time would take place in April at the Mitchell Center. He invited Trustees and guests to attend the event cosponsored with Jaguar Productions and Student Affairs, and added events like these add to the vibrancy of campus life. He stated another priority was setting the framework for enduring relationships that might bridge gaps and be of benefit to his SGA successors. He advised that a summit would be hosted in April to encourage dialogue on the topic of mental health. He commented on Higher Education Day festivities and thanked Mr. Fulford and Mr. Lawkis for coordinating South's presence at the annual event in Montgomery. He reported four buses filled with students and other South constituents made for the largest contingent among the 14 public universities represented. In closing, he said it was gratifying to see fellow student leaders grow and he introduced the SGA's Vice President Mr. Darshan Patel, Chief Justice Ms. Taylor Davis, Attorney General Mr. JuWan Robinson, First Year Council Director Mr. Shaun Holloway and Senate Clerk Ms. Sav Hoyt.

Chairman Simon presented certificates of appreciation to Mr. Crownover, Mr. Thomas and Dr. Fisher for their contributions as organization presidents representing the SGA, African-American Student Association and Faculty Senate, respectively, **ITEM 4.A**. He complimented each for their service and commented on the model of shared governance demonstrated at the University. Mr. Peek asked Mr. Crownover to pass along to the new SGA president his suggestion that a poll be conducted to gauge the views of students on what they feel is important to the student experience.

Chairman Simon addressed consent agenda **ITEMS 5, 7 and 18** as follows, respectively, noting all were unanimously recommended for Board approval by the respective committees that met on March 2. On motion by Mr. Shumock, seconded by Mr. Windom, the items were approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR NOVEMBER AND DECEMBER 2016 AND JANUARY 2017**

WHEREAS, the Medical Staff appointments and reappointments for November and December 2016 and January 2017 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the appointments and reappointments as submitted.

**RESOLUTION
DEAN AND PROFESSOR EMERITUS**

WHEREAS, Dr. Benjamin Keith Harrison, Professor of Chemical Engineering and Dean of the Graduate School, has retired from the University of South Alabama, and

WHEREAS, in recognition of Dr. Harrison's honorable and distinguished service to the University through extraordinary accomplishments in administrative leadership, teaching and the generation of new knowledge through research and scholarship, and for serving as a consistently inspiring influence to students, and

WHEREAS, in accordance with University policy, the Faculty Senate, the Provost and Senior Vice President for Academic Affairs, and the President have duly recommended the aforementioned individual,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby appoints Dr. Benjamin Keith Harrison to the rank of Dean and Professor Emeritus with the rights and privileges thereunto appertaining, and

BE IT FURTHER RESOLVED that the Board of Trustees of the University of South Alabama, in recognition of his extraordinary accomplishments and dedicated service to the University of South Alabama, conveys its deep appreciation to Dr. Harrison.

**RESOLUTION
DIRECTOR OF THE JAGUAR ATHLETIC FUND, INC.**

WHEREAS, pursuant to the Amended Bylaws of the Jaguar Athletic Fund, Inc. ("USAJAF"), the Board of the Trustees of the University of South Alabama ("University") shall approve the USAJAF slate of Officers and Directors, and

WHEREAS, the University and USAJAF have a history of interaction and cooperation that has served the interests of the University, and

WHEREAS, the Board of Directors of the USAJAF, through its Nominating Committee, is authorized to nominate Directors and Officers consistent with the aforesaid for consideration and approval by the Board of Trustees of the University, and

WHEREAS, the Nominating Committee of the Board of Directors and the Board of Directors of USAJAF have nominated Ms. Farish Beard for a three-year term pending the approval of the Board of Trustees of the University,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama does hereby approve Ms. Farish Beard as a member of the Board of Directors of the USAJAF with a three-year term beginning March 2017 and ending March 2020.

Chairman Simon called for a report from the Health Affairs Committee. Dr. Furr, Committee Chair, said, at a meeting on March 2, Mr. Danny Rickert gave an update on efforts for health care reform in Alabama through the proposed implementation of a regional care organization provider model and Dr. Marymont announced a title change for Mr. Bailey, who will serve as Chief Executive Officer of USA Health and Senior Associate Vice President for Medical Affairs. He said Mr. Bailey recognized Mr. Sam Dean for his appointment as Hospital Administrator at the USA Medical Center; Ms. Becky Tate, Administrator for Ambulatory Services and Affiliate Development at USA Health, for her March 15 retirement following a long and distinguished career at USA; and Mr. Brian Norris for his transition to the role of Administrator for Ambulatory Services and Affiliate Development at USA Health. He added the Trustees visited the Strada Patient Care Center on March 2.

Chairman Simon called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, said, at a meeting on March 2, Provost Johnson recognized Dr. Richard Carter for his appointment as Associate Vice President for Global Engagement and reported on Global USA, a unit established for the advancement of the institutional priority of global engagement, through which international support services will be administered under the direction of Dr. Carter. She stated Dr. Mitchell discussed student engagement projects related to Black History Month, World Democracy Day and Higher Education Day. She said Ms. Chronister introduced Dr. Gary Piazza, distinguished researcher and leader of the MCI's Drug Discovery Research Center, for a presentation on his research on cancer cell growth inhibitors. She stated Dr. Piazza is shown as the inventor on more than 45 patent applications, 30 of which resulted in patents awarded. Dr. Piazza will be inducted as a fellow into the National Academy of Inventors in April.

Chairman Simon called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, said, at a meeting on March 2, Mr. Weldon presented the quarterly financial statements for the three months ended December 31, 2016, and noted the information was as expected. He said Mr. Weldon reported on plans for Series 2017 bond issues that will have flat amortization schedules -- one for \$20 million for 20 years to fund infrastructure projects and one for \$25 million for 25 years to fund residence hall construction. He said it is anticipated the bonds will be priced in early June and brought to the Board for final approval at the June meeting.

Chairman Simon called for a report from the Audit Committee. Mr. Peek, Committee Chair, said, at a Committee meeting on March 2, Mr. Weldon presented results of a KPMG audit on the activities of the athletics division for compliance with NCAA bylaws. He said the KPMG report included a statement of revenue and expenditures, as well as a declaration that KPMG's examination was not for the purpose of issuing an opinion on the compliance of the financial statement. He said the Alabama Department of Examiners of Public Accounts Compliance Report for the year ended September 30, 2015, was presented by Mr. Weldon and included one finding related to E-Verify regulations. He said the University's interpretation of the regulations differed from that of the Examiners and an opinion from the Alabama Attorney General (AG) was requested. He stated the University would develop a plan that addresses the AG's opinion once received. He said Mr. Berry gave a brief overview of the activities of the Office of Internal Audit and findings were not reported.

Chairman Simon called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, briefly acknowledged the professional accomplishment of friend Mr. Jim Tate, the track and cross country coach at St. Paul's Episcopal School and husband of USA's Becky Tate, for having won his 100th state championship. He stated, at a meeting on March 2, endowment performance was presented and returns exceeded expectations relative to benchmarks. He stated performance for the first quarter of fiscal year 2016-2017 was 1.35 percent versus a relative index of .44 percent, an outperformance of .91 percent. He added the return through January was 3.01 percent versus a 1.90 percent index, an outperformance of 1.11 percent. He noted the allocation of assets is consistent with endowment policy parameters and shared the annualized performance from inception through December 31, 2016, was 4.93 percent versus the relative index of 3.98, and outperformance by 95 basis points. He advised of plans to gradually invest up to \$5 million in available cash to capitalize on improved market conditions.

Mr. Yance said the Committee received an update on *Upward & Onward* Campaign activities and was advised of pledges and gifts totaling \$99.3 million, or 66 percent of the \$150 million campaign goal, as of February. Of this total, close to \$4.8 million would help meet the 2017 fiscal year goal of \$15.7 million. He said a meeting of the Campaign Leadership Team would take place later in the day and outside consultant Mr. Dondi Cupp, Associate Vice President of Development from the University of Michigan, would lead discussion on campaign goal achievement and long-term planning strategies. He stated a newly-formed Campaign Celebrations Committee has been charged to develop ideas for festivities to mark campaign milestones for the purpose of maintaining constituent engagement, reported close to \$3 million raised for the MacQueen Alumni Center and noted solicitations for the 1974 Society have begun.

Chairman Simon called for a report from the Evaluation and Compensation Committee. Mr. Shumock, Committee Chair, noted President Waldrop would soon complete his third year at the University and stated, at a meeting on March 2, discussion on President Waldrop's contract

took place. In accordance with the Committee's unanimous recommendation, he offered a motion that the Board approve modifications to the terms of President Waldrop's contract that would provide for (1) an extension of the contract for an additional five years effective upon the employment anniversary date of April 1, 2017, and upon expiration of this contract on April 1, 2022, the term of subsequent contracts would be set at three years, (2) an approximate six percent increase in core compensation and (3) tenure eligibility, **ITEM 18.A**. He further moved that Chairman Simon be directed to administer the contract modifications and execute the contract. Chairman Simon said he would consult with the members of the Board to assure satisfaction with the terms of the contract. Mr. Yance seconded and the motion was approved unanimously.

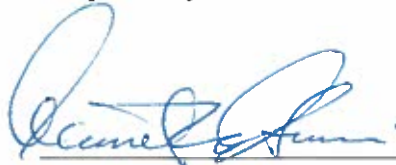
There being no further business, the meeting was adjourned at 11:17 a.m.

Attest to:

Respectfully submitted:



Arlene Mitchell, Secretary



Kenneth O. Simon, Chair *pro tempore*

APPENDIX A



UNIVERSITY OF SOUTH ALABAMA

**DISCLOSURE OF INFORMATION ON PURCHASE OF REAL PROPERTY
PURSUANT TO ALABAMA ACT 2014-133**

PROPERTY ADDRESS:

2675 Hayles Street
Mobile, Alabama 36607
Key Number 00766111

APPRAISAL INFORMATION:

No appraisal was obtained as the property was acquired via negotiated payment of \$100.00 for State and County taxes due. The Mobile County Revenue Commission reported a 2016 fair market value of \$5,200.00 for the property.

CONTRACTS RELATED TO THE PURCHASE:

Tax Deed issued by the State of Alabama attached as “**Exhibit A**”

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Unrestricted Funds

USA PROPERTIES

775 N. University Blvd. | Suite 150 | Mobile, Alabama 36608-4548
TEL: (251) 460-6100 | FAX: (251) 461-1765 | SouthAlabama.edu

350
50
400
1000
1400
900
1600

EXHIBIT "A"



2017021343 1/1
Bk: LR7499 Pg:647
Document Type: 0

Mobile County, Alabama
I hereto certify this instrument
filed on 02/19/2017 08:45:39 AM
Don Davis, Probate Judge
Deed Tax \$ 50
Mortgage Tax \$ 00
Mineral Tax \$ 00
No Tax \$ 00
Judge Fee \$ 2 00
S R Fee \$ 10 00
Surcharge Fee \$ 3 50
Recording Fee \$ 16 00
TOTAL \$ 100 00
2017021343
Bk LR7499
Pg 647

Deed Number: 58925

THE STATE OF ALABAMA

KNOW ALL MEN BY THESE PRESENTS

THAT WHEREAS on the 4th day of April, 2011, the Probate Court of MOBILE County rendered a decree for sale of lands hereinafter described and conveyed, for payment of State and County taxes then due from BUSH, MARGIE DIANNE the owner of said lands, and for the payment of fees, costs and expenses of and under said decree, and the sale had in execution thereof

And WHEREAS, thereafter, to-wit, on the 26th day of May, 2011, under and in pursuance of said decree, said lands were regularly offered for sale by the Tax Collector of MOBILE County for said taxes, fees, costs and expenses, and no person having bid a sufficient sum for the said lands to pay the same, said lands, were bid in for the State for the sum of said taxes, fees, costs, and expenses.

AND WHEREAS, the time allowed by law for the redemption of said lands has elapsed since said sale, and the same not having been redeemed, the title thereto under said sale is still in the State.

And WHEREAS, said land having been entered upon the books of the State Land Commissioner, and the State Land Commissioner of the State of Alabama, with the approval of the Governor, has fixed the price of said land, and ascertained that the sum of ONE HUNDRED DOLLARS & ZERO CENTS is sufficient to cover and satisfy all claims of the State and County against said lands for or on account of taxes, interest, fees, costs and officers' fees which were due upon or have accrued against said lands, as provided by law.

And WHEREAS, application has been made to the State Land Commissioner of the State of Alabama by UNIVERSITY OF SOUTH ALABAMA to purchase said land, and sum of ONE HUNDRED DOLLARS & ZERO CENTS (100.00) therefore has been paid into the State Treasury.

NOW THEREFORE, the State Land Commissioner of the State of Alabama, by virtue of and in accordance with the authority in him vested by law, with the approval of the Governor of Alabama, and in consideration of the premises above set out, has this day granted, bargained, sold, and conveyed and by these presents does grant, bargain, sell and convey unto the said UNIVERSITY OF SOUTH ALABAMA without warranty or covenant of any kind on the part of the State, express or implied, all right and title of the State of Alabama acquired by the tax sale aforesaid in and to said lands, described as follows:

Parcel # 022907230002096

Legal Description LOTS 1 & 2 BLK 2 SOUTH MILLVILLE SUB DBK 128 P 253 LESS & EXC THAT PT INTO MOBILE ST #SEC 23 T4S R1W #MP29 07 23 0 002

lying and being situated in said County and State, to have and to hold the same, the said right and title of the State in the land aforesaid, unto UNIVERSITY OF SOUTH ALABAMA and his/her/their/its heirs, assigns and successors forever.

In testimony whereof I have hereunto set my hand and seal this the 17th day of February, 2017.

Approved

STATE LAND COMMISSIONER OF ALABAMA

Robert Bentley
Governor of Alabama

By Julie P. Magee
State Land Commissioner

THE STATE OF ALABAMA, MONTGOMERY COUNTY

I, Leahm Ashie, a Notary Public in and for said County, in said State hereby certify that Revenue Commissioner Julie P. Magee, whose name is signed to the foregoing conveyance as State Land Commissioner, and who is known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, he/she, in his/her capacity as such State Land Commissioner, executed the same voluntarily on the day the same bears date.

Given under my hand this the 17th day of February, 2017.

Leahm Ashie, Notary Public

My Commission expires: 2-14-18

Grantor:
Alabama Department of Revenue
Property Tax Division
Gordon Persons Bldg.
50 N. RIPLEY STREET RM 4103
MONTGOMERY, ALABAMA 36104

Grantee:
UNIVERSITY OF SOUTH ALABAMA
307 N. UNIVERSITY BLVD.
ROOM 170,
MOBILE, AL 36688

This instrument was prepared by: Deanna Coman

PROPERTY ADDRESS:

Raw Land

Deed Number: 58925

COMMITTEE MINUTES

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

HEALTH AFFAIRS COMMITTEE

**March 2, 2017
1:30 p.m.**

A meeting of the Health Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair, on Thursday, March 2, 2017, at 1:36 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Alexis Atkins, Chandra Brown Stewart, Steve Furr, Bettye Maye, Arlene Mitchell and Steve Stokes (arrived at 1:55).

Member Absent: Scott Charlton.

Other Trustees: Tom Corcoran, Ron Jenkins, Bryant Mixon, John Peek, Jimmy Shumock, Ken Simon, Mike Windom and Jim Yance.

Administration and Others: Owen Bailey, Lynne Chronister, Josh Crownover (SGA), Sam Dean, Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Brian Norris, Danny Rickert, John Smith, Becky Tate, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and attendance roll was called. Chairman Simon noted the appointment of Ms. Atkins to the Health Affairs Committee, as well as the Academic and Student Affairs Committee. Dr. Furr called for consideration of the minutes of the meeting held on December 1, 2016. On motion by Ms. Brown Stewart, seconded by Ms. Maye, the Committee voted unanimously to adopt the minutes.

Dr. Furr addressed **ITEM 5**, a resolution authorizing the USA Hospitals medical staff appointments and reappointments for November and December 2016 and January 2017 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 3, 2017). On motion by Ms. Brown Stewart, seconded by Ms. Maye, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Furr called on Dr. Marymont for presentation of **ITEM 6**, a report on the activities of the Division of USA Health and the College of Medicine. Dr. Marymont advised of a trip on March 1 he, Mr. Bailey and Mr. Rickert made to Montgomery to meet with members of the local legislative delegation and Alabama's Speaker of the House, which included discussions on Medicaid and regional care organization (RCO) development. He asked Mr. Rickert to give an update. Mr. Rickert reminded the Committee of the University's role over the past three years in helping to

establish an RCO program in the state. He observed multiple iterations of the process over the course, noting RCOs were originally designed to be provider-sponsored, Medicaid-managed care plans, but, as deliberations evolved, for-profit entities were allowed to become involved. He stated the growing complexity together with additional risks Medicaid requested that USA bear caused the Gulf Coast Regional Care Organization to withdraw in November, as did the RCOs for Region B covering Birmingham and Region D covering Montgomery, Dothan and Auburn/Opelika. He reported Centene, a Fortune 500 managed-care company based in St. Louis, also declined to participate in recent days. At present, two RCOs remain in contention – a BlueCross BlueShield-sponsored plan affiliated with Eliza Coffee Memorial Hospital in North Alabama and a Huntsville Hospital-affiliated plan in Region A that covers North Alabama and Tuscaloosa. Mr. Rickert noted the desire of each to expand into the regions without RCOs, including Region E for the Gulf Coast. He said, despite a tight timeframe for that to happen, the governor and Medicaid commissioner have expressed optimism that all regions would have an RCO in place by October 1. He added statutory provisions permit an alternative care plan to be substituted if an RCO fails to be implemented in any region. In light of budget challenges, such as significant shortfalls in Medicaid funding and the possible repeal of the Affordable Care Act, and given USA Health currently receives in excess of \$100 million in reimbursements from Medicaid annually, he asserted it would be prudent for the Institution to stay involved in the process and continue to explore options. He said, because RCOs have pulled out and due to the uncertainties in Washington, South's message to the state legislature is that RCO implementation should be postponed while the parties continue to work on solutions, and the hope would be USA's existing managed-care health plan would carry on operations for the interim. He stated the message to federal lawmakers is that Alabama's academic health centers, in particular USA and the University of Alabama at Birmingham, should be protected from possible adverse effects that may trickle down as a result of action in Washington.

Mr. Corcoran asked what feedback the local delegation had provided. Mr. Rickert said Mobile and Baldwin county legislators have been consistently supportive and stand ready to act on behalf of the University. As to risk potential, Mr. Yance and Mr. Rickert questioned the judgement of an RCO to move forward under the current terms. Dr. Furr commented on Centene's withdrawal and Mr. Rickert shared opinions on what may have motivated the decision.

Dr. Marymont asked Mr. Bailey to join him as he shared background on a project in which both took part. He advised, shortly after coming to the University seven months prior, President Waldrop charged him with evaluating the structure of the health system and making recommendations. He stated, over the four-month process, he concluded the health system needed a Chief Executive Officer and he described the characteristics and abilities that would be desired of an individual for this role. He said it soon became clear the right person for the position was Mr. Bailey. He announced the reclassification of Mr. Bailey's title from Chief Operating Officer to Chief Executive Officer of USA Health. Mr. Bailey complimented Dr. Marymont for his leadership and said it was a joy to be at the University and work with its talented people.

With reference to recent administrative transitions at USA Health, Mr. Bailey introduced and gave background information on Mr. Sam Dean, who recently joined the USA Medical Center as Hospital Administrator replacing Ms. Beth Anderson. Mr. Dean expressed excitement for the initiatives taking shape at the Medical Center, including a lobby renovation and the addition of a wing on the site of the former helicopter pad that will be fitted with outpatient operating rooms.

Mr. Bailey announced the retirement of Ms. Becky Tate effective March 15 and he asked her to share the floor as he discussed highlights of her career at USA, which began in 1978 and included roles as President and Chief Executive Officer (CEO) of PrimeHealth and as CEO of the USA Health Services Foundation. He said her most recent project was coordination of the construction, organization and opening of the Strada Patient Care Center. He stated she had made a tremendous impact and would be missed. Ms. Tate thanked Mr. Bailey and conveyed pride to be a member of the USA family. She reflected briefly on her long tenure, saying South Alabama had provided opportunities for growth and relationship development beyond expectation, and she thanked the Board for their support. Mr. Bailey invited Trustees and guests to attend a reception in Ms. Tate's honor on March 8.

Mr. Bailey introduced Mr. Brian Norris, who joined USA in 2015 as an assistant administrator for the health system. He said Mr. Norris would be assuming Ms. Tate's position as Administrator of Ambulatory Services for USA Health and stated Mr. Norris's professional credentials made him a perfect fit for this role. Mr. Norris said it was his privilege to work with the leadership and continue the momentum Ms. Tate achieved and he conveyed enthusiasm to be involved in the progress taking place at the health system.

Concerning Mr. Rickert's participation in the Montgomery meetings with Mobile and Baldwin county legislators, Mr. Bailey advised Mr. Rickert had become a respected expert in the state and beyond on matters involving innovative care delivery systems as well as those related to RCOs. He added the University was fortunate to have him on its team and he thanked Mr. Rickert for his efforts.

There being no further business, the meeting was adjourned at 1:58 p.m.

Respectfully submitted:



Steven P. Furr, M.D., Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

**March 2, 2017
1:58 p.m.**

A meeting of the Academic and Student Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Ms. Bettye Maye, Chair, on Thursday, March 2, 2017, at 1:58 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Alexis Atkins, Steve Furr, Bettye Maye, Bryant Mixon, John Peek and Mike Windom.

Member Absent: Scott Charlton.

Other Trustees: Chandra Brown Stewart, Tom Corcoran, Ron Jenkins, Arlene Mitchell, Jimmy Shumock, Ken Simon, Steve Stokes and Jim Yance.

Administration and Others: Owen Bailey, Richard Carter, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), John Felschow, Petre Freeman, Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Gary Piazza, John Smith, Jean Tucker, Jarmora Valrie, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Ms. Maye called for adoption of the minutes of the meeting held on December 1, 2016. On motion by Mr. Windom, seconded by Sheriff Mixon, the minutes were adopted unanimously.

Ms. Maye called for presentation of **ITEM 7**, a resolution awarding emeritus status to Dr. Keith Harrison for his roles as dean and professor as set forth and conveying the Board's appreciation for his accomplishments and dedication to the University (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 3, 2017). Provost Johnson stated Dr. Harrison's long tenure included roles as faculty member and interim dean for the College of Engineering, dean of the Graduate School and associate vice president for academic affairs. On motion by Dr. Furr, seconded by Mr. Windom, the Committee voted unanimously to recommend approval by the Board of Trustees.

Ms. Maye asked Provost Johnson to address **ITEM 8**, a report on the activities of the Division of Academic Affairs. Provost Johnson discussed the creation of Global USA, a unit pooling together the offices and services associated with the institutional priority of global engagement. He said Dr. Rick Carter had been asked to lead Global USA as an associate vice president. He introduced Dr. Carter, reminding the group he joined South as dean of the School of Continuing Education and

Special Programs in 2016 and had a strong background in international education. Provost Johnson said Global USA would administer the Office of Global Outreach and International Student Services, the Office of Immigration and International Admissions, the Office of International Education and the English Language Center. He added that Dr. Carter would continue to supervise the Center for Continuing Education and Conference Services, as well as the USA Baldwin County campus.

Ms. Maye called upon Dr. Mitchell for a report on the activities of the Division of Student Affairs, **ITEM 9**. Dr. Mitchell shared details on events and programs the students had been involved in over the Spring semester. He said Black History Month was observed in February and introduced Office of Multicultural Student Affairs (OMSA) staff members Ms. Jarmora Valrie, new director and former USA student and recruiter, and Ms. Petre Freeman, coordinator. He said OMSA, which works with approximately 16 student organizations, sponsored 14 events for Black History Month, including Black Girls Rock, which recognizes the achievements of African-American women on campus and in the community and for which nine organizations raised \$1,000 for a scholarship for a LeFlore High School student; the annual Soul Food Luncheon that had more than 200 people in attendance; a Collegiate 100 induction ceremony that welcomed 22 new members; and OMSA night at a basketball game, which supported Jaguar Athletics. He advised Collegiate 100 member Mr. Broderick Morrisette organized and led a tour of the Dora Finley African-American Heritage Trail for 33 students to learn about historic and present-day contributions of African-Americans in Mobile and the region, with the help of fellow tour guide Dr. Joycelyn Finley-Hervey, professor and chair of the Department of Interdisciplinary Studies.

Dr. Mitchell recognized graduate student Mr. John Felschow for his proposal to the Student Government Association (SGA) that resulted in the visit to campus of the Lima Company Memorial, a traveling exhibit that raises awareness of the sacrifices of the U. S. military by honoring 23 fallen soldiers who served in Operation Iraqi Freedom. He stated the Lima Company Memorial was presented in January and more than 200 students attended the exhibit, including several international students who had an opportunity to share their gratitude to Lima Company veterans and volunteers for the actions of the United States military in their home countries.

Dr. Mitchell talked about relief efforts following the January 21 tornado that devastated areas of Hattiesburg, Mississippi, including the campus of William Carey University. He stated a campus drive collected supplies that filled two large vehicles, as well as \$1,000 in Walmart gift cards, and a delegation from the SGA delivered the items to the William Carey campus. He shared that the faculty, staff and students of William Carey were appreciative of the efforts of South Alabama students.

Dr. Mitchell discussed the origins of World Democracy Day at South, which took place on February 17. He stated the project, the result of a partnership between the Division of Student Af-

fairs and the College of Arts and Sciences with Drs. Krista Harrell and Robert Coleman coordinating, involved transforming the amphitheater into an outdoor classroom for students to engage in dialogue about what is transpiring in the world. He stated a general assembly broke into smaller groups to consider such topics as nativism, education and democracy, the U. S. Bill of Rights, reproductive rights, media and democracy, and immigration. The sessions were co-led by students and faculty.

Dr. Mitchell shared information about Higher Education Day that took place in February. He said a delegation of more than 225 USA students, led by Mr. Crownover, who served as Chair of the Alabama University Student Presidents Council for 2016-2017, traveled to Montgomery to rally support for higher education. He added that South was the largest student alliance in attendance and the group had the opportunity to hear from legislators and demonstrate the message that higher education should be a priority in Montgomery.

Chairman Simon pointed out the participation of Trustees in student events. Ms. Brown Stewart acknowledged attending the Black Girls Rock event and shared her enthusiasm for the good job of the groups that came together to raise scholarship money for deserving students from LeFlore High School, an underserved high school in the community. Mr. Windom commented on his experience at Higher Education Day, calling it a great opportunity for South students to meet Alabama lawmakers and witness the legislative process. He said no other school could match the presence of USA in Montgomery and added Mr. Shumock was in attendance as well. Mr. Shumock echoed Mr. Windom's remarks, noting also the efforts of the local delegation and the Lt. Governor to break from their business in order to meet and hear from USA representatives. Chairman Simon commended Mr. Peek for advocating on behalf of the University of South Alabama in numerous ways on an ongoing basis. He recognized Dr. Erdmann for leading a delegation of USA travelers to Tucson, Arizona, the hometown of Capt. Jenkins, in December for the USA vs. Air Force Nova Home Loans Arizona Bowl. He shared appreciation for the achievement of the football team and the exposure USA received, adding it speaks well of the University that many are willing to represent. He said efforts such as these raise the University's profile and improve the quality of campus life.

Ms. Maye called on Ms. Chronister for discussion of **ITEM 10**, a report on the activities of the Division of Research and Economic Development. Ms. Chronister introduced Dr. Gary Piazza, Mitchell Cancer Institute (MCI) researcher, advising of the University's nomination of Dr. Piazza as a fellow of the prestigious National Academy of Inventors (NAI), an organization that promotes innovation and entrepreneurship in university and private laboratory settings and recognizes exceptional innovators, entrepreneurs and inventors. She said she was proud to report Dr. Piazza would be inducted into the NAI on April 6. Dr. Finan gave details on Dr. Piazza's educational and research background and noted his role as program director and chief of drug discovery and development and chemo prevention at the MCI. He said Dr. Piazza was a tremendously successful inventor with more than 40 patents issued. Dr. Piazza thanked the Committee for the opportunity to

discuss the work of the MCI's Drug Discovery Research Center. He stated his research team was a diverse group of scientists with various specialties focused solely on drug development and added, in the six years he had been at the MCI, he had received direct funding totaling \$6 million through four grants awarded by the National Cancer Institute. He shared his perspective on the challenges associated with drug discovery and ranked the discovery that molecules can affect complex biological processes as one of humanity's greatest achievements. He explained the unique "chemical biology" approach that set his lab apart from others and provided favorable consequences with regard to grant applications, intellectual property and collaborative research. He added that the MCI's high-end robotics capabilities were a critical resource for advanced compound screening and shared insight on his research related to the RAS gene, a critical regulator in tumor growth that eluded the efforts of the scientific community for three decades until his team had success with compounds that vigorously inhibited RAS. He said laboratory testing further demonstrated promising anti-cancer properties of the RAS inhibitor and conveyed optimism about moving to the next phase of clinical trials at the MCI. He gave information on strategic collaborations with distinguished partners, including the University of Alabama at Birmingham and M.D. Anderson, and advised that a spin-off company, ADT Pharmaceuticals, Inc., had been created and conducts business in space leased from the Coastal Innovation Hub on USA's campus. He noted the company, an important vehicle for clinical and commercial development, currently had eight patents filed and was the recipient of two SBIR (Small Business Innovation Research) grants. He, Ms. Chronister and Dr. Finan responded to questions about seed funding for commercial development and publicizing of research.

There being no further business, the meeting was adjourned at 2:29 p.m.

Respectfully submitted:


Bettye R. Maye, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

BUDGET AND FINANCE COMMITTEE

**March 2, 2017
2:29 p.m.**

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Thursday, March 2, 2017, at 2:29 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Arlene Mitchell, Bryant Mixon, Steve Stokes and Jim Yance.

Other Trustees: Alexis Atkins, Chandra Brown Stewart, Steve Furr, Ron Jenkins, Bettye Maye, John Peek, Jimmy Shumock, Ken Simon and Mike Windom.

Administration and Others: Owen Bailey, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Randy Moon, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Corcoran called for consideration of the minutes of the meeting held on December 1, 2016. On motion by Mr. Yance, seconded by Dr. Stokes, the minutes were approved unanimously.

Mr. Corcoran called upon Mr. Weldon to present **ITEM 11**, the quarterly financial statements for the three months ended December 31, 2016. Mr. Weldon said the statements did not contain any unusual or unexpected information. He reported an increase in net position of \$16.7 million for the quarter as compared to a net position increase of \$13.7 million for the previous year.

Mr. Corcoran asked Mr. Weldon to address **ITEM 12**, a report on the Series 2017 bond issue. With reference to prior discussions on the need for new capital to fund phase one of the infrastructure improvement project, which was approved by the Board in September 2015, and construction of a 370-bed residence hall, that was approved in December 2016, Mr. Weldon advised that, over the next 90 days, an official statement on a bond issue in June would be prepared. He anticipated the public-placement bonds would be issued in two series – one for approximately \$20 million for the infrastructure project to be paid over 20 years and one at between \$24 to \$25 million for the residence hall project to be paid over 25 years. He discussed plans to capitalize interest on the bonds for the residence hall until the facility opens in Fall 2018, at which time the University would begin debt service payments solely from rent revenues without impact to the University budget. He added that both bonds would have level amortization with payments of principal and

interest in equal installments over the life of the bond. He reminded the group the University had not had a substantial new money bond issue since 2013 and stated consultations with Moody's and Standard & Poor's indicated the transactions were not likely to impact USA's bond rating in a negative way. He projected the bonds would be priced on June 1 in order for Board approval to occur at the next meeting on June 2.

Mr. Yance asked if projected costs for building maintenance and utilities would be covered by the debt service payments. Mr. Weldon said the debt service was a component of the operating expenses of the residence hall and room rates are set to pay debt service and to cover utilities and related overhead. Dr. Smith added, in making the decision to move forward with building the residence hall, a self-supporting function, all projected costs, such as for maintenance, utilities and staffing, were factored into a preliminary budget developed to demonstrate feasibility.

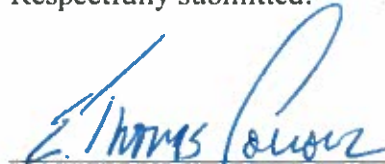
Mr. Peek thanked the Administration for providing ample time for the Board to consider and discuss the information. He noted level amortization was not always structured into previous bond issues and he asked Mr. Weldon to comment. Mr. Weldon said, historically, the University's approach to debt was to manage debt service more so than total debt, and, at times, debt service repayment was delayed beyond the initial years of the bond. As an example, he cited the 2006 bonds, for which payments over the first 17 years of the 30-year term were for interest only. He stated while this strategy may have provided the University with more funds, it hampered South's ability to borrow additional funds. He reminded the Committee that the 2006 bonds were refunded in December 2016. He said, in the last four years, USA has focused on controlling total outstanding debt to provide additional borrowing opportunities in future years. He noted the infrastructure project began one and a half years prior and had been funded internally thus far. Mr. Peek asked about plans for managing upcoming spikes in debt service. Mr. Weldon stated, apart from the recent swaption-related 2006 bond refunding, of which the first \$20 million is estimated to mature in five years and which he advised would be refinanced eventually, the University's continuing debt service would start to drop to a more manageable level over the next two years.

Capt. Jenkins asked which external companies would be involved in the bond transaction. Mr. Weldon said a four-member underwriting team had been assembled similar to that used for the June 2016 advanced refunding of 2008 bonds and he anticipated the senior underwriter would be selected within the next two weeks. He said a request for proposals (RFP) was not issued for the upcoming bond transaction because of the short span of time since having completed the last RFP. Chairman Simon asked if the bond issue would have nationwide exposure. Mr. Weldon stated three of the underwriters were national companies and one was Alabama-based. He added, in the next year, the University would issue an RFP to develop a pool of potential underwriters for future bond transactions.

At Chairman Simon's request, Mr. Weldon gave background on the infrastructure improvement project, reminding the Committee that a consultant was engaged three years ago to examine needs, such as repairs and upgrades related to underground pipes, roofs, hot and chilled water, and the electrical substation system. He said the consultant estimated the costs for infrastructure updates at between \$35 and \$50 million and added Associate Vice President for Facilities Management Mr. Randy Moon was asked to determine the priorities over the next four to five years and make recommendations. He stated that Mr. Moon's plan called for phase one improvements at a projected cost of \$25 million, which he said was being completed with internal funds and debt. He reported on the creation of a deferred-maintenance budget two years prior and plans to build the budgeted amount to \$2.5 million annually.

There being no further business, the meeting was adjourned at 2:42 p.m.

Respectfully submitted:



E. Thomas Corcoran, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

AUDIT COMMITTEE

March 2, 2017

2:42 p.m.

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. John Peek, Chair, on Thursday, March 2, 2017, at 2:42 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Ron Jenkins, Bryant Mixon, John Peek and Jimmy Shumock.

Member Absent: Scott Charlton.

Other Trustees: Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Steve Furr, Bettye Maye, Arlene Mitchell, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.

Administration and Others: Owen Bailey, Robert Berry, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Peek called for consideration of the minutes of the meeting held on December 1, 2016. On motion by Sheriff Mixon, seconded by Mr. Shumock, the minutes were adopted unanimously.

Mr. Peek called on Mr. Weldon to address the KPMG report on intercollegiate athletics for the year ended September 30, 2016, **ITEM 13**. Mr. Weldon reminded the group that this review, which is conducted annually as mandated by the bylaws of the National Collegiate Athletic Association (NCAA), focuses on the application of agreed-upon procedures that are required by the NCAA. He stated the report did not contain exceptions or findings.

Mr. Peek asked Mr. Weldon to discuss **ITEM 14**, the Alabama Department of Examiners of Public Accounts Compliance Report for the year ended September 30, 2015. Mr. Weldon said the report contained one finding stating South may not have complied with the Code of Alabama regarding E-Verify employment regulations. He said, prior to and since Alabama's adoption of E-Verify in 2012, USA had adhered to the rules of the U. S. Department of Homeland Security and, consistent with a memorandum of understanding, institutions of higher education are exempt from E-Verify requirements except in cases when employees are funded with federal money. He stated, at the recommendation of the Examiners, a letter from President Waldrop to the Alabama Attorney General (AG) requesting an opinion on application was mailed in January.

He added, despite an indication from the Examiners they would delay release of the report until the AG ruling was received, the report was issued within days of the University's letter. He advised, if the ruling is not in the University's favor, USA would comprehensively implement E-Verify regulations. Chairman Simon asked about the implications of introducing E-Verify regulations. Mr. Weldon stated E-Verify would add another procedural layer to the University's current system of determining employment eligibility for all new employees. He said applicants would have to be entered into a federal database at a cost to the University and, because of the size of the University's employee population, administration would require a full-time position and the creation of new processes. The impact to and subsequent action of other institutions in the state was discussed. Mr. Weldon estimated implementation of a new E-Verify process would cost the University \$50,000 to \$60,000 per year.

Mr. Peek called on Mr. Berry to address **ITEM 15**, a report on the activities of the Office of Internal Audit. Mr. Berry gave a brief overview of the work of Internal Audit staff in providing consulting services to the various campus units. He stated the work was routine and offered to answer questions.

Citing increasing complexities across environments, for example those pertaining to financial reporting and health care, Chairman Simon asked for feedback on ways the Board might work with the Leadership to become more engaged in the risk management process, and posed food-for-thought questions for the group's consideration, such as (1) should the Board review University policies to identify key areas of exposure, (2) do the policies reflect best practices, and (3) should a chief compliance officer be appointed? Mr. Peek said risk management and compliance are at the forefront of discussion at universities nationwide. He noted the impact of both on every aspect of campus and applauded efforts to ensure the long-term success of the University. Mr. Yance agreed it would be prudent for Trustees to have a working knowledge on compliance and accountability dynamics. Mr. Peek commented on recent administrative retirements and recognized the importance of preserving and passing forward institutional knowledge. Mr. Shumock observed the evolving landscape of the Institution, describing South as a big, intricate business. He concurred that a basic understanding of the major risks and processes, and of how elements interconnect, would be beneficial. President Waldrop acknowledged the need for a better system for oversight. He reported on efforts under way to set up a centralized compliance office and credited Mr. Berry for helping identify a structure. He said staff involved in compliance areas voiced unanimous support for the initiative and a University committee is working through the details of implementation.

Chairman Simon asked the group to share thoughts on a course of action. Mr. Corcoran suggested that the Board delay any action until the task force has had an opportunity to address the charge and make recommendations. Mr. Shumock echoed the remarks of Chairman Simon about employing best practices, suggesting that the University committee research existing

models. President Waldrop talked about one approach used by the Research Triangle Institute, an association for which he once served as a Board member. Mr. Peek recommended that the charge of the task force include formalization of a method whereby compliance matters are reported to the Board. Mr. Windom offered to share related Association of Governing Boards materials. President Waldrop gave assurances as to the commitment of the task force and said, in the days ahead, he would be talking to the group about goals. Mr. Peek urged that consideration be given to the involvement of a Board member to work with the task force. He and Mr. Shumock asked that an update be provided to the Board at the next meeting.

There being no further business, the meeting was adjourned at 3:07 p.m.

Respectfully submitted:

John M. Peek, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

**March 2, 2017
3:07 p.m.**

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Committee Chair, on Thursday, March 2, 2017, at 3:07 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Tom Corcoran, Ron Jenkins, Steve Stokes, Mike Windom and Jim Yance.

Other Trustees: Alexis Atkins, Steve Furr, Bettye Maye, Arlene Mitchell, Bryant Mixon, John Peek, Jimmy Shumock and Ken Simon.

Administration and Others: Terry Albano, Owen Bailey, Lynne Chronister, Josh Cogswell, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, Norman Pitman, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Yance called for consideration of the minutes of the meeting held on December 2, 2016. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the minutes were adopted unanimously.

Mr. Yance asked Mr. Albano and Mr. Pitman to address **ITEM 16**, a report on endowment and investment performance. Mr. Albano discussed results for the first quarter of fiscal year 2017, noting a return of 1.35 percent vs. a relative index of .44 percent, or an outperformance of 0.91 percent. He called this a strong outcome in a short timeframe. He discussed manager performance, observing all managers had outperformed their benchmarks with the exception of the firm of Douglas Lane. He added, through January 31, Douglas Lane had outperformed and he asked Mr. Pitman to elaborate. Mr. Pitman expressed confidence in Douglas Lane, stating manager underperformance was to be expected from time to time. He shared perspective on manager results through the end of January, observing that each manager had outperformed its relative index, and compared January's 1.11 percent overall outperformance to that of the first quarter at 91 basis points. Mr. Albano addressed asset allocation, noting the investments by asset class continued to adhere to the prescribed guidelines of the endowment policy. He advised of plans to look for opportunities to invest \$5 million in the market due to favorable conditions. Mr. Yance recalled profits totaling \$8 million had been pulled away from the portfolio and held in reserve for a time in anticipation of a downturn in the market. He said the

investment team determined the time was right for introducing \$5 million of these proceeds back into the market and Mr. Albano anticipated this money might be placed in the international asset class. Mr. Pitman agreed, stating after three years of underperforming, international economies and market performance are showing improvement. Mr. Albano discussed performance since inception in April 2000 through the end of December. He said the endowment return was 4.93 percent vs. the relative index of 3.98 percent, an outperformance by 95 basis points. Discussion took place on the movement of the Dow Jones Industrial Average. Mr. Albano projected the U. S. Federal Reserve would raise interest rates. Thoughts on manager profits were exchanged.

Concerning **ITEM 17**, a report on the activities of the Division of Development and Alumni Relations, Mr. Yance called for remarks by Dr. Stokes, Upward & Onward Campaign Co-Chair. Dr. Stokes reported \$98.6 million raised as of February 15, which represents 31,927 gifts from 23,534 donors and constitutes 66 percent of the overall \$150 million campaign goal. He noted close to \$76 million secured during the quiet phase of the campaign and approximately \$23 million obtained since the public launch of the campaign in October 2015. He reported \$4.8 million in pledges and contributions raised toward the 2017 fiscal year goal of \$15.7 million, or about 30 percent. He talked about the involvement of guest speaker Mr. Dondi Cupp, Associate Vice President for Development at the University of Michigan, in workshops planned for March 3 for the volunteer leadership team and held on February 17 for the fundraising staff, President's Administrative Council, Deans and the leadership of USA Health. He said the Development staff is working to identify prospects and opportunities for the remainder of the campaign and advised of regional activities being scheduled for the Spring that will include a dinner for alumni in Atlanta and a gathering for College of Medicine alumni in Birmingham on April 20. He said festivities marking the campaign's \$100 million milestone are being organized and reported close to \$3 million raised for the MacQueen Alumni Center. Mr. Yance thanked the Stokeses and the staff of Development and Alumni Relations for their efforts.

Mr. Yance called for a report from Director of Development Mr. Josh Cogswell. Mr. Cogswell thanked everyone in the room for contributing to the Upward & Onward Campaign and asserted the positive difference philanthropy makes in furthering institutional progress. He stated, as of the end of February, the campaign total had reached \$99.3 million. He presented a chart showing campaign dollars allotted by strategic priority. As to the priority of Student Success and Access, he discussed new gifts received and pledged for the Mitchell-Moulton Scholarship Initiative, as well as matching funds received and anticipated, which have made a campaign impact of close to \$13.6 million. He advised that the fulfillment rate for pledges is between 94 and 96 percent.

Mr. Yance asked Dr. Erdmann to present **ITEM 18**, a resolution to approve Ms. Farish Beard as a director of the USA Jaguar Athletic Fund for a three-year term from March 2017 through March 2020. Dr. Erdmann noted Ms. Beard, a former softball pitcher, was named an All-American

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athlete by the National Collegiate Athletic Association (NCAA). On motion by Mr. Windom, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:21 p.m.

Respectfully submitted:



James A. Yancey, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

EVALUATION AND COMPENSATION COMMITTEE

March 2, 2017

3:21 p.m.

A meeting of the Evaluation and Compensation Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, March 2, 2017, at 3:21 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Steve Furr, Arlene Mitchell, John Peek, Jimmy Shumock and Mike Windom.

Other Trustees: Alexis Atkins, Chandra Brown Stewart, Ron Jenkins, Bettye Maye, Arlene Mitchell, Bryant Mixon, Ken Simon and Steve Stokes.

Administration and Others: Owen Bailey, Lynne Chronister, Josh Crownover (SGA), Joel Erdmann, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, John Marymont, Mike Mitchell, John Smith, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. With reference to President Waldrop's contract and provisions that performance evaluations be conducted on an annual basis, Mr. Shumock acknowledged, through the completion of two evaluation cycles, President Waldrop's performance was found to be satisfactory. He noted April 1 would be the third anniversary of President Waldrop's appointment and stated, on behalf of the Committee, he and Mr. Windom had taken on the charge of talking to President Waldrop in recent weeks about objectives relating to his appointment and possible amendments to his contract. He noted President Waldrop had received the same adjustments in compensation over his three-year term as had been received by the general University population and advised that a comprehensive survey comparing President Waldrop's compensation with that of presidents at competing peer institutions, such as those in the Sun Belt Conference and those having medical schools and hospitals, was conducted recently. He offered for the Committee's consideration a motion for Board approval of amendments to the terms of President Waldrop's contract that would allow for (1) an extension of the contract for an additional five years effective upon the employment anniversary date of April 1, 2017, and upon expiration of this contract on April 1, 2022, the term of subsequent contracts would be set at three years, (2) an approximate six percent increase in core compensation and (3) tenure eligibility, in recognition of President Waldrop's long career in academia and leadership in his academic field, **ITEM 18.A**. He noted the current contract did not address tenure and said, should President Waldrop seek tenure, he would be required to follow the University's tenure guidelines, which stipulate final approval by the Board. Moreover, he said language dealing with tenure privileges would be added to the contract to protect the University in the unlikely event of a dispute or separation. Dr. Furr seconded the motion.

Mr. Peek asked for clarification on provisions related to a teaching position. Ms. Tucker stated President Waldrop would apply for tenure through the College of Medicine's Department of Physiology and Cell Biology, the unit in which he already holds a faculty position. Mr. Shumock concurred that this faculty position was provided for in the original contract. Dr. Marymont commented briefly on tenure approval channels. Mr. Shumock said most contracts specify if a president were to revert to a teaching position, compensation would be commensurate with that of a faculty member. Mr. Peek asked about tenure provisions at other institutions and Mr. Shumock stated tenure eligibility varies based upon the individual's background and accomplishments. He said, most often, if tenure is important to the individual, provisions are included in the contract. President Waldrop shared insight on the significance tenure eligibility would mean for him. Mr. Peek stressed the importance of the record reflecting that the offer of tenure eligibility to President Waldrop would not constitute a precedent for offering tenure eligibility to future presidents of South Alabama.

Chairman Simon stated President Waldrop was an excellent leader and feedback from University constituents was evidence he exceeded expectations. Mr. Yance reiterated those remarks, stating the views of the community conveyed to him have been overwhelmingly positive. Mr. Windom added that a contract extension at this juncture was a demonstration of confidence in President Waldrop. Mr. Shumock added that a number of individuals consulted had communicated their appreciation for the Board's proactivity in addressing the matter. He called for the vote and the Committee voted unanimously to recommend Board approval of the motion as set forth. President Waldrop said he enjoyed his role at South. He thanked the Committee for its recommendation and expressed the affinity he and his wife, Julee, share for the University and the community. He stated the positive remarks were a reflection of the entire leadership team.

There being no further business, the meeting was adjourned at 3:35 p.m.

Respectfully submitted:



James H. Shumock, Chair