UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Executive Committee Meeting

April 15, 2010
2:00 p.m.

The Executive Committee of the University of South Alabama Board of Trustees was duly convened by Secretary Bettye Maye on Thursday, April 15, 2010, at 2:02 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present:	Trustees Cecil Gardner, Samuel Jones, Donald Langham, Bettye Maye, James Nix (via phone), and Steven Stokes (via phone).
Member Absent:	Trustee James Yance.
Other Trustee:	Trustee Christie Miree (via phone).
Administration and Others:	President Gordon Moulton; Drs. Bob Shearer, John Smith, and David Turnipseed and Kelly Woodford (Faculty Senate); Messrs. Wayne Davis and Glenn Gardner (SGA); and Ms. Kim Proctor (SGA).
Press:	Messrs. Ted Hughes (WPMI), Matthew Peterson (*Vanguard*), and Guy Turnbow (WALA); and Mss. Renee Busby (*Press-Register*) and Daniela Werner (*Vanguard*).

On behalf of Chairman Stokes, Ms. Maye, Secretary of the Executive Committee, convened the meeting and called for approval of the revised agenda. On motion duly made and seconded, the revised agenda was unanimously adopted.

Recommending that **ITEM 2** as follows be considered first, President Moulton noted a pressing demand for additional student housing. He called upon Dr. Smith to discuss plans to construct a residence hall. Dr. Smith discussed a chart showing steady increases in freshman enrollment in the past five years. He reported an increase in freshman enrollment by 231 students since April 2009. Despite the positive side of enrollment increases, Dr. Smith reported that residence halls are at capacity and some students who need housing on campus will be turned away this fall. He told the Committee that, to address the demand for now, single-occupancy rooms had been converted into double-occupancy rooms to add 100 beds. He talked about the goal to establish "live-and-learn" communities in the dorm setting in an effort to help students connect positively to student life. He reported on discussions with Dr. Johnson about identifying faculty members who may consent to live in the residence halls and help to foster the learning communities environment. He discussed the dorm design and security features, including limited entrances to an interior hallway rather than exterior entrances to each unit. President Moulton presented visual slides and discussed the site proposed on a corner near existing residence halls where the land is flat. This location is a short distance from the new Student Recreation Center and the new dining hall. The residence building

will be three or four stories, and the units will be efficiently designed to take advantage of the best use of space and utilities.

The University's request for proposals yielded responses from 17 reputable architectural firms. President Moulton expressed confidence that, with approval by the Executive Committee to award the design contract to the firm of Williams Blackstock Architects, plans would be complete within 60 days, thus allowing for a 13-month window to complete construction. Ms. Maye inquired about the population of students showing interest in housing. Dr. Smith responded that the majority are freshmen and sophomores. He added that this may shift with the incorporation of the learning communities setting. Mr. Glenn Gardner, SGA President, asked if the Student Health Clinic would be moved from its present location in Building III of the USA Technology and Research Park. President Moulton responded that a decision to relocate the clinic has not been made. Ms. Kim Proctor, SGA Vice President, inquired if, with the learning communities concept, the residence hall would be open to all students. Dr. Smith replied that he envisions employing a variety of learning communities to meet a wide array of student needs, and added that all classifications of students could apply for residency. On motion by Mr. Gardner, seconded by Mr. Langham, the resolution was unanimously approved.

RESOLUTION
ARCHITECT FOR RESIDENTIAL BUILDING

WHEREAS, the University of South Alabama has a growing enrollment, and

WHEREAS, the quality of student life is strongly enhanced by excellent residential facilities, and

WHEREAS, the recruitment of students is strongly enhanced by high quality residential facilities, and

WHEREAS, the number of students seeking residence on campus has grown significantly over the past three years, and

WHEREAS, providing additional residential buildings is most beneficial at the beginning of a fall semester, and

WHEREAS, the fall of 2011 is the target date for a new residential building, and

WHEREAS, certain architectural firms are prominent in the field of residential buildings, and

WHEREAS, the University requested proposals from these firms and 17 responses were received, and

WHEREAS, each best qualified firm was evaluated for this project and the University staff has recommended one firm,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama authorizes the President to engage the firm of Williams Blackstock Architects for this project.

President Moulton introduced **ITEM 1** as follows and called upon Mr. Wayne Davis to discuss. Mr. Davis reported that, with the economic downturn, the University had put needed projects on hold. He advised the Committee that the resolution at hand authorizes the Administration to merely examine the best means for financing capital improvements, whether through a bank loan or through

the sale of revenue bonds. He added that bank rates are better at the present time and stressed that any major debt encumbering the University must first be approved in a seated meeting of the full Board of Trustees. He presented an option outlined in the resolution whereby one series of bonds might be issued for $15 million to fund the construction of much-needed student housing, and the possibility of completing a second bond sale to cover funding for renovations to the old recreation center and engineering building, the Bookstore, and the Student Center. If this funding option is selected, the total bond principal is not anticipated to exceed $30 million. The University, with an A1 rating from Moody's and an A+ rating from Standard and Poor's given in 2008, is in an excellent position to obtain preferred terms. Mr. Davis reminded Committee members that the University's financial advisor is Mr. Louis Cardinal of the firm of Thornton Farish, Inc. He said that the Administration would submit a request for proposals from interested banks, and would specify terms and fixed rates. Following the competitive bid process, a recommendation will be presented for consideration at the Annual Meeting of the Board on June 10. On motion by Mayor Jones, seconded by Mr. Langham, the resolution was unanimously approved.

RESOLUTION
FINANCING OF CAPITAL IMPROVEMENTS

WHEREAS, it is necessary, desirable and in the interest of the University of South Alabama (herein called the "University") that the University design, acquire, construct, install, furnish and equip various capital improvements on the property of the University including, without limitation, (I) a new dormitory to consist of approximately 300 bedrooms for use by students of the University, (ii) health services and education improvements, (iii) student center renovations, and (iv) various other capital improvements, together having an estimated cost of not to exceed $30,000,000 (herein collectively called the "Improvements"), and

WHEREAS, it is expected that the University will issue one or more series of revenue obligations (herein collectively called the "Obligations"), with the first such series to be in the amount of approximately $15,000,000, pursuant to a plan of financing for the purpose of providing funds to pay the costs of the Improvements, and it is expected that the aggregate principal amount of the Obligations will not exceed $30,000,000, and

WHEREAS, it is anticipated that all or a portion of the Obligations to be issued by the University shall be sold to one or more financial institutions pursuant to a competitive process, and

WHEREAS, the University expects to incur certain costs to be paid out of general funds of the University in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements prior to the issuance of the Obligations, and the University intends to allocate a portion of the proceeds of the Obligations to reimburse the University for certain of the costs incurred in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements paid prior to the issuance of the Obligations,

NOW, THEREFORE, BE IT RESOLVED, by the members of the Executive Committee (herein called the "Executive Committee") established by the Board of Trustees of the University, that (I) the University hereby declares that it intends to allocate a portion of the proceeds of the Obligations to reimburse the University for expenditures incurred after the date that is no more than sixty (60) days prior to the date of the adoption of this resolution, but prior to the issuance of the Obligations, in connection with the design, acquisition, construction, installation, furnishing and equipping of the Improvements; and (ii) this resolution is being adopted pursuant to the requirements of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 1.150-2(e) promulgated thereunder, and

FURTHER RESOLVED, that the President of the University and the Vice President for Financial Affairs are hereby authorized and directed to explore the feasibility of selling all or a portion of the Obligations to one or more financial institutions through a competitive process.

There being no further business, the meeting was adjourned at 2:31 p.m.

Attest to:

Donald L. Langham, Member

Respectfully Submitted:

Bettye R. Maye, Secretary
on behalf of:

Steven H. Stokes, MD
Chair Pro Tempore