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The Minutes of the Marshall University Board of Governors Meeting, June 17, 2010

Marshall University Board of Governors

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MARSHALL UNIVERSITY
BOARD OF GOVERNORS

Memorial Student Center

June 17, 2010

Members present, in person: John Hess (Vice Chair), Gary White, Robert L. Shell Jr., Michael J. Farrell, Joe Touma, General Hal Mooney, Gary Adkins, Dale Lowther, Ed Howard, Brent Marsteller, Larry Stickler, Mike Dunn, Matt James

By Phone: Verna K. Gibson

Members Absent: Letitia Neese Chafin, Michael Sellards, A. Michael Perry (Emeritus member);

Others in Attendance: Stephen Kopp, Ron Area, Layton Cottrill, Jan Fox, Anita Lockridge, Gayle Ormiston, Matt Turner, Mike Hamrick, Dr. Charles McKown, Perry Chaffin, Karen Kirtley, Jeff O'Malley, David Steele, Michael McGuffey, Dave Wellman, Ginny Painter, Lance West, Frances Hensley, Jim Schneider, Gretchen Oley, Rudy Pauley, Mary Ellen Heuton, Ann Knotts, Donna Spindel, Bill Burdette, Beth Wolfe, Chuck Hossler, Stan Maynard, Bob Bookwalter, Mary Todd, Don Van Horn, Tammy Johnson, Monica Brooks and others from the MU Community. Media was also present from the Herald-Dispatch, and The Parthenon.

I. Call to Order

John Hess, Chair pro tempore, called the meeting to order as Verna Gibson, Chair attended by phone.

II. Minutes Approval

Upon a motion by Gary G. White, seconded by Brent Marsteller, the minutes of the February 18, and April 22, 2010 meetings were approved.

III. Committee of the Whole

The following Board Meeting dates for fiscal year 2011 were approved, upon a motion by Brent Marsteller, and seconded by General Mooney.

August 26, 2010

October 21, 2010

December 9, 2010

February 17, 2011

April 28, 2011

June 16, 2011

Election of Board Officers was held. There being no nominations from the floor, upon a motion by Brent Marsteller, seconded by General Mooney, the following officers were approved:

Verna K. Gibson, Chair

*M John G. Hess, Vice Chair
Michael Sellards, Secretary*

IV. Election of Officers

It was noted that two of our board members, Gary White and Bob Shell would rotate off the Board. Both members have been tremendous servants to the University and the State of West Virginia. Gary White has been on the Board for 8 years under the new structure but many more before that. He appreciated this distinguished privilege to serve and thanked the University for the opportunity. Mr. Shell has been on the Board for 8 years under the new structure. He also appreciated the support of the Board and the opportunity to serve on the board of Governors. Mr. Shell also shared information on his health and the good news on his visit to the Cleveland Clinic. He thanked everyone for their well wishes and concerns. Mrs. Gibson commented that the impact of these members not being on the Board would be felt and we should not let them get far from the fold as they are both critical to the University. Mr. Hess commented that two big hitters would end their term and that we needed to tether them to the University.

V. President's Report

Dr. Kopp gave an update with a Powerpoint presentation that can be accessed at <http://www.youtube.com/watch?v=2aO0BOcLZ4Q>. He discussed the economic impact study released May 2010 noting that UP&S, the MU Foundation, and MURC were not included in the study. Since the completion of a prior study in 2008, MU's impact has tripled. Dr. Kopp stressed that many groups of individuals believe Higher Education cost the State money. However, the message to be communicated is that Higher Education brings money into the State and adds tremendous value. After the presentation and many accolades, the Board discussed avenues to use to communicate this message and how to formulate a framework of Public Policy.

In a video presentation, Dr. Kopp updated the Board of Governors with the progress made since developing the strategic initiatives that started in 2006. Items highlighted were:

- Enrollment growth for FY 2011 is estimated to be approximately \$3.3 in revenue;
- Marketing – Work will continue on a comprehensive marketing plan this summer;
- A capacity study is being developed this summer;
- **MU Online – More internal vs. external. Will work with Faculty to change and to offer more programs;**
- An initiative several years ago was to increase giving by Faculty and Staff...and it has increased this year;
- Grants and Contracts – will be close to \$48 million this year. MURC has done a great job;
- STEM Academy – pursuing approval for a “pilot” project;
- Follett Bookstore – celebrating 15 year partnership anniversary. New program “Rent-A-Text” starts this Fall and should be very successful.

The upcoming Soccer Tournament and what it means to the University was discussed. Mr. Shell met someone in Florida that wanted to attend MU because of their positive experience during their visit last year's Tournament last year.

VI. Committee Reports

Finance, Audit and Facilities Planning Committee, John G. Hess, Chair

Updates from various areas were given. From Athletics, David Steele and Mike Hamrick gave the great news that our Academic Program Rate was all passing. There will be no sanctions or loss of scholarships. The average GPA for football is between 2.1 to 2.64. Season ticket sales are about 3,000 ahead...13,000 current, 10,600 last year. Mr. Hamrick feels the program is heading in the right direction. Facility needs are a track, baseball field and indoor practice facility.

Perry Chaffin, University Auditor, provided an update on the Hotline calls, and other audit work in progress.

Jim Schneider, provided a School of Medicine update. The Chapmansville project is on target, stimulus monies were received. Enrollment and revenue have increased due to the enforcement of the residency requirement.

Action Items:

Anita Lockridge updated the board at the Finance, Audit and Facilities Planning Committee meeting. She noted that net revenue assessment is projected to be approximately \$2million more than budget at June 30th (excluding the School of Medicine). Upon a motion by Joe Touma, seconded by General Mooney, the report was accepted by the Board per the following resolution:

Resolved, that the Board of Governors receives the Financial/Budget Report for the nine months ending March 31, 2010

She also gave an investment earnings report noting that due to the "sunset provision" of Senate Bill 603 that takes effect on June 30, 2010, the account with Commonfund was fully liquidated on June 9, 2010. Funds have been returned to the State pool for investing. Upon a motion by General Mooney, seconded by Matt James, the Board accepted this report per the following resolution:

Resolved, that the Marshall University Board of Governors receives the Investment Earnings Report for the period ending April 30, 2010.

The Audit Engagement letter for Deloitte & Touche, LLP was approved upon a motion by Brent Marsteller, seconded by Joe Touma and unanimously approved by the Board per the following

resolution:

Resolved, that the Board of Governors approves the draft form engagement letter of Deloitte & Touche LLP.

The Travel Policy (FA-2) was brought to the Board for approval, upon a motion by Dale Lowther, seconded by Brent Marsteller and unanimously approved by the Board per the following resolution:

Resolved, that the Marshall University Board of Governors adopts Policy FA-2, Travel.

Layton Cottrill apologized for the lateness of this item; however, the bond issue for the recreation center and first year residence halls is being refinanced. This has been in the works, however, until today, Huddleston, Bolen Beatty Porter & Copen and Provident Corporation did not have a resolution. The following resolution was read and upon a motion by Robert L. Shell Jr., seconded by General Mooney, the following resolution was unanimously approved:

WHEREAS, The Board of Governors of Marshall University has previously entered into a Ground Lease dated the 1st day of October, 2007 (the "Ground Lease") with MSH-Marshall, LLC (the "Original Lessee") in connection with the development and construction of the Student Housing Facilities and Wellness Center and associated site development, amenities and improvements described therein (the "Project"); and

WHEREAS, the Project was financed in part by the issuance by Cabell County, West Virginia by and through the County Commission of Cabell County, West Virginia (the "Issuer") of its "Cabell County, West Virginia Variable Rate Demand University Facilities Revenue Bonds (MSH - Marshall, LLC - Marshall University Project) Series 2007A", its "Cabell County, West Virginia Taxable Variable Rate Demand University Facilities Revenue Bonds (MSH - Marshall, LLC - Marshall University Project) Series 2007B" and its "Cabell County, West Virginia Subordinate University Facilities Revenue Bonds (MSH - Marshall, LLC - Marshall University Project) Series 2007C" (collectively, the "Original Bonds"); and

WHEREAS, the opportunity has arisen to reduce the effective interest rate payable on account of the Project financing by retiring the Original Bonds through the issuance by the Issuer of "Cabell County, West Virginia, University Facilities Revenue Bonds (Provident - Marshall Project) Series 2010 (the "New Bonds"); and

WHEREAS, among other things, the issuance of the New Bonds will involve a new credit enhancement (letter of credit) provider and will require that the Original Lessee be replaced by Provident Group – Marshall Properties L.L.C. (the "New Lessee"); and

WHEREAS, it is in the best interests of the University and the Project to reduce the financing costs of the Project and to facilitate the issuance of the New Bonds.

NOW, THEREFORE, BE IT RESOLVED, the Board approves in principle moving

forward with the steps necessary to implement the replacement financing afforded by the New Bonds and authorizes the execution and delivery of such instruments and documents, including, without limitation the assignment of the Ground Lease to the New Lessee and amendments to the Ground Lease in connection therewith, as shall be necessary or desirable to effect the transactions contemplated herein (the “New Bond Documents”);

RESOLVED FURTHER, that that the final terms and conditions of the New Bond Documents shall be subject to the approval of Stephen J. Kopp, President and the University’s legal counsel; and

RESOLVED FURTHER, that upon approval of the final terms of the New Bond Documents by the President and Legal Counsel, the President and other Board officers are hereby authorized and directed to execute such documents in the form approved by the President and Legal Counsel, the execution thereof by such officer being deemed conclusive of the President and Legal Counsel’s approval of such form, and no further approval by this Board deemed necessary for such execution and delivery.

RESOLVED FURTHER, that the President, Secretary and other officers of the Board be, and hereby are authorized and directed in the name and on behalf of the Board of Governors of Marshall University to execute and deliver all documents and such further instruments, certificates, statements and papers, and to do any and all other lawful things to finalize and complete the New Bond financing for the Project and the transactions contemplated herein.

Academic & Student Affairs Committee, Letitia Neese Chafin, Chair

An informational update was given by Dr. Gayle Ormiston. He discussed the reorganization in the areas of Student Retention and Student Success. The “Campus Conversations” with faculty and staff members will continue.

Noted changes in Academic Affairs leadership have occurred. Dr. Prewiit, the Dean of the College of Health Professions (COEHS), starts July 1st. Many thanks were given to Dr. Oley for serving in the interim role. Bob Bookwalter has become the Interim Dean of the COEHS and Kelly McVenda is the new Veterans Advocate for Veterans Affairs.

The following action items were discussed at length during the Academic and Student Affairs Committee meeting.

Upon a motion by Gary White, seconded by Mike Dunn, the Board unanimously approved the following resolution:

Resolved, that the Marshall University Board of Governors approve a Name Change in Program and Major from Recreation and Park Resources, BS to Natural Resources and Recreation Management, BS.

Upon a motion by Mike Dunn, seconded by Matt James, the Board unanimously approved the following resolution:

Resolved, that the Marshall University Board of Governors approve the Intent to Plan for the Bachelor of Science in Public Health.

Upon a motion by Brent Marsteller, seconded by Joe Touma, the Board unanimously approved the following resolution:

Resolved, that the Marshall University Board of Governors approve the Addition of a Master of Science Degree Program in Health Informatics.

Upon a motion by Gary White, seconded by Dale Lowther, the Board unanimously approved the following resolution:

Resolved, that the Marshall University Board of Governors approve the addition of a Major in Sports Journalism.

Upon a motion by Robert Shell Jr., seconded by Gary White, the Board unanimously approved the following resolution:

Resolved, that the Marshall University Board of Governors adopts Policy AA7, Salary Increases for Tenured and Tenure-track Faculty.

VII. Announcements

Dale Lowther thanked Dr. Kopp and Mike Hamrick for attending the awards assembly at Wirt County High School. There were eight Marshall University scholarships awarded this year compared to one in the previous year.

Matt James announced that this meeting would be his last and thanked the group for the opportunity to serve. Samantha Turley will replace Matt as the Student representative.

Mr. Hess thanked Matt for his service to the Board.

A motion was made to go into Executive Session to discuss Real Estate Transactions by Robert Shell Jr., seconded by Brent Marsteller.

VIII. Executive Session

After a period of time, a motion was made by Gary White, seconded by Gary Adkins to return to open session.

Upon a motion by Brent Marsteller, seconded by Dale Lowther, and unanimously approved by the Board, the Executive Committee is authorized to negotiate and proceed with the transaction and purchase of an undisclosed property. At this time, Dr. Joseph Touma recused himself from voting.

IX. Adjournment

The date of the next meeting is August 26, 2010. As there were no other matters to bring before the Board, upon a motion by Ed Howard, seconded by Gary White and unanimously approved, the meeting was adjourned.

Michael G. Sellards, Secretary