

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

MINUTES

MAY 1, 2017

LONG-RANGE PLANNING COMMITTEE

MAY 1, 2017

BOARD OF TRUSTEES

- 1 Approve: [Formation of a Health Care Authority at the University of South Alabama](#)

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

SPECIAL MEETING

**May 1, 2017
4:00 p.m.**

A special meeting of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Vice Chair, on behalf of Judge Ken Simon, Chair *pro tempore*, on Monday, May 1, 2017, at 4:03 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Alexis Atkins, Chandra Brown Stewart, Steve Furr (phone), Bettye Maye (phone), Arlene Mitchell (phone), John Peek (phone), Jimmy Shumock, Ken Simon (phone), Mike Windom and Jim Yance.

Members Absent: Scott Charlton, Tom Corcoran, Kay Ivey, Ron Jenkins, Bryant Mixon and Steve Stokes.

Administration and Others: Owen Bailey, Lynne Chronister, Monica Ezell, Mike Finan, Sam Fisher (Faculty Senate), Happy Fulford, Mike Haskins, David Johnson, Don Langham, John Marymont, John Smith, Margaret Sullivan, Jean Tucker, Elizabeth VandeWaa (Faculty Senate), Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. On behalf of Chairman Simon, Mr. Shumock, Vice Chair, asked Dr. Marymont to start the discussion. Dr. Marymont advised that, in 2016, Alabama passed the University Authority Act that permits public institutions with medical schools to create authorities that would have the advantage of certain flexibilities not ordinarily permissible for government agencies. He stated, over the past year, as work with The Chartis Group continued and transitions in the executive management of USA Health evolved, increasing numbers of private health care providers in the community have expressed a desire to join the University. He said implementation of a health care authority (HCA) at USA, **ITEM 1** as follows (for copies of policies and other authorized documents, refer to **APPENDIX A**), would enable the University to commence with building the necessary infrastructure for furthering provider partnerships, thereby enabling the advancement of the strategic plan.

**RESOLUTION
FORMATION OF A HEALTH CARE AUTHORITY
AT THE UNIVERSITY OF SOUTH ALABAMA**

WHEREAS, the University of South Alabama is a public body corporate and institution of higher learning which operates a college of medicine as a part of its academic medical center enterprise which also includes a physician faculty practice, two acute care hospitals, the USA Mitchell Cancer Institute, these three endeavors being collectively known as USA Health, and the USA HealthCare Management, LLC., and

WHEREAS, pursuant to Code of Alabama Sections 16-17A-2 to 24 ("Enabling Law"), the "University Authority Act," public universities operating schools of medicine are authorized to form a type of public corporation known as a University Authority if it is found by the Board of Trustees of the sponsoring university that such formation is necessary, desirable, and in the best interests of the sponsoring university, and

WHEREAS, the formation of a University Authority by the University of South Alabama would enhance the University's provision of patient care by providing it with a corporate structure which allows for greater flexibility and options with the exercise of the powers and privileges granted under the Enabling Law to achieve this goal consistent with the public health mission of the University, and

WHEREAS, a form of the articles of incorporation which conform with the provisions of the Enabling Law is attached hereto as Exhibit A, and incorporated herein by reference,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of South Alabama hereby declares that it is necessary, desirable, and in the best interest of the University of South Alabama that the proposed the University of South Alabama Health Care Authority, a University Authority, be incorporated, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby authorizes the formation of the University of South Alabama Health Care Authority; approves the Articles of Incorporation of the University of South Alabama Health Care Authority on Exhibit A; and authorizes the University of South Alabama to proceed to form the University of South Alabama Health Care Authority by filing the articles of incorporation in accordance with Code of Alabama Section 16-17A-4, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby approves the Bylaws of the University of South Alabama Health Care Authority as set forth on Exhibit B, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby appoints the individuals listed on Exhibit C to serve on the Board of Directors of the University of South Alabama Health Care Authority for the terms indicated in accordance with the provisions of the Articles of Incorporation of the University of South Alabama Health Care Authority, and

BE IT FURTHER RESOLVED that the Board of Trustees hereby authorizes any other action necessary for the establishment of the University of South Alabama Health Care Authority,

BE IT FURTHER RESOLVED that the Board of Trustees ratifies any actions taken by officers or employees of the University of South Alabama in connection with the establishment of the University of South Alabama Health Care Authority.

Mr. Weldon said expediting authorization had to do with the time it would take to properly set up accounting procedures in order for the new entity to become fully operational, such as those related to provider billing, payroll and payment of bills. As an example, he referenced the formation of USA's Health Care Management, LLC, (HCM) in 2010, noting full execution was a six- to eight-month process. He stated the Administration had learned from that experience and was confident the groundwork for the HCA could be completed in less time. He advised that a steering committee was working on a target implementation in the next 90 to 120 days and several working groups were focused on the accounting elements that would need to be functional.

Ms. Tucker shared that The University of Alabama at Birmingham (UAB) played a major role in the legislation. She advised University Authorities are exempt from particular legal requirements, such as those related to the Alabama Open Meetings Act and competitive bid regulations, and have greater latitude with respect to retirement options for employees. She reiterated only the state's public universities with schools of medicine -- UAB, The University of Alabama and the University of South Alabama -- could take advantage of these flexibilities offered under the new law.

With reference to a legal judgement against a UAB-affiliated HCA that was established under the precepts of foregoing legislation dealing specifically with HCAs, Mr. Peek asked Ms. Tucker if the University Authority Act would preserve sovereign immunity in terms of USA's objectives. Ms. Tucker stated, while the new act has yet to be tried, it states sovereign immunity would not be conferred, but entities having been granted sovereign immunity would continue to have sovereign immunity. She said, in the same way USA Hospitals, as entities that are owned by and a part of the University, have sovereign immunity, it would be reasonable to presume sovereign immunity would be applicable to an authority that also belongs to the University. She pointed out, with the exception of the Chair *pro tempore* as an *ex officio* member, under the recommendation, all HCA board members would be USA employees.

Mr. Yance asked if the University intended to transfer the Hospitals to the HCA. Ms. Tucker said, while this was possible under the law, it was not currently the University's plan to do so. Dr. Marymont explained the primary purpose for implementing the HCA relates to greater versatility in the ability to offer benefits, including retirement, leased space and electronic medical records, to the numerous small private groups that would like to be part of a medical service organization, which, in turn, would enable the University to further outreach and achieve strategic goals, specifically those related to primary care and access point areas. Mr. Yance asked if USA's current physicians would be put into the HCA. Dr. Marymont said, as structured currently, the physicians would not be moved to the authority and he reminded of the transfer of HSF (Health Services Foundation) operations, inclusive of the USA Physicians Group, to the University. Ms. Tucker recalled that the faculty practice plan had been in a separate 501(c)(3) organization before the practice and assets were integrated into the University. Mr. Yance asked if USA's longstanding, in-house physicians had retirement benefits through the RSA (Retirement Systems of Alabama). Ms. Tucker said physicians hired before the HCM was formed were eligible for the RSA pension plan and those hired later as a part the HCM were eligible for a private, defined-contribution retirement plan that is not through the RSA. Mr. Weldon pointed out that some physicians hired prior to 2010 opted to transfer into the HCM. Mr. Yance asked what retirement options would be available to the new private partners assimilated into the HCA. Mr. Weldon said a retirement plan along the lines of a deferred-compensation plan was being developed and the flexibilities allowable under the new law would be incorporated. Mr. Yance agreed this would be an incentive to attract private partners for the HCA. In contrast, Mr. Shumock noted the retirement contribution boundaries dictated by federal law to which employees are generally subject.

Mr. Peek asked Dr. Marymont to elaborate on what makes the HCA a better mechanism for developing affiliations. From a physician-practice perspective, Dr. Marymont reiterated an authority would have versatility such that the rigors otherwise required of a government agency, for instance the competitive bid process and the Open Meetings Act, could be avoided. Mr. Yance observed the HCA would have the ability to negotiate with and hire groups based upon the quality of health care rather than cost. Ms. Tucker said the state's rationale in allowing University Authorities was to promote a public health goal. She added an authority would offer the potential for an increased patient population for South's educational setting, provide immunity from antitrust laws, and allow USA to interact with the private sector in a different way. Mr. Yance noted an authority would help the University establish a base in outlying communities and encourage physician and patient use of USA Hospitals. Mr. Bailey said, most importantly, a health care authority would align with the Institution's strategic plan. President Waldrop stated The Chartis Group recommended additional primary care physicians and the HCA would help the University achieve this faster.

Mr. Yance expressed concern about the appointed HCA board membership as proposed on the basis of the individuals' level of experience for governing a complex primary care organization. Ms. Tucker said, as per the statute, the USA Board of Trustees would have full control over the HCA board, articles of incorporation and bylaws and could make changes to the HCA board any time it was deemed appropriate and necessary to do so.

Mr. Peek shared concern about the HCA board's ability to incur University indebtedness. Ms. Tucker said, as structured currently, the HCA board was granted this authority and suggested the University President would bring significant decisions related to the HCA before the USA Board for deliberation and action. She reiterated the Chair *pro tempore* would represent the USA Board on the HCA board and Dr. Marymont added he, President Waldrop, Mr. Bailey and Mr. Weldon would also serve on the HCA board. He guaranteed the cognizance of the University leadership to direct the HCA in a transparent manner, emphasizing again the primary reason for having an authority was for advancing the strategic plan. President Waldrop agreed and, as to Board composition well into the future, he restated the USA Board of Trustees would have sole control of who is appointed to the authority board. Ms. Maye asked if circumstances had transpired to cause concern or whether this was the first discussion on the matter. Mr. Windom said this was the Board's first opportunity to consider creation of a HCA.

Mr. Shumock asked for an overview of the USA Board's involvement in the activities of the HCA once the HCA board was enacted. Ms. Tucker stated the HCA board would have full authority to transact all business, inclusive of the hiring of private primary care partners. She added the USA Board would continue to have sole control of the existing entities that belong to the University, such as the USA Hospitals. She and President Waldrop acknowledged the *ex officio* members of the HCA board would have full voting rights.

Mr. Yance observed that the University's existing physicians do not currently have sovereign immunity, nor would they if moved to the authority. Ms. Tucker concurred, noting the new individual employees of the HCA would also likely not have sovereign immunity. Mr. Yance remarked that the University would need indemnity coverage for HCA employees.

Mr. Windom asked Ms. Tucker to comment further on the manner in which an entity would be added to the HCA and on the urgency of a special meeting. Ms. Tucker anticipated only health care providers would be hired into the HCA. As to urgency, she and Dr. Marymont explained that obtaining provider identification numbers from health care payers, such as Medicaid or Medicare, is a three-month process and if providers were first hired by the University and then transferred to an authority some time later, the duplication of reapplying for provider identification numbers would be a setback and may have detrimental implications. Mr. Weldon added the lead time needed to establish accounting processes in order for the HCA to transact business and hire providers was motivation for a special meeting as well.

Mr. Yance conveyed appreciation for the responses and oversight of the Administration and said he now had a better understanding of the various benefits an authority would make possible. President Waldrop stated the authority would allow the University to better compete for providers in the community and Mr. Bailey said the USA Health team was working aggressively to get USA's message out about the benefit of academic health care and the uniqueness an association with South Alabama would offer. Mr. Bailey added that interest in and enthusiasm for the direction of USA Health was gaining momentum throughout in the greater Mobile region and he said the new leadership was growth-oriented, physician-friendly and knowledgeable of the academic mission.

Chairman Simon said he was appreciative for the meaningful exchange and the Administration's efforts to communicate with the Board and collect feedback. As to questions on the HCA board's ability to incur bonded indebtedness and make other significant decisions, he said it would be reasonable for pertinent committees of the Board to explore a mechanism for approvals. Alternatively, he and Ms. Tucker talked about regulation of power through bylaws amendments. Notwithstanding, Chairman Simon noted approval of the HCA at this session would not prevent additional discussions. As to the need expressed by the Administration to move quickly on implementing the HCA, Dr. Furr attested contracts currently under negotiation with private providers, as well as the prolonged process for securing provider numbers, necessitates quick action.

Mr. Windom asked about the qualifications of the proposed appointed HCA board members. President Waldrop said the board must be comprised of members who reflect the community. Ms. Tucker agreed, advising that the statute requires the board membership to be proportional to the racial, gender and economic status of the state. She restated, with the exception of the Chair

pro tempore, all of the individuals suggested to serve on the HCA board were employees of the University, and she and President Waldrop conveyed confidence in the abilities of the appointed persons to learn from and work cohesively with the expert *ex officio* members.

As to Chairman Simon's recommendation for additional discussion, Mr. Yance asked for clarification that authorization of the HCA at this meeting would not prohibit the USA Board from revisiting the authority of the HCA board relative to borrowing and bonded indebtedness at the next meeting in June or at any time and that regulation of powers would need to be consistent with the parameters set forth in the statute. Ms. Tucker agreed with these assertions.

Mr. Peek said his interpretation of the bylaws was the HCA board, once authorized, would have sole authority over the bylaws and amendments. Ms. Tucker said this was not the case and assured any amendments to the bylaws would not be effective unless adopted by the USA Board. Dr. Marymont asserted that the leaders entrusted to manage the University and its initiatives would work to maintain the Board's confidence. Mr. Yance pointed out that the USA Board would have the power to abolish the authority if compromised.

Mr. Windom asked about compensation of the directors and if officers would be hired. Ms. Tucker said directors would not receive compensation and officers would not be hired. She said outside counsel advised that the *ex officio* members could not be appointed to officer positions, but would have to be elected. She speculated the officers elected would be among the *ex officio* members who had expertise managing this type of organization.

Chairman Simon asked if an executive session was possible. As per the provisions of the Alabama Open Meetings Act, Ms. Tucker, Senior University Attorney, declared an executive session of the Board was being convened to discuss preliminary negotiations in trade competition. On motion by Mr. Yance, seconded by Mr. Windom, the Board, as recorded below, voted unanimously at 5:00 p.m. to convene a 15-minute executive session. Mr. Shumock noted the Board meeting would reconvene in an open session at 5:15 p.m.:

AYES:
Ms. Atkins
Ms. Brown Stewart
Dr. Furr
Ms. Maye
Ms. Mitchell
Mr. Peek
Mr. Shumock
Chairman Simon
Mr. Windom
Mr. Yance

Ms. Maye indicated she could not participate in the remainder of the proceedings and Ms. Ezell affirmed the existence of a quorum without Ms. Maye represented.

Following the executive session, the Board meeting reconvened at 5:18 p.m. and Mr. Shumock asked Trustees if additional discussion was needed. He called for the vote and, on motion by Mr. Yance, seconded by Ms. Atkins, the Board voted unanimously to authorize the formation of the University of South Alabama Health Care Authority. President Waldrop thanked Board members for the level of interest demonstrated in the conversation.

There being no further business, the meeting was adjourned at 5:21 p.m.

Attest to:

Respectfully submitted:




Arlene Mitchell, Secretary



James H. Shumock, Vice Chair

on behalf of:



Kenneth O. Simon, Chair *pro tempore*

APPENDIX A

EXHIBIT A
ARTICLES OF INCORPORATION

**ARTICLES OF INCORPORATION OF
UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY**

For the purpose of forming a public corporation under and pursuant to the provisions of the University Authority Act of 2016, and any act amendatory thereof, supplementary thereto or substituted therefor (hereinafter referred to as the "Enabling Law"), the undersigned incorporator does hereby sign, verify and adopt these Articles of Incorporation, and, upon the filing for record of these Articles of Incorporation in the Office of the Judge of Probate of Mobile County, Alabama, the existence of a public corporation and University Authority under the name set forth in Article I hereof shall commence.

ARTICLE I.

The name of the public corporation is the "University of South Alabama Health Care Authority" (hereinafter referred to as the "University Authority"). Attached as **Exhibit A** and made a part hereof is a certificate by the Secretary of State of the State of Alabama stating that the name proposed for the University Authority is not identical to that of any other corporation organized under the laws of the State of Alabama or so nearly similar thereto as to lead to confusion or uncertainty.

ARTICLE II.

The University Authority shall have perpetual existence; provided, however, that the University Authority's existence may be terminated pursuant to the provisions of the Enabling Law and of these Articles of Incorporation relevant to the dissolution of the University Authority.

ARTICLE III.

The name of the sponsoring university authorizing the incorporation of the University Authority is the University of South Alabama, a public body corporate of the State of Alabama ("USA"). On May 1, 2017, USA, by and through its governing body of the Board of Trustees adopted a resolution approving and authorizing the incorporation of the University Authority in accordance with the Enabling Law, a certified copy of which is attached hereto as **Exhibit B** and made a part hereof.

ARTICLE IV.

The University Authority is organized pursuant to the provisions of the Enabling Law.

ARTICLE V.

The University Authority shall have and exercise all powers and authorities provided by the Enabling Law, for corporations organized thereunder, together with such additional powers and rights as are now or may hereafter be provide by law.

ARTICLE VI.

The location and mailing address of the initial registered office of the Corporation shall be 307 University Boulevard, AD 170, Mobile, Alabama 36688-0002. The name of the initial registered agent of the University Authority at such address is G. Scott Weldon.

ARTICLE VII.

There shall be eleven (11) directors constituting the initial Board of Directors of the University Authority (hereinafter referred to as the "Board") whose terms of office and manner of appointment or election are as follows:

- (a) Of the initial eleven member board, five members will be ex-officio and will include the individuals occupying the following positions at the University of South Alabama: Chair *pro tempore* of the Board of Trustees, the President of the University, the Vice President for Finance and Administration, the Vice President for Medical Affairs, and the Chief Executive Officer of USA Health.
- (b) After the initial appointments to the board of directors, those appointed to the six director positions which are not in an ex officio capacity shall hold office for six year terms. The appointment of those six positions to the initial board of directors will be made in two groups, with three directors appointed to a three year term and three appointed to a full six year term. If, at the expiration of any term of office of any director, a successor has not been appointed as provided herein, then the director whose term of office has expired shall continue to hold office until his or her successor is appointed.
- (c) The appointment to the board of directors will be made by the University of South Alabama Board of Trustees (hereinafter referred to as "Trustees"). The appointed membership of the Board of the University Authority will be inclusive and reflect the racial, gender, geographic, and economic diversity of the state.
- (d) Each director shall serve without compensation but may be reimbursed for expenses actually incurred by him or her in connection with the performance of his or her duties.
- (e) A director may be removed by the Trustees, with or without cause, at any time. Any vacancy in the board of directors created by the death, resignation, incapacity or removal of a director or by an increase in the number of directors shall be filled by appointments made by the Trustees at their next regular meeting or earlier as determined necessary by the

Executive Committee of the Trustees.

- (f) A majority of directors shall constitute a quorum for the transaction of business of the Board, and any meeting of the Board may be adjourned from time to time by a majority of the directors present. No vacancy in membership of the Board shall impair the right of a quorum to exercise all the powers and perform all the duties of the board.
- (g) Any director who is serving on the Board in an ex-officio capacity by virtue of his or her office shall be automatically deemed to have resigned his or her seat on the Board in the event such individual no longer serves in the position that entitled him or her to an ex-officio membership on the Board.

ARTICLE VIII.

The initial bylaws of the University Authority shall be adopted by the Board, and approved by the Trustees. The power to alter, amend or repeal the bylaws or adopt new bylaws shall be vested in the Board; provided, that any amendment to the bylaws of the University Authority adopted by the Board shall not become effective until such amendment has been approved by a majority vote of a quorum of the Trustees of USA. The bylaws may contain any provisions for the regulation and conduct of the affairs of the University Authority and the Board not inconsistent with the Enabling Act or these Articles of Incorporation.

ARTICLE IX.

Upon the dissolution of the University Authority and the winding up of its affairs, the Board shall, after paying or making provision for the payment of all liabilities and obligations of the University Authority, transfer all of its remaining assets to the University of South Alabama or to any affiliate organization of USA that is designated by its Board of Trustees. No assets or earnings of the University Authority shall be distributed to any officer or director of the University Authority or to any private individual.

ARTICLE X.

The name and address of the sole incorporator of the University Authority are as follows:

<u>Name</u>	<u>Address</u>
G. Scott Weldon	307 University Boulevard, North AD 170 Mobile, Alabama 36688-0002

ARTICLE XI.

These Articles of Incorporation may be amended from time to time by filing articles

of amendment with the Secretary of State of the State of Alabama and in accordance with the terms and provisions of the Enabling Act, provided, that any amendment to these Articles of Incorporation shall not be effective, and shall not be filed of public record, until such amendment has been approved by a majority vote of a quorum of the Trustees of the University of South Alabama. Notwithstanding the foregoing, no amendment shall be made to these Articles of Incorporation which would in any way result in the operation of the University Authority for the private advantage or pecuniary profit of any director or member thereof or permit the operation of the University Authority for any purpose other than those allowed under the Enabling Act.

The undersigned, acting as the sole incorporator of the University of South Alabama Health Care Authority, executes these Articles of Incorporation on this _____, 2017.

G. Scott Weldon

EXHIBIT A

NAME RESERVATION CERTIFICATE

EXHIBIT B

CERTIFIED COPY OF AUTHORIZING RESOLUTION

EXHIBIT B
BYLAWS

**BYLAWS OF
UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY**

Adopted May 1, 2017

**BYLAWS OF
UNIVERSITY OF SOUTH ALABAMA HEALTH CARE AUTHORITY**

ARTICLE I

Offices

Section 1. Principal Office. The principal office of the University Of South Alabama Health Care Authority (hereinafter called the "University Authority") shall be located at 307 University Boulevard, N., AD 170, Mobile, Alabama, 36688-0002, in the City of Mobile, Alabama (hereinafter called "the City").

Section 2. Other Offices. The University Authority may also have such other office or offices within or without the corporate limits of the City as the Board of Directors of the University Authority may determine or as its business may require.

ARTICLE II

Powers and Conformity with Articles of Incorporation and Enabling Law

Section 1. Powers. The University Authority shall have such powers as are specified in its Articles of Incorporation, as may be amended from time to time, in conformity with the University Authority Act of 2016, and any act amendatory thereof, supplementary thereto or substituted therefor (hereinafter referred to as the "Enabling Law").

Section 2. Inconsistency with the Articles of Incorporation. No provision of these Bylaws may be inconsistent with the provisions of the University Authority's Articles of Incorporation or the Enabling Law. In the event of any inconsistency between these Bylaws and the Articles of Incorporation of the University Authority, the Enabling Law and Articles of Incorporation shall control.

ARTICLE III

Board of Directors

Section 1. Creation of Board. All corporate powers of the University Authority shall be exercised by or under the authority of, and the business affairs of the University Authority shall be managed under the discretion of, a Board of Directors (the "Board"). The number of members of the Board shall be eleven or as specified in the Articles of Incorporation.

Section 2. Election of Directors. The members of the Board (hereinafter called "Directors") shall be selected in accordance with the provisions of the University Authority's Articles of Incorporation (as it may at the time exist). Any vacancy in the

membership of the Board shall be filled in accordance with the University Authority's Articles of Incorporation.

Section 3. Terms of Directors. Each Director shall hold office for a term as established in the University Authority's Articles of Incorporation.

Section 4. Resignation of Directors. Any Director may resign at any time upon written notice to the University Authority addressed to it at its principal office or to an officer of the Board. Any resignation shall become effective at the time or upon the happening of the condition, if any, specified therein, or, if no such condition or time is specified, upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Removal of Directors. Any Director may be removed in accordance with the Articles of Incorporation.

Section 6. Vacancy Among Directors. Any vacancy in the Board shall be filled by appointments made by the Trustees of the University of South Alabama at their next regular meeting or earlier as determined necessary by the Executive Committee of the Trustees of the University of South Alabama.

Section 7. Place of Meetings; Telephonic or Video Conference Meetings. All meetings of the Board shall be held at the principal office of the University Authority or at such other place or places as the Directors may from time to time determine. The Board may meet telephonically or via video conference.

Section 8. Regular and Special Meetings. Regular meetings of the Board shall be held quarterly at such time as the Board may determine in advance. A special meeting of the Board shall be held upon the call of either the President of the University Authority or a majority of the total number of Directors, and otherwise at such times as the Board may by resolution specify.

Section 9. Notice of Meetings. One day's notice of each special meeting shall be given to each Director, and, if required by law or by these bylaws, such notice shall also state the purpose for which such special meeting was called. The notice provided for in this section must be given in person by any reasonable means (including telephone), unless any Director is absent from the country or municipality in which he or she resides, in which event any such notice may be given by registered letter or by telegram. Attendance of a director at a meeting shall constitute a waiver of notice of such a meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 10. Waiver of Notice. Whenever any notice is required to be given under the provisions of the University Authority's Articles of Incorporation, or of these bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice where such notice is permitted by state law. All such waivers shall be filed with the corporate records, or be made a part of the minutes of the relevant meeting.

Section 11. Quorum. A majority of Directors shall constitute a quorum for the transaction of business of the Board, and any meeting of the Board may be adjourned from time to time by a majority of the directors present. No vacancy in membership of the Board shall impair the right of a quorum to exercise all the powers and perform all the duties of the Board. Any regular meeting or special meeting of the Board may be continued in session by being adjourned at the end thereof to a specified time and place, and at any adjourned meeting may again be continued in session by adjournment thereof.

Section 12. Voting. Each Director shall be entitled to one vote at any meeting of the Board while in attendance. There shall be no voting by proxy.

Section 13. Business and Manner of Acting; Resolutions; Written Record. Any matter of business may be transacted at any meeting, except as otherwise required by law or these bylaws. Action approved by the majority of Directors present at any meeting at which a quorum is present shall be an act of the Board unless a greater portion is required by law or by the University Authority's Articles of Incorporation. At the request of any Director, the vote on any question before the Board shall be taken by yeas and nays and entered upon the record. All resolutions adopted by the Board shall constitute actions of the University Authority. All proceedings of the Board shall be reduced to writing, shall be signed by the secretary of the University Authority and shall be recorded in permanent physical or electronic storage.

Section 14. Powers. All powers of the University Authority shall be exercised by the Board or pursuant to its authorization. Except as otherwise provided by law, by the University Authority's Articles of Incorporation or by these bylaws, the Board shall exercise the powers of the University Authority, conduct its business affairs, and control its property. In addition to the powers and authorities by these bylaws expressly conferred upon it, the Board may exercise all such powers of the University Authority and do all such lawful acts and things as are not by statute, by the University Authority's Articles of Incorporation (as it may at the time exist) or by these bylaws denied to them.

Section 15. Compensation of Directors. Each director shall serve without compensation but may be reimbursed for expenses actually incurred by him or her in connection with the performance of his or her duties.

ARTICLE IV

Organization and Officers

Section 1. Officer. The officers of the University Authority shall consist of a President, a Vice President, a Secretary, and a Treasurer and other officers and assistant officers as the Board deems necessary or desirable. The President and the Vice President of the University Authority shall be members of the Board, and said offices shall not be held by the same person. The Secretary and the Treasurer of the University Authority and any other officers of the University Authority need not be members of the Board of Directors, and said offices may (but need not) be held by the same person.

Section 2. Other Officers, etc. The Board may appoint such officers, employees and agents as it may deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties, at and for such compensation, as shall be determined from time to time by the Board. The Board may appoint a Chief Executive Officer to carry out the duties and responsibilities as set forth in these bylaws.

Section 3. Election of Officers and Terms of Office. The officers of the University Authority shall be elected by the Board. The term of office of each officer shall be a period of two (2) years after the expiration of the prior term, commencing on July 1, except (a) that any person elected as an officer to fill an unexpired term shall serve only until the expiration of the term of office of the officer whose place he or she filled, and (b) that if the term of any officer as a Director expires prior to the end of such two-year period or earlier date of expiration of his or her term of office as an officer, his or her term of office as an officer of the University Authority shall also expire on the date of expiration of his or her term as a Director. Any provision hereof to the contrary notwithstanding, if, at the expiration of the term of office of any officer, no successor thereto shall have been elected, then the officer whose term of office shall have expired shall continue to hold office until his or her successor shall be so elected. Any officer elected or appointed by the Board may, however, be removed at any time by the affirmative vote of a majority of the entire Board.

Section 4. Delegation of Powers and Duties. In case of the absence of any officer of the University Authority, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, the powers and duties, or any of them, of such officer to any other officer, provided that a majority of the entire Board concurs therein.

Section 5. Resignation. Any officer may resign his or her office at any time by giving written notice thereof to the President of the University Authority. Such resignation, which may or may not be contingent upon formal acceptance, shall take effect on the date of receipt or at any later time specified in it. The vacancy will be filled by the Board for the unexpired portion of the term.

Section 6. Powers, Authorities and Duties of Officers. Subject to control of the Board, the several officers of the University Authority, in addition to the powers and authorities conferred and duties imposed upon them elsewhere in these bylaws, shall have and shall be charged with the powers, authorities and duties set forth in the following sections of this Article IV. The duties of the officers other than as outlined herein shall be prescribed by the Board or pursuant to its authorization.

Section 7. Duties of Officers. The duties of the President, Vice President, Secretary and Treasurer shall be those as are customarily performed by such officers in nonprofit corporations, including, without limitation, the following:

- (a) President: The President shall be the principal corporate officer of the University Authority and shall preside at all meetings of the Board. He shall also perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

- (b) Vice President: The Vice President shall perform such duties as may be assigned to him or her by the Board or the President. In the absence of the President or in the event of his or her disability, inability, or refusal to act, the Vice-President shall perform the duties of the President with the full powers of, and subject to the restrictions upon, the President.
- (c) Secretary: The Secretary shall provide for the keeping of the minutes of all meetings of the Board and Board committees. He or she shall give or cause to be given appropriate notices in accordance with these bylaws or as required by law, and shall act as custodian of all corporate records and reports and of the corporate seal, assuring that it is affixed, when required by law, to documents executed on behalf of the University Authority. He or she shall perform all duties incident to the office and such other duties as may be assigned from time to time by the President of the Board.
- (d) Treasurer: The Treasurer shall keep or cause to be kept correct and accurate accounts of the properties and financial transactions of the University Authority. He shall perform all duties incident to the office and such other duties as may be assigned from time to time by the President. In addition, the Treasurer shall oversee the engagement by the University Authority of a firm or firms of certified public accountants to conduct an annual audit of the financial affairs of the University Authority in accordance with generally accepted accounting principles.

Section 8. Assistant Secretary and Assistant Treasurer. The Board may, in the event of extended absent or disability of either or both the Secretary and the Treasurer of the University Authority, appoint an assistant secretary or an assistant treasurer, respectively, to act in the position and to perform such other duties as may be assigned by the President.

Section 9. Appointment, Powers, Authorities and Duties of Chief Executive Officer.

- (a) The Board may select and appoint a Chief Executive Officer, who is hereby delegated (1) the responsibility for overall administrative management of the University Authority under the oversight and direction of the Board and (2) such authority as shall be necessary to effect such responsibility, subject to such policies as may from time to time be adopted by the Board or any committee to which the Board has delegated powers for such action, including but not limited to the following:

- (1) making reports to the Board on the overall activities of the University Authority, as well as appropriate federal, state, and local developments that affect operations, and take all reasonable steps to conform to all applicable laws and regulations;
- (2) assisting the Board by annually preparing and updating a capital budget and preparing an operating budget showing expected receipts and expenditures, and supervise the business affairs of the University Authority to assure that funds are expended to the best possible advantage; and
- (3) performing such other duties as the Board shall from time to time direct.

Section 10. Fidelity Bonds. In addition to complying with all other requirements set out in these bylaws in respect of any particular office, every officer, agent or employee of the University Authority who may receive, handle or disburse moneys for the account of the University Authority, or who may have any of the University Authority's property in his or her custody or control or be responsible for its safety or preservation, shall, at the direction of the Board or the Treasurer of the University Authority, give a bond, in such form and in such amount and with such sureties as the Board or the Treasurer may require and approve.

Section 11. Contracts, Deposits, Signatures on Checks, Bonds and Notes.

- (a) Authority of employees of the University of South Alabama. Notwithstanding anything herein to the contrary, any individual employed by the University of South Alabama who has authority to act for the University of South Alabama in a particular capacity has the same authority to act for the University Authority, so long as such actions are consistent with the Enabling Law.
- (b) Execution of contracts. Except as herein otherwise provided, all contracts of the University Authority involving less than \$100,000 per year, shall be made by the President and the Secretary, provided that the Board may by resolution expressly authorize any other officer or offices, agent or agents, in the name and on behalf of the University Authority, to enter into any contract or to execute and deliver any instrument; and such authority may be general or confined to specific instances.
- (c) Banking authority. The President of the University of South Alabama and Vice President for Finance and Administration of the University of South Alabama may, on behalf of the Board: open and close bank, brokerage, custody, safekeeping, or other accounts

in the name of the University Authority; sell, transfer, and endorse for sale or transfer any and all securities on behalf of the University Authority; buy securities for the account of the University Authority; order the transfer or delivery of securities on the University Authority to any other person; pledge collateral, securities, or other property in the name of the University Authority and to make withdrawals, substitutions and exchanges in connection therewith; and exercise any other rights related to securities, including signing for all releases, powers of attorney, and/or other documents in connection with securities of the University Authority.

- (d) Deposits. All funds of the University Authority shall be deposited to the credit of the University Authority in such depositories as the President of the University of South Alabama and Vice President for Finance and Administration of the University of South Alabama may approve on behalf of the Board.
- (e) Signatures on checks, drafts, etc. All checks, drafts, and other orders for the payment of money for authorized disbursement or transfer of funds shall be signed by the person or persons designated for that purpose by the President of the University of South Alabama and Vice President for Finance and Administration of the University of South Alabama acting for the Board. In no event shall any check, draft, or other order for payment of money be signed or countersigned in blank.

Anything in these bylaws to the contrary notwithstanding, the President of the University of South Alabama and Vice President for Finance and Administration of the University of South Alabama may authorize the establishment of a special or limited bank account or accounts for payroll, working fund or other special or limited purpose or purposes of the University Authority, and may authorize the withdrawal of such funds on the signature of authorized persons.

- (f) Signature on bonds, notes, etc. To be valid as against the University Authority, all bonds, promissory notes, bills of exchange and other evidence of indebtedness, not including checks, drafts and other orders for the payment of money which are provided for in the preceding subsection (c) of this section, shall be signed in the name of the University Authority by the Secretary, and the President, or by such other officer or officers as may be authorized by the Board; provided, that such bonds, promissory notes, bills of exchange and other evidences of indebtedness may be executed with facsimile signatures of any

such officer or offices when so permitted by applicable provisions of law.

- (g) Satisfaction of Mortgages and Releases of Mortgaged Property. The Treasurer, the Secretary or other officer or agent designated by the Board may enter a record satisfaction of any mortgage to the University Authority which has been paid and may enter credits of record as to any mortgage which has not been fully paid, and may release any part of the mortgaged property from the mortgage.

ARTICLE V

Board Committees

Section 1. Executive Committee. The Executive Committee shall consist of the President, Vice President, Secretary and Treasurer of the University Authority, and the President of the University Authority shall serve as President of the Executive Committee. The Executive Committee shall have power to transact all regular business of the University Authority during the interim between the meetings of the Board, provided (a) that any action which it may take shall not conflict with the policies and express wishes of the Board, and (b) that it shall refer all matters of major importance to the Board. Should any matter of extreme emergency arise between the regular meetings of the Board, it shall be the duty of the Executive Committee to request the President to call a special meeting of the Board. The Executive Committee shall meet at the call of its President.

Section 2. Special Committees. The Board has other duties which may require the formation of ad hoc committees. Each such committee shall be appointed by the President of the University Authority and shall meet only as required to resolve the issue at hand. No such committee shall be required to record or keep minutes of its meetings; however, all recommendations made by it shall be submitted to the Board and shall be recorded in the appropriate minutes of meetings of the Board.

Section 3. Term. Each member of a special committee shall continue in such capacity until the next annual meeting of the Board or until such person's successor is appointed, unless the committee shall sooner be terminated by the Board.

Section 4. Resignation and Removal. Any member of a committee may resign at any time upon written notice to the University Authority addressed to it at its principal office or to its President or Secretary. The Board may remove any member of a committee from such office at any time with or without cause.

Section 5. Chairmen of Committees. The President shall appoint one member of each committee as chairman.

Section 6. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as is provided for in the case of original appointments.

Section 7. Rules of Governance. Each committee may adopt rules for its own governance not inconsistent with the Articles of Incorporation of the University Authority, these Bylaws or rules adopted by the Board.

Section 8. Quorum. A majority of the membership of any Committee shall constitute a quorum. No vacancy in membership of any Committee shall impair the right of a quorum to exercise all the powers and perform all the duties of the Committee.

ARTICLE VI

Indemnification

Section 1. Definition. For purposes of this Article VI, the term “officer” shall include the University Authority’s officers, directors, trustees, and the members of any other governing body of the University Authority, and any reference herein to directors, officers, employees, or agents shall include former directors, trustees, officers, employees, and agents and their respective heirs, executors, and administrators.

Section 2. In General. To the extent allowed by law, the University Authority shall indemnify any officer of the University Authority who is or was a party to any proceeding by reason of the fact that the officer is or was such an officer or is or was serving at the request of the University Authority as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other profit or nonprofit enterprise against all liabilities and expenses incurred in the proceeding except such liabilities and expenses as are incurred because of the officer’s willful misconduct or knowing violation of the criminal law. Unless a determination has been made that indemnification is not permissible, the University Authority shall make advances and reimbursements for expenses incurred by an officer of the University Authority in a proceeding upon receipt of an undertaking from the officer to repay the same if it is ultimately determined that the officer is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the officer of the University Authority and shall be accepted without reference to the officer’s ability to make repayment. The Board is hereby empowered to contract in advance to indemnify and advance the expenses of any officer of the University Authority.

Section 3. Additional Indemnification. The Board is hereby empowered to cause the University Authority to indemnify or contract in advance to indemnify any person not specified in Section 2 of this Article VI who was or is a party to any proceeding, by reason of the fact that such person is or was an employee or agent of the University Authority, or is or was serving at the request of the University Authority as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other profit or nonprofit enterprise, to the same extent as if such person was specified as one to whom indemnification is granted in Section 2.

Section 4. Indemnification Insurance. The University Authority may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article VI and may also procure insurance, in such amounts as the Board may determine, on behalf of any person who is or was a director, trustee,

officer, employee, or agent of another corporation, partnership, joint venture, trust, employee benefit plan, or other profit or nonprofit enterprise, against any liability asserted against or incurred by such person in such capacity or arising from such person's status as such, whether or not the University Authority would have power to indemnify such person against such liability under the provisions of this Article VI.

Section 5. Legal Determinations. In the event of a change in the composition of a majority of the Board after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to Section 2 of this Article VI shall be made by special legal counsel agreed upon by the Board and the proposed indemnitee. If the Board and the proposed indemnitee are unable to agree upon such special legal counsel, the Board and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

Section 6. Scope of Indemnification. The provisions of this Article VI shall be applicable to all actions, claims, suits, or proceedings commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification, or repeal of this Article VI shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue, or matter in any then-pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification, or repeal.

ARTICLE VII

General Provisions

Section 1. Annual Report. Within a reasonable period of time after the close of each fiscal year, the Chief Executive Officer, if one has been appointed by the Board, shall submit to the Board an annual report or separate reports which shall include such information that the Board deems necessary in order to carry out its fiduciary oversight responsibility.

Section 2. Conflict of Interest. Any Director, officer, employee, or committee member having an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make a prompt, full, and frank disclosure of his or her interest to the Board or committee prior to its acting on such contract or transaction. The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict of interest exists, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to, such contract or transaction. Such person may not be counted in determining the existence of a quorum at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present. The foregoing shall not be

interpreted to mean that a Director must not comply with provisions of state laws and accepted ethical standards and guidelines for determining conflict of interest.

Section 3. Fiscal Year. The fiscal year of the University Authority shall be October 1 through September 30.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the University Authority and the words "CORPORATE SEAL" and "ALABAMA."

Section 5. Procedure. The Board, Board committees, management committees, and any other committees may adopt rules of procedure which shall not be inconsistent with these bylaws.

Section 6. Construction of Terms and Headings. Words used in these bylaws shall be read as the masculine or feminine gender and as the singular or plural, as the context requires. The captions or headings in these bylaws are for convenience only and are not intended to limit or define the scope or effect of any provision of these bylaws.

Section 7. Annual Audit. The Treasurer shall oversee the engagement by the University Authority of a firm or firms of certified public accountants to conduct an annual audit of the financial affairs of the University Authority in accordance with generally accepted accounting principles. The Board shall submit all audits required herein to the University of South Alabama as promptly as practicable after the end of each fiscal year of the University Authority.

ARTICLE VIII

Adoption of Bylaws; Amendment to Bylaws

The initial bylaws of the University Authority shall be adopted by the Board, and approved by the Trustees of the University of South Alabama. The power to alter, amend or repeal the bylaws or adopt new bylaws shall be vested in the Board; provided, that any amendment to the bylaws of the University Authority adopted by the Board shall not become effective until such amendment has been approved by a majority vote of a quorum of the Trustees of the University of South Alabama.

EXHIBIT C
DIRECTORS

EX OFFICIO MEMBERS:

Chair *pro tempore* of the Board of Trustees, University of South Alabama

President, University of South Alabama

Vice President for Finance and Administration, University of South Alabama

Vice President for Medical Affairs, University of South Alabama

Chief Executive Officer of USA Health, University of South Alabama

APPOINTED MEMBERS:

<u>Name</u>	<u>Term</u>
1. Vincent D. Walker	Six Years
2. Mona Spencer	Six Years
3. Chris Vinet	Six Years
4. Jinni L. Frisbey	Three Years
5. Bill Starling	Three Years
6. Pamela Henderson	Three Years

COMMITTEE MINUTES

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

LONG-RANGE PLANNING COMMITTEE

**May 1, 2017
3:00 p.m.**

A meeting of the Long-Range Planning Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Mike Windom, Chair, on Monday, May 1, 2017, at 3:05 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Ron Jenkins (phone), Bettye Maye (phone), Jimmy Shumock and Mike Windom.

Administration and Others: Owen Bailey, Lynne Chronister, Angela Coleman, Monica Ezell, Mike Finan, Happy Fulford, Mike Haskins, David Johnson, John Marymont, John Smith, Margaret Sullivan, Jean Tucker, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called. Mr. Windom called upon Mr. Weldon to address **ITEM 1**, a report on a Campus Master Plan update. Mr. Weldon said the long-range planning process formalizes the vision of the Board, Administration and University community for future facility needs. He discussed the history of campus master plans, noting the issuance of plans in 2004 and 2010. He advised that President Waldrop appointed a Long-Range Planning Committee of the University in March 2016 and asked Provost Johnson and him to serve as chairs. He stated, over the past year, the committee had collected and incorporated new data into a draft 2017 Campus Master Plan, which had been presented to and endorsed by the Student Government Association (SGA). He said the purpose of this presentation was to give the Long-Range Planning Committee of the Board an opportunity to view the draft plan and provide input in order that the University committee could complete a final draft for the Board to consider at the June meetings.

Mr. Weldon credited Dr. Angela Coleman, Associate Vice President for Institutional Effectiveness, with spearheading the bulk of the work to develop an updated Campus Master Plan and he introduced her to give an overview. Dr. Coleman said one of the values of the process was demonstrating to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), the University's primary accrediting agency, that South has a long-term plan for facilities on campus. She advised that the Institution's fifth year SACSCOC review would be in two years and the decennial reaffirmation process would be in 2023. She added community feedback collected through a series of eight focus groups with faculty, staff and students and through a campus-wide survey was the basis for the University's Long-Range Planning Committee, a team representing the various campus constituencies, to identify needs and decide what projects to include in the Campus Master Plan. She said the plan would be a useful reference in the future when decisions on facilities are contemplated. She stated enrollment growth, particularly with respect to

campus housing, and the addition of new bachelor's, master's and Ph.D. programs were factors driving the need for an updated Campus Master Plan. She noted considerable activity related to new facilities and renovation projects between 2010 and 2017 and presented a 2017-2027 USA Program Plan of projects recommended, noting some had been approved by the Board of Trustees and others were proposed for consideration to the University's Long-Range Planning Committee based upon the data assembled or needs identified through the committee's discussions. She pointed out that the views of the campus community and the University committee were largely congruous. She said the projects listed in the Program Plan were not prioritized and stated adoption would not prohibit the University from taking advantage of other opportunities in the future. Mr. Weldon added, from a financial standpoint, completion of all, or even most, Program Plan projects over the next 10 years was not likely.

Dr. Coleman encouraged the Committee to take time to view the detailed project information in the draft Campus Master Plan and Provost Johnson shared insight on the various projects, noting that some which had been approved were moving forward and others were fairly imminent, such as construction of a simulation lab which he anticipated would be presented for consideration at the September Board meetings. He said some renovation projects, like those involving HVAC (heating, ventilation and air conditioning) upgrades in existing academic buildings, such as the Humanities Building, the Mitchell College of Business building and the College of Medicine building, would likely need to occur within the plan's ten-year timeframe. He said other projects, a football stadium for instance, would be primarily dependent upon financial resources that may or may not be forthcoming. Mr. Windom asked Provost Johnson to elaborate more on priorities. Provost Johnson recognized the increased use of electronic resources by students and faculty and the decline of book use at the Library. He said, over the next year, in response to a request from students for more study space on campus, the common space and book deployment areas of the Library would be reconfigured to provide additional study areas. He talked about an expansion to downtown Mobile that would involve the Master of Fine Arts program and noted this was dependent upon a lease agreement. President Waldrop added construction of an interdisciplinary science building would make much-needed lab and office space possible. Mr. Windom commented on the remarkable facilities progress made between 2010 and 2017. Mr. Weldon talked about the potential of relocating the College of Education and Professional Studies to the main campus and use of the College's existing location at University Commons for additional clinical space in the future. At President Waldrop's request, Provost Johnson talked about plans for a math emporium, an active learning initiative whereby students would receive freshman-level mathematics instruction in a computer lab setting with assistance from undergraduate and graduate students and some faculty. He said the program would probably be located in the Science Laboratory Building, the former Engineering Lab Building, and would be financed by savings on instructional costs. He said this concept was already in use for developmental math instruction in the Academic Services Center and improved student outcomes had been demonstrated.

Mr. Shumock asked Mr. Weldon to estimate the debt created for projects that occurred under the 2010 Campus Master Plan. With reference to previous bond transactions and projects, such as the expansion of Children's & Women's Hospital, Mr. Weldon estimated the total debt incurred at between \$120 to \$130 million. He reminded the Committee of the strategy for managing debt in a more proactive way going forward. Mr. Shumock noted the significance of this amount and commented on the diminished opportunities for debt service than existed when the 2010 Campus Master Plan was initiated. Mr. Weldon asserted that the University's debt service capability would increase over the next two to three years as the University grows and as the current debt service level declines. Dr. Smith and Mr. Weldon talked about new construction projects not financed out of the University's operations and maintenance budget or with tuition revenues; for example, the new residence halls and housing renovations totaling approximately \$45 million, the Strada Patient Care Center totaling approximately \$30 million and the Mitchell Cancer Institute (MCI) Kilborn Clinic in Fairhope, all of which were funded by revenues generated by those operations. Mr. Shumock encouraged the Administration to keep the Board posted and Mr. Weldon reminded that Trustees could access an electronic summary on future debt service at any time.

Provost Johnson called attention to the need for an intermediate-sized auditorium on campus that would accommodate approximately 1,500 people for events the Mitchell Center and the Student Center Ballroom are not best-suited to host. Ms. Brown Stewart asked for background on a proposed conference center and hotel. Dr. Coleman said this had been included on the 2010 plan and the community surveyed expressed support for carrying it forward to the new plan. She said the rationale would be the University could host big regional meetings and conferences and a hotel would align with the activities of the University's Hospitality and Tourism Management program. Provost Johnson said this was envisioned to be a public/private partnership with private investment to support the hotel and Ms. Chronister added it was conceived to be part of the USA Technology & Research Park development. Mr. Windom asked to view the 2010 Campus Master Plan. Dr. Coleman acknowledged she would disseminate copies and said access was readily available via the Web site. Dr. Coleman and Provost Johnson talked more on the progress of multiple projects shown on the 2010 plan.

Dr. Coleman noted the draft Campus Master Plan covered infrastructure aspects, like parking and traffic, and added that the infrastructure improvement project which was approved by the Board in 2014 was included also. President Waldrop told the Committee parking on campus was adequate though students may have to walk a short distance to classes. He advised of plans to engage a consultant to develop a comprehensive plan for campus parking. Dr. Coleman stated the draft plan referenced grounds, open space, landscaping and signage, and she noted technology was one of the more substantial infrastructure elements addressed. She said safety and security recommendations were included as well.

Dr. Coleman advised that feedback from the Board's Long-Range Planning Committee would be incorporated into a final draft and then reviewed by the University's Long-Range Planning Committee, and a recommendation would be delivered to the Board at the June meetings. President Waldrop reiterated that the Campus Master Plan would be used as a guide and would not prevent consideration of practical solutions and new opportunities that may emerge later in the course of the plan.

Mr. Windom commended the University's Long-Range Planning Committee and others involved for their efforts and shared appreciation for the discussion held in advance of the June meetings. Mr. Shumock asked about the deadline for giving feedback. Dr. Coleman asked that input be provided by Monday, May 8.

Dr. Coleman presented **ITEM 2**, a report on the use of USA Scorecard data for planning purposes. She called attention to the document titled *University of South Alabama - 2016 Scorecard*. She said an update of the document for 2017 was in progress and the success indicators would be analyzed for possible revision. She expressed appreciation for the interest of the Board's Long-Range Planning Committee to gain a better understanding of the Scorecard. Ms. Brown Stewart acknowledged that, following an AGB (Association of Governing Boards) workshop on data-driven decisions relating to academics and other aspects, she contacted Dr. Coleman to inquire about the University's assessment activities. She added a general knowledge would help her speak on behalf of the University to the local community. She thanked Dr. Coleman for delivering the report to the Committee.

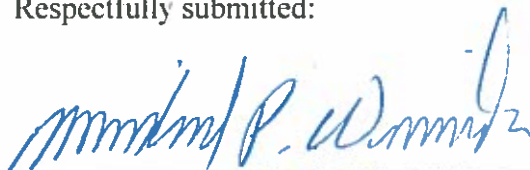
Dr. Coleman shared context on the development and use of the Scorecard as a tool to track University progress in an array of categories that correlate to the strategic priorities. She said the emerging data are useful to South's constituencies and explained that favorable results to the Scorecard indicators were a sign the University's initiatives were headed in the right direction. Conversely, marginal outcomes would prompt dialogue on strategies for improvement. Among several of the indicators discussed, Dr. Coleman stated pinpointing meaningful indicators for the priority of University-Community Engagement had been a challenge because methods of talking about the University's impact are still being developed. Mr. Windom said the University should see headway in this area soon with the formation of a new Office of Community Engagement. Provost Johnson said a search for a director, who will report to Dr. Coleman, was progressing. Dr. Coleman said 140 applications for the position had been received and she hoped that a director would be hired by the end of July.

Dr. Coleman asked the Committee if they had questions about the indicators or suggestions for additional indicators that might help the Committee with its work. She said the working groups would reconvene soon to talk about the 2017 data and the effectiveness of the indicators for assessing success toward achievement of the strategic plan. Ms. Brown Stewart asked if the Scorecard information would be provided annually to the Board's Long-Range Planning Committee

for review and discussion, and Dr. Coleman acknowledged the Committee should expect these reports. Provost Johnson anticipated that the 2017 Scorecard data would be presented to the Committee in June. Dr. Coleman discussed variances in the data reporting periods between units. Mr. Windom said the Committee would appreciate information on items that required particular attention and Dr. Coleman suggested appending a brief narrative detailing highlights. As to indicators for the priority of Excellence in Health Care, President Waldrop said a transition of leadership at USA Health may bring about changes. Provost Johnson noted a new Graduate Dean would be appointed soon and the same may be true for the indicators tied to the priority of Enhancement of Research and Graduate Education. Mr. Windom thanked Dr. Coleman for the excellent work.

There being no further business, the meeting was adjourned at 3:58 p.m.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Michael P. Windom", written over a horizontal line.

Michael P. Windom, Chair