

MARSHALL UNIVERSITY
BOARD OF GOVERNORS

Shawkey Dining Room, Memorial Student Center
November 13, 2008

Members present, in person: Verna Gibson, Acting Chair; Gary Adkins, Monica Brooks, Tish Chafin, Mike Farrell, John Hess, Virginia King, General Hal Mooney, Sherri Noble, Mike Sellards, Randy Tomblin, Joe Touma, Gary White

Others present: President Kopp, Senior Vice Presidents and many staff as well as visitors from Pretera and the Cabell County School Board.

Members Absent: Bob Shell, Brent Marsteller

I. Call to Order

Verna Gibson, acting chair, called the meeting to order. After welcoming Dr. Joe Touma and Randy Tomblin as new members of the Board of Governors, the oath of office was given by the Honorable Brent Benjamin, Justice of the WV Supreme Court. Mrs. Gibson announced that the Audit Committee report would be presented first.

II. Audit Committee Report

Mr. Perry brought the Board up to date regarding the Audited Financial Report. He added that Dennis Juran was in person and answered many questions from the Committee during their meeting. Mr. Perry reported that the audit results were positive. Deloitte & Touche LLC noted no material weaknesses and an unqualified opinion was rendered.

III. Minutes Approval

Upon a motion by General Mooney, seconded by Virginia King, the minutes of the April 23, 2008 meeting were approved. Upon a motion by Virginia King, seconded by John Hess, the minutes of the meeting on June 30, 2008 were approved and upon a motion by John Hess, seconded by Gary Adkins, the Emergency Meeting of August 29, 2008, minutes were approved.

IV President's Report

President Kopp thanked each of the board members for their service to Marshall University. He also thanked Justice Benjamin for swearing in our newest members noting that the court is invited to attend Constitution Week this fall.

Marshall University's first Convocation for December graduates will be held on

December 6, 2008, in the Keith Albee with Dr. Montserrat Miller, History Professor at Marshall University as well as the WV 2007 Professor of the Year, as the guest speaker.

Dr. Kopp discussed the submission of the Strategic Plan for the Research Trust Fund. We are awaiting response from the Higher Education Policy Commission before submitting gifts of support.

Dr. Kopp discussed with the Board the economy and Marshall University trends that are currently showing positive. Anita and staff continue to do an outstanding job. Regarding MU Foundation, the outlook is negative until mid 2009, however, he has attended their meetings and the Foundation Board and with Ron Area at the head, he is confident things will be fine. On a side note, there is a soft hiring freeze in operations.

The latest open house was the largest and was well attended. Dr. Kopp talked a few minutes about retention and recruitment and introduced Gayle Ormiston, the new Senior Vice President and Provost, noting that he hit the ground running.

Dr. Kopp discussed a new project with Intuit, the Company that created Quicken and Turbo Tax. Chief Executive Officer Brad Smith is a graduate of Marshall University.

The service contract negotiations with MCTC are still in process. There are some issues to resolve, but both institutions are committed to making a seamless transition. The December 2008 deadline for separation of assets per HB3215 has been changed to April 2009, as shown in a letter received last week.

Earlier we heard from D&T the auditors. Dr. Kopp commented on the highlights of the audit results that were made by D&T.

Capital Projects are being handled by Anita Lockridge and staff. Ron May has been also doing an excellent job. The Recreation Center has an accelerated schedule and contingency budget. The Beaming Ceremony was held on October 31, 2008 with a structural steel beam put into place. The MSC Basement renovation will be completed 12/19/08. The Morrow Roofing project is underway. The Smith Hall air handling project is also underway. Old Main renovation will begin after the Foundation moves from the Third Floor.

An interesting start up of a new business done by two research scientists and the company being called Phoenix Biotherapeutics LLC, is in process. Their research involves stem cell from umbilical cord, non-embryonic stem cells. They are finalizing their business plan and Dr. Kopp noted they are potentially the first tenant in the Forensic Science Center Annex.

We have announced a new program partnership in Mid-Wifery with St. Mary's Hospital and Shenandoah University.

The administration is working on the legislative agenda, which will be presented at a future meeting.

IV. Finance, Audit and Investment Committee

Mr. Perry discussed the following agenda items:

- a) The Audited Financial Report was given earlier Resolved, that the Marshall University Board of Governor accept the audited Financial Report for Fiscal Year 2007-2008. This was accepted by the Committee;
- b) Quarterly Financial Statements: Resolved that the Board of Governors receives the Financial/Budget Report for the quarter and three months ending September 30, 2008. This was discussed and accepted by the Committee.
- c) Investment Earnings Update – Resolved that the Marshall University Board of Governors receives the Investment Earnings Report for the quarter and three months ending September 30, 2008.
- d) An informational item regarding GASB 45 was given to the Committee and items in the packet were given as information to the Board of Governors.
- e) University Heights – This item is regarding the sale of the University Heights property; however, this will be discussed fully in Executive Session and will be brought in open session after that.
- f) Mr. Perry discussed Perry Chaffin’s report that was presented during the Committee Meeting. He noted that Perry has an ambitious plan and priorities for the upcoming fiscal year.
- g) Selection of Auditors – Resolved that the Marshall University Board of Governors approves that the University participate in selecting an auditor through the Higher Education Policy Commission (HEPC) request for Proposal (RFP) process for the fiscal year ending June 30, 2009 to June 30, 2014. It is the desire of the Marshall University Board of Governors that management participate in the RFP process with HEPC and be included as part of their contract. However, the institution elects to have its own separate engagement letter under the umbrella of the contract and the Higher Education Fund Audit Engagement Letter as well as its own engagement partner. Upon a motion by General Mooney, seconded by Tish Chafin, this item was unanimously approved. Motion carried.
- h) Policy HR-5 Modifications – Resolved, that the Marshall University Board of Governors approves a Notice of Proposed Rulemaking for the proposed revisions to Board of Governors Policy HR-5 and instructs staff to distribute

the Notice for the required thirty-day comment period. Further resolved, that the Board approves the proposed policy as final if no substantive comments are received during the thirty-day comment period. Upon a motion by Gary White, seconded by Joe Touma, this item was unanimously approved and motion carried.

V. Academic Committee, Verna Gibson, Chair

Verna asked Monica Brooks to discuss the Academic Committee items.

- a) Campus Compact – A brief overview of the Campus Compact was given by Gayle Ormiston to the Board of Governors. Gayle discussed that the WV Higher Education Policy Commission requires that each institution submit five year goals with rationales and strategies for achievement of those goals. Our report was sent to the Higher Education Policy Commission on November 1, 2008. This report was accepted by the HEPC. Upon a motion by Tish Chafin, seconded by Mike Sellards, and unanimously approved, the Board accepted this report.
- b) Band Facility – A presentation by Dean Don Van Horn was given. He discussed that the Marching Thunder was a lab for class. This is a very important program. The proposal includes: Construction of a storage building for band equipment necessary for performances and instruction be built; installation of a sprinkler system on the field designated as priority practice space for the band; and renovation of existing facilities in the Henderson Center to provide instructional space for the Music Class (Marching Band). The Board of Governors discussed costs and was told that they are beginning to fundraise. It has and is being coordinated with the MU Foundation. The Board was asked to spread the word for ideas and people to ask for support. Some ideas were given to Dean Van Horn regarding announcements and what could be done this weekend at the game.
- c) Listed as the third item was the Basketball Locker Room. This will be addressed later in the meeting during the Athletic Committee Report. It was an error for it to be listed under Academic.

VI. School of Medicine

Brent Marsteller was away at a meeting, therefore Dr. McKown and Jim Schneider presented the School of Medicine report. Resolved: That the Marshall University Board of Governors authorizes the design and construction of a Rural Health & Clinical Education Center in Chapmanville, WV and approved the associated site lease with the Logan Healthcare Foundation, Inc., subject to legal counsel's review of the final lease document. The Board of Governors has been asked to approve to

proceed with development of the Center. Final design of the project and award of a construction will also come before the Board at future meetings. Upon a motion by Mike Perry authorizing the lease and design, and seconded by Gary White, the item was unanimously approved and motion carried.

VII. Athletic Committee

The Athletic Department is requesting to begin the construction of locker rooms for the men's and women's basketball programs. The current locker rooms were constructed in 1981 and never renovated. They would like to construct new locker rooms in the existing, unoccupied space under the south spectator main stands. Funding for the project is a combination of facilities fee revenue from ticket sales and private donations. Dr. Ron Area is going to give some top prospects to raise funds and is optimistic of the fundraising efforts. The estimated budget, needed for both men's and women's locker rooms, is \$2.1 million dollars. If approved, the bids are to be sent out next week. Since the amount requested exceeds \$1 million, the Board of Governors will need to approve before proceeding.

Upon a motion by Mike Farrell, seconded by Gary White and confirming that the amounts would be paid for by the facilities fee and private donations, and also a confirmation by Anita Lockridge and Dr. Kopp that the Henderson Center was not included in the lottery money funds, the item was unanimously approved and motion carried. This budget is approved up to \$2.1 million. If the bid exceeds this amount, an emergency meeting will be needed. With this added contingency, upon a motion by Mike Farrell, seconded by Mike Perry, the full item was approved. The plan is to begin work during break.

VIII. Executive Session

Upon a motion by John Hess, seconded by Mike Sellards, the Board went into Executive Session to discuss compensation, real estate and other items.

After a period of time, Mr. Farrell moved that the Board rise from executive session into open session. Gary White seconded and was unanimously approved.

The sale of University Heights was discussed by the board. At the last board meeting, two parties inquired of counsel, their interest in purchasing and the Board of Governors instructed the Administration to proceed with obtaining bids. The first item needed is to declare the property as surplus property. The resolution follows: RESOLVED, that the Marshall University Board of Governors designate the 14.5 acres of property at University Heights as surplus real property. With the process being complete, upon a motion by Gary White, seconded by General Mooney, the Board unanimously approved this item and motion carried.

The two formal proposals were from the Cabell County Board of Education and Prester. The offers were as follows: Cabell County Board of Education without conditions at \$1.9 million and Prester without conditions at \$2.310 million. The

Board of Governors moved to accept the high bid, which was Prestera's, and it is in the best interest of the University. Upon a motion by Gary White, seconded by General Mooney, the majority of the Board approved with the exception of Gary Adkins who opposed, and the motion carried.

Mike Perry discussed the process for Presidential Compensation, noting that the next step is to send it to the Higher Education Policy Commission. Upon a motion by Mike Perry, seconded by John Hess, with no comments, the Board approved a revised compensation package to be distributed upon approval of the Higher Education Policy Commission, with Monica Brooks and Sherri Noble voting no, the motion carried.

Joe Touma discussed an Endowed Professorship. Resolved: That upon recommendation of the School of Medicine the Marshall University Board of Governors hereby authorizes the designation of a named endowed professorship in the School's Department of Internal Medicine with the individual to be so honored to be publicly named at a future date and setting. Upon a motion by Joe Touma, seconded by Gary White, the Board unanimously approved and motion carried.

Gary White moved, seconded by Virginia King, that Vijay Shah be appointed to the Autism Training Center Advisory Board in the parent category in accordance with the Autism Training Center By-laws. The Board unanimously approved and the motion carried.

IX. Adjournment

The agenda being completed, the meeting was adjourned.

Virginia King, Secretary