



**JACKSONVILLE STATE UNIVERSITY  
BOARD OF TRUSTEES  
EXECUTIVE COMMITTEE MEETING  
MINUTES**

The Board of Trustees of Jacksonville State University held an Executive Committee Meeting in Jacksonville, Alabama on Wednesday, December 12, 2018.

Mr. William “Ronnie” Smith, Chairman of the Board of Trustees, called the meeting to order in the Gold Room of Bibb Graves Hall at 10:00 am CST. A legal quorum was present for this meeting.

**Committee Member Trustees Present:**

Mr. William ‘Ronnie’ Smith, Chairman  
Mr. Clarence Dauge, III  
Mr. Thomas Dedrick, Sr.  
Mr. Randall E. Jones (joined meeting via Teleconference.)  
Mr. Randy Y. Owen

**Non-Committee Member Trustees Not Present:**

Mrs. Gale Saxon Main  
Mr. Greg Brown  
Mr. Rusty Fuller  
Senator Vivian Figures  
Mr. Tony Ingram  
Governor Kay Ivey

**Guests Present:**

Mr. Jim Brigham  
Mr. David Thompson  
Dr. Don Killingsworth  
Dr. Tim King  
Dr. Heidi Louisy  
Dr. Charles Lewis

**Counsel Present:**

Mr. Sam Monk  
Mr. Charlie Waldrep

Chairman Smith welcomed the Trustees and opened the discussion by requesting an update on JSU Capital Projects.

### **Update on Capital Projects**

- CFO Jim Brigham presented a listing of JSU capital projects for discussion by Executive Committee members.
- Mr. Brigham discussed an additional item not on the list: Gamecock Express Buses. He indicated that it is critical that we replace three of these buses in our fleet so we can continue to meet the transportation needs of our students. These three buses have engines beyond repair. We used a grant to purchase the current inventory of buses in 2009; the odometer readings for these buses are between 80,000 to 90,000 miles each. We have over 80,000 riders per year on these buses. We have two (2) possible options available: JSU can purchase replacement buses or we can lease buses and drivers from American Coachline for a five (5) year term. The Gamecock Express bus recommendations will be discussed further at the January 2019 Trustees meeting.
- Mason Hall is in the process of major renovations that will update this facility and make it acoustically sound. Regions Bank will provide short-term loans while we apply for permanent funding with the United State Department of Agriculture (USDA). The USDA will loan funds up to \$5 million dollars after the construction project has been completed, making this loan arrangement ideal for Mason Hall. The Trustees will discuss if we need to issue a bond for our disaster recovery projects at the January 2019 Board meeting.
- The design for the new Merrill Hall is in process with Stern Architects and the planning committee developing an impressive new architectural design with state-of-the-art features. The projected cost of the new design is approximately \$48M. President Beehler, Mr. Jim Brigham, Mr. David Thompson, and Dr. Don Killingworth traveled to Montgomery and met with Kelly Butler, the State's new Finance Director and Max Graham, Director of Risk Management, to try to reach a compromise settlement on Merrill Hall so we can proceed with its demolition and keep the construction timeline set in the design phase for completion by spring semester 2021. They also requested release of insurance funds for approved and completed work across campus. The State Risk Management remains behind in reimbursement to JSU for work performed.
- President Beehler requested that State Risk Management (insurance) release the payment of \$20 million dollars for approved, completed work either directly to SERVPRO or to JSU which in turn would pay SERVPRO. State insurance also owes JSU \$7 million dollars for work already paid to other contractors. The insurance adjuster, Mr. Hank Hair, has approved invoices totaling \$27 million dollars for which JSU is awaiting payment. One possible reason for payment delay is that the



insurance carriers received an estimate of damages shortly after the disaster of \$32 million and the actual damages at JSU now total over \$100 million dollars. The insurance carriers are reluctant to release the funding until they have reviewed all the State-approved invoices.

- Wallace Hall, the home of the School of Health Professions and Wellness, was declared a total loss by FEMA since damage exceeded the 50% threshold. As such, FEMA will support a new facility by providing 75% of the funding for the amount in excess of insurance received.

#### **Potential Acceptance of Real Estate and Other Property Interests**

- Mr. Ed Cash approached JSU about a year ago to discuss donating Mama Goldberg's Deli located on Mountain Street in Jacksonville. This donation to the Jacksonville State University Foundation (JSUF) would consist of two Limited Liability Companies – one holding the franchise and the other holding the property. Mr. Cash requested the restaurant remain operational for one-year after the donation to meet the requirement for deductions for his tax purposes. The JSUF voted to accept the property under the terms discussed and they will issue a one-year operating agreement to JSU. At year-end, they can continue to either operate it or use the property for another purpose. The Mama Goldberg's Deli donation to the JSUF will be completed by the end of 2018. Dr. Lewis stated no lawsuits or outstanding liens were on the property. Discussion ensued about how to treat personnel operating Mama Goldberg's Deli. Various options included having Sodexo operate it with personnel becoming their employees or JSU operating it with personnel serving either as independent contractors or employees. There was sentiment to avoid making those operating the franchise employees at JSU.

**Mr. Clarence Daugette recommended that the Board agree for JSU to enter into an operating agreement with the Foundation (as owner of the two gifted LLCs) and operate the franchise for Mama Goldberg's for at least the first year. Mr. Thomas Dedrick seconded, and the Trustees agreed unanimously.**

#### **Management Agreement between JSU and The Pointe at JSU**

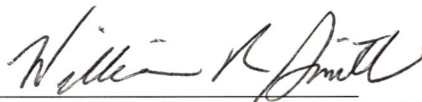
- JSU is considering an offer by the owner of The Pointe at JSU apartments at 331 Nisbet Street NW in Jacksonville, Alabama for JSU to manage the complex for a one-year term with the option to add renewal years. This agreement will add 504 single occupancy units for our students and staff, with walking paths and swimming pools. The owner, Mr. Ron Manoach, does plan to allow the residents to have pets. The Pointe's gross income each year is around \$3.7 million. If JSU decides to enter into a management agreement with The Pointe, it would provide \$500,000 per year in revenue. Mr. Manoach will provide insurance, security, and maintenance for the entire complex.

**Mr. Thomas Dedrick made a motion to allow our administration to operate The Pointe at JSU apartments. Mr. Randy Owen seconded, and the Trustees agreed unanimously.**

There being no further business, Chairman Smith declared the Executive Committee Meeting be adjourned at 11:30 am and stated that the next Board of Trustees meeting would be held on the 5<sup>th</sup> Floor of the Stadium Towers on January 29, 2019.



Dr. John M. Beehler, President  
Jacksonville State University



William Ronald "Ronnie" Smith, Chairman  
Board of Trustees