

JACKSONVILLE STATE UNIVERSITY
BOARD OF TRUSTEES
MINUTES

The Board of Trustees of **JACKSONVILLE STATE UNIVERSITY** held a Special Called meeting at The Summit Club in Birmingham, Alabama on **Monday, June 16, 2014 at 10:03 a.m., CDT.**

Mr. Jim Bennett, Chairman of the Board of Trustees, called the meeting to order and stated that a quorum was in attendance. He asked President Meehan to call the roll.

Members present were:

PRESENT:

Mr. Jim Bennett
Mr. Jim Coxwell
Mr. Thomas Dedrick
Senator Vivian Davis Figures
Mr. Randall Jones
Ms. Gale Saxon Main
Mr. Ronnie Smith

Finance Committee - Refinance

Chairman Bennett stated that the first order of business was for the Building and Finance Committee to review the possibility of refinancing the series 2008 bond issue. Mr. Ronnie Smith, Chairman of the Building and Finance Committee, stated that members of the firms of Benchmark Securities and Merchant Capital, LLC were in attendance to present their proposals for assisting with the refinancing of these bonds. He stated that once the two presentations were made the Trustees would discuss the proposals and decide whether it would be in the best interest of the University to move forward with the refinance.

Mr. Walter Lewis, of Benchmark Securities, was accompanied by Mr. Ryan Combs and Mr. John Lewis. Mr. Lewis distributed his refunding opportunity analysis, made his presentation and answered questions by the Trustees.

Mr. Smith then welcomed Mr. Mike Dunn, representing Merchant Capital, Inc. to give his presentation and assumptions concerning refinancing as prospective bond underwriter. Mr. Dunn introduced Mr. David Coyne who would be assisting him with his presentation. He distributed his refunding opportunity analysis, made his presentation and answered questions by the Trustees.

Following extensive discussion, Mr. Ronnie Smith made a motion to move forward with the proposal presented on behalf of Merchant Capital, LLC for a refunding of the Series 2008 bonds as a mixed blend between bank qualified and market bonds. The Board approved parameters that will consist of the following: the net present value savings achieved should not be less than 3%; and the net

present value savings must be at least equal to the negative arbitrage. The motion was seconded by Mr. Thomas Dedrick and approved by a vote of six to one by the Trustees.

At the request of the Trustees, Dr. Meehan agreed to contact Merchant Capital, LLC to discuss the per bond fee, the ability to change bond trustees, and the need for maintaining a bond reserve.

Mr. Bennett announced to the Trustees that Mr. Clarence Daugette had made a donation of \$600,000 to the University based on his pledge of \$1,000,000. The money will go toward scholarships and building a bell tower on campus.

Executive Committee – Concessions

Dr. Meehan introduced Mr. Joe Whitmore, Director of Institutional Support Services, to present his Pro Forma and Financial Projections for alcoholic beverage sales at the JSU Stadium.

Mr. Whitmore distributed a handout entitled *An Analysis of the Financial Impact of Alcoholic Beverage Sales at the JSU Stadium* and gave a Powerpoint presentation on this topic.

After hearing the presentation, reviewing the pro forma and discussing the proposal, the Board of Trustees agreed that at this time there would not be enough profit earned to justify selling alcohol at the stadium.

Discussion Items

Mr. Randy Jones asked how much it was going to cost JSU to provide an Ipad to every freshman who enters JSU when the Ipad Initiative begins. Dr. Meehan responded that the projected cost for 1,400 Ipads will be \$977,200 and this will be included in the general operating budget for 2014-15 that the Trustees will review at the July meeting. We also plan to approach Apple and ask that they fund at least half of the cost of the Ipads. Dr. Meehan explained that the Ipad Initiative is a part of our Quality Enhancement Plan (QEP). It is an effort to enhance quality at JSU and attract students who have been issued Ipads in the public schools and are accustomed to using them for their coursework. Offering Ipads to students will change the way students look at Jacksonville State University and will be a marketing tool to bring students to JSU. It is an effort to make Jacksonville State University unique so that students will choose to attend. The Ipads will be owned by JSU and issued to students to use in their freshman classes. If they leave the University they will have to turn in the Ipads and it will be the students' responsibility to take care of the Ipads and make sure they are not damaged. If they are damaged the students will be responsible for replacing them. Senator Figures expressed concerns about her experience with students taking care of the Ipads. Mr. Smith reminded the Board that the Ipad Initiative had been approved by the Board.

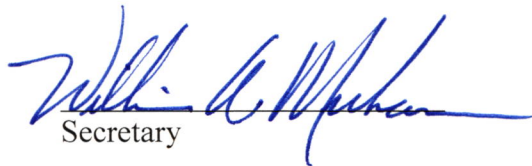
Mr. Coxwell stated that we need to pay more attention to small details in the area of marketing. Our billboards and other advertising media need to be kept up to date and attractive.

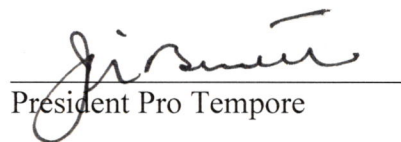
Mr. Jones stated that with the increases that are coming this fall from PEEHIP he feels that the timing of the recent trip to China was inappropriate. He explained that optics are important and with budgeting as low as it is now we need to be careful about the public's perception of how we are spending money. Dr. Meehan explained that there are opportunities to grow the University by establishing relationships with Chinese universities and bringing more students from China to JSU.

Next Meeting – July 21, 2014

Dr. Meehan stated that there is a conflict with the upcoming July 21st Board of Trustees meeting. After discussion the Board decided to leave the meeting date as scheduled for July 21st at the Houston Cole Library on JSU's campus.

There being no further business, Mr. Bennett declared that the meeting was adjourned.


Secretary


President Pro Tempore