

JACKSONVILLE STATE UNIVERSITY
BOARD OF TRUSTEES
MINUTES

The Board of Trustees of **JACKSONVILLE STATE UNIVERSITY** held its Summer meeting in Jacksonville, Alabama on **Monday, July 21, 2014 at 10:00 a.m. CDT.**

Mr. Jim Bennett, Chairman of the Board of Trustees, called the meeting to order.

Chairman Bennett welcomed Mrs. Beth Meehan, First Lady of JSU, to the Board of Trustees meeting.

Chairman Bennett welcomed Mr. Taylor Stewart, graduate of Jacksonville State University and Senatorial candidate for Alabama State Senate, District 12, to the Board of Trustees meeting.

Chairman Bennett welcomed Mr. Johnny Smith, Mayor of Jacksonville, Mr. Red Etheredge, Jacksonville State University Trustee Emeritus, and Mr. Mark Jones, President Pro Tempore of the Jacksonville City Council to the Board of Trustees meeting.

Chairman Bennett requested that Dr. William Meehan open the meeting with an invocation.

Roll call showed the following members of the Board of Trustees were:

PRESENT:

Mr. Jim Bennett
Mr. Jim Coxwell
Mr. Clarence W. Daugette, III
Mr. Thomas Dedrick
Senator Vivian Davis Figures
Mr. Randall Jones
Mrs. Gale Saxon Main
Dr. Melanie Wallace, Faculty Senate President
Mr. Brett Johnson, Student Government Association

ABSENT:

Governor Robert Bentley
Dr. Thomas Bice
Mr. Randy Owen
Mr. Ronnie Smith

Chairman Bennett welcomed Dr. Melanie Wallace, Faculty Senate President, to the Board of Trustees meeting and stated that this is Dr. Wallace's first Board of Trustees meeting.

Chairman Bennett welcomed Mr. Brett Johnson, President of the Student Government Association, to the Board of Trustees meeting and stated that this is the first Board of Trustees meeting for Mr. Johnson. Mr. Johnson stated that the SGA officers just returned from a national student government conference in Orlando which gave them a renewed appreciation for the relationship that JSU students have with the administration and the Board of Trustees. He appreciates the open line of communication and support that students receive from the Board.

APPROVAL OF MINUTES

Chairman Bennett asked that the minutes of the April 21, 2014 Board of Trustees meeting be reviewed.

Mr. Clarence Daugette made a motion to approve the Board of Trustees minutes as written. Mr. Thomas Dedrick seconded and the minutes were approved unanimously.

Chairman Bennett asked that the minutes of the June 16, 2014 Special Called Meeting of the Board of Trustees meeting be reviewed.

It was noted by Mr. Clarence Daugette that a correction was needed in the minutes to amend a dollar amount from \$1,000,000,000 to \$1,000,000.

Mr. Randy Jones made a motion to approve the Board of Trustees minutes as amended. Mr. Thomas Dedrick seconded and the minutes were approved unanimously.

Mr. Thomas Dedrick recognized Mr. Fred Simpler, JSU bond attorney, who stated that he recommends that changes be made to the Parameters Resolution which was approved at the June 16th Board of Trustees meeting. Mr. Simpler stated that the parameters that were set forth call for the refunding of the Series 2008 bonds with present day savings of at least three percent and negative arbitrage of less than the amount of the present value savings and an underwriter discount of not more than \$7.75 per bond. He recommends that an approval for the President to sign be added to reflect that when we refund the bonds we will set the proceeds aside in an escrow agreement until the 2008 bonds can be called on December 1, 2016. It will also authorize the Trustees to call those bonds on December 1, 2016. He would also add that the underwriter be given the flexibility to maximize the savings to the Board by allowing the refunding of up to all of the Series 2008 bonds. This will be a way to ensure that the Board gets the most savings possible. Dr. Meehan noted that Resolution 562, Parameters Resolution, was included in the Board binder under Tab 3. Mr. Simpler will make the changes to the Parameters Resolution and submit it to Dr. Meehan for the permanent record.

Mr. Clarence Daugette made a motion to accept the changes to the Parameters Resolution as presented by Mr. Simpler. Mr. Randy Jones seconded the motion and it was approved unanimously.

Chairman Bennett recognized former Board of Trustee member, Mr. Red Etheredge, who made a presentation about the relationship between the City of Jacksonville and Jacksonville State University. Mr. Etheredge explained that he is a member of the Town and Gown Committee which is made up of three representatives of the University and three from the City of Jacksonville and works to promote growth and communication between the two entities. The Town and Gown Committee would like to work with the University to make improvements on South Mountain Street that would be beneficial to both the University and the City. They would like to be able to develop new restaurants and other businesses in this area that would not only bring revenue to the City, but would provide a place for students to go to entice them to stay in Jacksonville on weekends and allow them to get part-time jobs while they are in school.

Mr. Etheredge introduced Mr. Jonathan Tompkins, Chair of the Mountain Street Development Project, and Mr. Mark Jones, President Pro Tempore of the Jacksonville City Council. Mr. Tompkins stated that he appreciates the relationship the City has with the University and said that it will be beneficial to both parties to work together on this project. He asked that if anyone had any ideas to help with this improvement to please let him know. Mr. Jones stated that the entire City Council has a desire to work together with the University to help create jobs and entice people to spend money in the City. He stated that he realizes that the University is an integral part of the City and he believes that working together is a great way to make both the City of Jacksonville and the University better.

On behalf of the Building and Finance Committee, Mr. Thomas Dedrick presented the following Resolutions for the Board's review and a motion that they be approved by the Board of Trustees:

RESOLUTION 560

WHEREAS, the City of Jacksonville is interested in acquiring The Kitty Stone Elementary property, to include Forney Hall, on the west side of the city for the purpose of locating a Jacksonville City Middle School or Jacksonville City Hall; and

WHEREAS, the City of Jacksonville is further interested in the Eastwood School property on the east side of Jacksonville; and

WHEREAS, Jacksonville State University owns the Kitty Stone property, including Forney Hall; and

WHEREAS, Jacksonville State University owns Eastwood School and 12 acres; and

WHEREAS, the City of Jacksonville is interested in trading their investment in the Old Mill property of 3.11 acres and the 7.40 acres to be purchased adjacent to the Old Mill property for the above referenced properties;

WHEREAS, Jacksonville State University is interested in acquiring the Old Mill property with property adjacent to the Old Mill property for Physical Plant Operations and Warehousing.

THEREFORE BE IT RESOLVED, that this Board of Trustees authorizes the President to negotiate the terms of the property swap between the University and the City.

Coming from the Building and Finance Committee the motion did not require a second. After discussion among the Board the Resolution was approved unanimously.

ACADEMIC AFFAIRS COMMITTEE

Mr. Clarence Daugette, on behalf of the Academic Affairs Committee, reported that the committee did not have any action items to present to the Board at this time.

ATHLETIC COMMITTEE

Mr. Jim Coxwell, Chairman of the Athletic Committee, stated that the Athletic Committee approved an external Board of Visitors for Athletics. The Board will be made up of volunteers who will serve as ambassadors for the University. They will report directly to the Athletic Director and assist with fundraising efforts for the Athletic Department.

BUILDING AND FINANCE COMMITTEE

Mr. Thomas Dedrick, on behalf of the Building and Finance Committee, submitted the following Resolutions for the Board's review:

RESOLUTION 561

WHEREAS, Jacksonville State University has participated in the Public Education Employees' Health Insurance Plan (PEEHIP) since 1996 with funding for the employer cost of the insurance being provided by the Alabama Legislature through O&M appropriations; and

WHEREAS, funding by the Alabama Legislature of the employer cost of the health insurance for the upcoming fiscal year will not be sufficient to cover the increased cost by sixty-six dollars per employee per month;

THEREFORE BE IT RESOLVED, that this Board of Trustees authorizes the University to charge the increased cost to active employees in addition to amounts currently deducted as follows:

Salary Range	Staff and Escrow* Faculty Additional Monthly Insurance Deduction	Non-Escrow** Faculty Additional Monthly Insurance Deduction
\$0 - \$34,999	\$46.00	\$ 61.33
\$35,000 - \$53,999	\$66.00	\$ 88.00
\$54,000 or more	\$86.00	\$114.67

*Escrow faculty are 9 month faculty who receive payments over 12 months.

**Non-Escrow faculty are 9 month faculty who receive payments over 9 months.

Coming from the Building and Finance Committee the motion did not require a second. The motion was unanimously approved by the Board of Trustees.

RESOLUTION 562

RESOLUTION APPROVING ISSUANCE OF THE SERIES 2014 BONDS

BE IT RESOLVED by the Board of Trustees for Jacksonville State University (the "Board"), a public corporation and instrumentality of the State of Alabama (herein called the "University"), as follows:

Section 1. Findings. The University has ascertained and does hereby find and declare as follows:

(a) The University has heretofore issued (i) its Tuition Revenue Bonds, Series 2008 (the "Series 2008 Bonds") under that certain Trust Indenture dated as of December 1, 1988 (herein called the "Original Indenture") between the University and Central Bank, as trustee, (ii) its Tuition Revenue Refunding Bonds, Series 1993 (the "Series 1993 Bonds") under that certain First Supplemental Indenture dated as of October 1, 1993 (herein called the "First Supplemental Indenture") between the University and Central Bank, as Trustee, (iii) its Tuition Revenue Bonds, Series 1999 (the "Series 1999 Bonds") under that certain Second Supplemental Indenture dated as of March 1, 1999 (herein called the "Second Supplemental Indenture") between the University and Chase Manhattan Bank, as Trustee. The Series 1988 Bonds were refunded and defeased by the Series 1993 Bonds and are no longer outstanding. The Series 1993 Bonds have been paid and retired. The Series 1999 Bonds were paid and defeased from the proceeds of the Series 2009 Bonds hereinafter referred to. In 2002, the University issued its Tuition and Fee Revenue Bonds, Series 2002 (the "Series 2002 Bonds") under a Third Supplemental Indenture dated as of October 1, 2002 between the University and JP Morgan Chase Bank, as trustee (the "Third Supplemental Indenture"). Pursuant to the Third Supplemental Indenture, the University added as security and a source of payment of the Series 2002 Bonds the Fees payable by students enrolled at the University, so that the Series 2002 Bonds and any Additional Bonds which may be issued under the Original Indenture, as supplemented and amended from time to time, are payable from and secured by the Tuition and Fees payable by students enrolled at the University.

(b) In the Original Indenture, as supplemented and amended by the Third Supplemental Indenture, the University reserved the right to issue, upon compliance with the conditions precedent set forth therein, additional bonds secured on a parity with the Series 1999 Bonds and the Series 2002 Bonds, as respects the pledge made in the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture (any such additional bonds being herein called "Additional Bonds"), for the purposes of (i) refunding or retiring all or any portion of any one or more series of bonds outstanding under the Original Indenture, (ii) acquiring (by construction or otherwise) capital improvements to the facilities of the University, and (iii) refunding any obligations of the University incurred for either of the aforesaid purposes. The Series 2002 Bonds, the Series 2008 Bonds, the Series 2009 Bonds and the Series 2011 Bonds hereinafter described were issued as Additional Bonds and are herein referred to as the "Outstanding Bonds."

(c) It is necessary, advisable, in the best interest of the University and in the public interest that the University refund the Series 2008 Bonds in order to achieve significant debt service savings.

(d) The University has heretofore on December 17, 2008 issued its \$10,000,000 Tuition and Fee Revenue Bonds, dated December 1, 2008 (the "Series 2008 Bonds"). The Series 2008 Bonds were issued pursuant to a Resolution of the Board dated September 19, 2008 and a Fourth Supplemental Indenture dated as of December 1, 2008 between the University and the Trustee (the "Fourth Supplemental Indenture"). The University has heretofore on April 23, 2009 issued its \$61,665,000 Tuition and Fee Revenue Bonds, dated April 1, 2009 (the "Series 2009 Bonds"). The Series 2009 Bonds were issued pursuant to a Resolution of the Board dated January 26, 2009 and a Fifth Supplemental Indenture dated as of April 1, 2009 between the University and the Trustee (the "Fifth Supplemental Indenture"). The University has heretofore on August 9, 2011 issued its (i) \$1,435,000 Taxable Tuition and Fee Revenue Bonds, dated August 1, 2011 (the "Series 2011A Bonds") and (ii) \$9,625,000 Tuition and Fee Revenue Bonds, dated August 1, 2011 (the "Series 2011B Bonds" and together with the Series 2011A Bonds herein referred to as the "Series 2011 Bonds"). The Series 2011 Bonds were issued pursuant to a Resolution of the Board dated November 12, 2010 and a Sixth Supplemental Indenture dated as of August 1, 2011 between the University and the Trustee (the "Sixth Supplemental Indenture"). It is necessary, desirable and in the best interest of the University that the University issue the Series 2014 Bonds hereinafter authorized for the purposes of (i) refunding the Series 2008 Bonds (ii) paying a portion of the costs of construction certain capital improvements to Pete Mathews Coliseum (the "Series 2014 Improvements") and (iii) paying the costs of issuing said Series 2014 Bonds.

(e) No event of default under the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture, and no event which, with the giving of notice or the passage of time or both, would constitute such an event of default has occurred and is continuing. In particular, the University is not in default in the payment of the principal of or the interest on any of the Outstanding Bonds.

(f) No bonds, other than the Outstanding Bonds, have heretofore been issued by the University under the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture.

Section 2. Authorization of the Series 2014 Bonds. Pursuant to the applicable provisions of Code of Alabama 1975, Title 16, Chapter 52, and Section 16-3-28 of said Code, and in order to obtain funds with which to (i) pay the costs of refunding the Series 2008 Bonds, (ii) construct the Series 2014 Improvements and (iii) pay the costs of issuing said Series 2014 Bonds, there are hereby authorized to be issued by the University not to exceed \$12,500,000 aggregate principal amount of Tuition and Fee Revenue Bonds, Series 2014 (herein called the "Series 2014 Bonds"), all under the terms, conditions and provisions set out in the Seventh Supplemental Indenture authorized in Section 4 of this resolution (said Seventh Supplemental Indenture being herein called the "Seventh Supplemental Indenture"), which will further supplement and amend the Original Indenture, as heretofore supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture. The Series 2014 Bonds may be issued in one or more series and may be taxable or tax-exempt, shall bear such date, shall mature at such times (not to exceed a final maturity of December 1, 2030) and, in such manner, shall be payable at such place, shall bear interest from the date until their maturity at such fixed per annum rate or rates which would result in minimum present value savings of not less than 3.00% of the principal amount of the Series 2008 Bonds being refunded, and shall produce negative arbitrage with respect to the Escrow Account created for the refunding of the Series 2008 Bonds of not more than the net present value savings produced from such refunding, shall bear such numbers and shall be in such form and contain such provisions (including, without limitation, redemption provisions) as are set out in the Seventh

Supplemental Indenture and as shall be consistent with the provisions of this resolution. The precise principal amount of each series of the Series 2014 Bonds and the definitive interest rates on the Series 2014 Bonds shall be determined by the President of the University, his execution of the Seventh Supplemental Indenture, and the Bond Purchase Agreement (as hereinafter defined) to be conclusive evidence of such approval. The Series 2014 Bonds shall be issued on a parity of lien and pledge with the Outstanding Bonds pursuant to the provisions of the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture; provided however that the Series 2014 Bonds shall not be entitled to the security or benefit of the Reserve Fund and the Holders of the Series 2014 Bonds shall have no claim on the Reserve Fund or any account therein. All the provisions of the Seventh Supplemental Indenture and of the Series 2014 Bonds authorized to be issued thereunder are hereby adopted as a part of this resolution as though the same were set out in full herein. Unless the context clearly indicates a different meaning, any reference in the succeeding provisions of this resolution to the Indenture means the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture.

Section 3. Source of Payment of the Series 2014 Bonds. The principal of and interest (and premium, if any) on the Series 2014 Bonds shall be payable solely from the revenues defined in the Indenture, as such definition is amended by the Seventh Supplemental Indenture, as the "Pledged Revenues" (herein called the "Pledged Revenues"). Nothing contained in this resolution, in the Series 2014 Bonds or in the Indenture shall be deemed to impose any obligation on the University to pay the principal of or the interest (or premium, if any) on the Series 2014 Bonds except from the Pledged Revenues. The Series 2014 Bonds shall not represent or constitute obligations of any nature whatsoever of the State of Alabama and shall not be payable out of moneys appropriated to the University by the State of Alabama. The agreements, covenants and representations contained in this resolution, in the Series 2014 Bonds, and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Series 2014 Bonds nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2014 Bonds nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any monies appropriated to the University by the State of Alabama. Nothing contained in this section, however, shall relieve the University or its officers from its or their obligation to perform the several agreements on its or their part contained herein and in the Indenture so long as such performance does not impose a general liability or charge upon the University.

Section 4. Authorization of the Seventh Supplemental Indenture. To specify the details respecting the Series 2014 Bonds and as further security for the payment of the principal of and the interest (and premium, if any) on the Outstanding Bonds and any other Additional Bonds that may be issued under the Indenture, pro rata and without preference or priority of one bond over another or of the bonds of any one series over those of any other, the University does hereby authorize and direct the President of Jacksonville State University to execute and deliver, for and in the name and on behalf of the University, a Seventh Supplemental Indenture (herein, as previously indicated, called the "Seventh Supplemental Indenture") to The Bank of New York Mellon Trust Co., N.A., as Trustee (herein, in its capacity as Trustee under the Indenture, called the "Trustee"). The University does also hereby authorize and direct the Vice President for Administrative and Business Affairs of Jacksonville State University to affix the corporate seal of the University to the Seventh Supplemental Indenture and to attest the same. The Seventh Supplemental Indenture shall be in such form and shall contain such terms and conditions, not inconsistent with the provisions hereof, as the

President of Jacksonville State University shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination of the definitive form of, and the definitive terms and conditions of, the Seventh Supplemental Indenture by the President of Jacksonville State University to be established conclusively by his execution of such document.

Section 5. Sale of the Series 2014 Bonds. The Series 2014 Bonds shall be and hereby authorized to be sold and awarded to Merchant Capital, LLC. (herein called the "Underwriter"), at and for a purchase price for the Series 2014 Bonds of not less than 99.225% of the par amount thereof, plus any original issue premium and less any original issue discount, plus accrued interest on the Series 2014 Bonds from their date to the date of their delivery. The Series 2014 Bonds shall be sold pursuant to and on the terms and conditions specified in a bond purchase agreement (herein called the "Bond Purchase Agreement") between the University and the Underwriter. The Bond Purchase Agreement shall be in such form as the President of Jacksonville State University shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination of the definitive form of the Bond Purchase Agreement by such officer to be conclusively established by his execution of the same. The President of Jacksonville State University is hereby authorized and directed to execute the Bond Purchase Agreement for and in the name and behalf of the University.

Section 6. Authorization of the Official Statement. The President of Jacksonville State University and the Vice President for Administrative and Business Affairs of Jacksonville State University are hereby authorized and directed to execute and deliver, for and in the name and behalf of the University, an official statement (herein called the "Official Statement"), with respect to the Series 2014 Bonds (herein called the "Bonds"). Said Official Statement shall be in such form as the officers executing the Official Statement shall determine to be necessary or desirable in order to consummate the transactions authorized by this resolution, the determination by such officers of the definitive form of the Official Statement to be established conclusively by their execution thereof. The use of the Official Statement by the Underwriter in connection with the offering and sale of the Bonds is hereby authorized and approved.

Section 7. Execution and Delivery of the Series 2014 Bonds. The President of Jacksonville State University is hereby authorized and directed to execute the Series 2014 Bonds for and in the name and on behalf of the University, either by manually signing or by causing a facsimile of his signature to be imprinted thereon, and the Vice President for Administrative and Business Affairs of Jacksonville State University is hereby authorized and directed either to impress upon or to cause a facsimile of the corporate seal of the University to be imprinted on the Series 2014 Bonds and to attest the same either by manually signing or by causing a facsimile of his signature to be imprinted thereon, all in the manner provided in the Indenture. The President of Jacksonville State University is hereby authorized and directed to deliver the Series 2014 Bonds to the Trustee and to direct the Trustee to authenticate all the Series 2014 Bonds and to deliver them to the Underwriters upon payment to the University of the purchase price therefor.

Section 8. Application of Proceeds. The entire proceeds derived by the University from the sale of the Series 2014 Bonds shall be delivered by the University to the Trustee, which is thereupon authorized and directed to apply and disburse such moneys for the purposes specified in the Seventh Supplemental Indenture.

Section 9. Ratification and Authorization of Financing Team. To accomplish the objectives of this resolution, the Board does hereby ratify the appointment of Merchant Capital, LLC. as Underwriter; Waldrep Stewart & Kendrick, L.L.C as Bond Counsel and Underwriter's Counsel (herein together called the "Financing Team"). Without limiting the generality of other provisions of this resolution, the members of the Financing Team are authorized (i) to communicate on behalf of the University with rating agencies and bond insurers, (ii) to prepare documents (including those specifically authorized and referred to in this resolution) and financial schedules and projections, and (iii) to the extent deemed necessary or helpful, to consult with other professionals.

Section 10. General Authorization. The President of Jacksonville State University and the Vice President for Administrative and Business Affairs of Jacksonville State University are hereby further authorized and directed to take such further actions and to execute, deliver, seal and attest such other documents and certificates as may be necessary or appropriate to effect the issuance of the Series 2014 Bonds and to carry out fully the transactions contemplated in the documents authorized in this resolution to be executed and delivered on behalf of the University.

Section 11. Severability. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other provision of this resolution.

Section 12. Resolution Constitutes a Contract. The provisions of this resolution pertaining to the Series 2014 Bonds shall constitute a contract between the University and each holder of the Series 2014 Bonds.

Mr. Thomas Dedrick, on behalf of the Building and Finance Committee, moved that said resolution be finally adopted. Coming from the Building and Finance Committee the motion did not require a second. Upon said motion being put to vote, the following vote was recorded:

YEAS:

NAYS:

**Mr. Jim Bennett
Mr. Jim Coxwell
Mr. Clarence W. Doughty, III
Mr. Thomas Dedrick
Senator Vivian Davis Figures
Mr. Randall Jones
Mrs. Gale Saxon Main**

The Chairman thereupon announced that said motion had been carried.

Mr. Dedrick presented the Interim FY 2014-2015 operations budget for the University. The budget allows the University to operate until the final budget is presented at the October 20, 2014 Board of Trustees meeting.

Coming from the Building and Finance Committee the motion did not require a second. After discussion the motion was approved unanimously.

Mr. Dedrick informed the Board that the University is in the process of purchasing property located adjacent to the University on Highway 21 directly across from the Amphitheater for future expansion needs. The total cost of the property is \$250,000.00 and the closing should be completed in the next two to three weeks.

PRESIDENT'S REPORT

I. Capital Projects

Building 3181 at Fort McClellan Campus

Dr. Meehan told the Board that Stephen Ward & Associates of Huntsville had submitted the building envelope assessment. The report revealed three key deficiencies: 1.) the facility has no vapor barrier; 2.) the foundation along GSCC requires

waterproofing and subsurface drainage, and 3.) all exterior walls require caulking, sealing, and re-coating. Bids designed for corrective work were received July 10th. JSU and GSCC are reviewing the packages and will determine an appropriate course of action. All costs are being split 50-50 between JSU and GSCC.

Coliseum HVAC Phase II Improvements

Dr. Meehan explained that a contract was awarded to Metro D Construction of Talladega for a construction cost of \$2,219,000. Construction is on schedule to be completed by August 15th. The project will provide a new heating and cooling HVAC system for the entire coliseum with the exception of the pool area.

Daugette Hall / Computer Center

Dr. Meehan reported that Whorton Engineering designed a new HVAC system for a section of the Computer Center in Daugette Hall. Bids were opened on May 6th and a contract was awarded to Stateline Mechanical of Woodland, AL for \$143,500. The contractor has 75 calendar days to complete the project. Project is nearing 50% complete.

Logan Hall Re-Shingle Roof

Dr. Meehan stated that Stephen Ward & Associates designed the project that was bid May 23rd and awarded to Mid-America Roofing of Russellville for \$38,895. The project commenced June 27th and was completed July 3rd. The project removed and replaced existing asphalt shingles, felt, and deteriorated roof decking.

Martin Hall Chiller Replacement

Dr. Meehan told the Board that in order to replace the 200 ton chiller at Martin Hall (1 of 2 R123 refrigerant chillers remaining on campus) Whorton Engineering of Anniston is preparing design documents planned to bid late this fall after the cooling season has ended. Project costs are estimated \$175,000 and funding is provided by a 2007 PSCA bond issuance.

Softball Field Locker Room and Dugouts

Dr. Meehan stated that this project, constructed by Hale Building Company and designed by Bill Whittaker, is complete. Final design and construction costs are \$488,706. The project included two sunken dugouts, locker room, shower room, washing facilities, and storage.

Stephenson Hall Wellness Center

Dr. Meehan explained to the Board that substantial completion occurred on February 13, 2012 and the Year End Inspection was held February 23, 2013. On April 1, 2013, the contractor requested an arbitration hearing before the State Building Commission concerning his claims for additional compensation. That hearing was held Tuesday, September 10, 2013 and we are awaiting a final decision from the State Building Commission.

Theron Montgomery Building Chiller Replacement

Dr. Meehan reported that in order to replace a 200 ton chiller at TMB (1 of 2 R123 refrigerant chillers remaining on campus) Whorton Engineering of Anniston is preparing design documents planned to bid late this fall after the cooling season has ended. Project costs are estimated at \$160,000 and funding is provided by a 2007 PSCA bond issuance.

II. University Update

A. Southern Association of Colleges and School Commission on Colleges

Dr. Meehan told the Board that in June the University received the SACS COC Final Reaffirmation Report. As anticipated, only two recommendations were received and have already been addressed. A final report confirming JSU's response and actions taken on these two recommendations will be submitted in early September. Dr. Meehan thanked Dr. Louise Clark, Chair and Dr. Alicia Simmons, Co-Chair of the SACS Compliance Certification Committee, Ms. Gena Christopher and the QEP (Quality Enhancement Plan) Committee, Dr. Rebecca Turner, Provost and JSU SACSCOC Liaison, and all JSU faculty, staff, and students who assisted in this process. He stated that it is a monumental accomplishment and all deserve credit. This is the best review in the last four cycles (forty years). We look forward to being reaffirmed in December 2014.

B. Student Health Center

Dr. Meehan told the Board that located under Tab 4 of the Trustees binder was a comparison of Student Health Center visits from January-April 2013 to 2014. In one year the number of visits, the large majority of which are student visits, have increased by 57% (904 to 1,419) since Regional Medical Center has provided services. RMC has not provided a financial report but this is anticipated following the end of the academic year.

C. Fall Enrollment and Housing

Dr. Meehan reported that although fall semester 2014 enrollment will not be complete until the last week in August, the indicators are positive for an increase in enrollment. A 4% increase in students for the fall is anticipated. Orientation results are an excellent predictor of first-time freshmen headcounts. Current orientation results indicate that this population will increase 5%. Other segments of the population are more difficult to predict as behavior varies. Therefore, a more conservative 4% increase is anticipated.

The number of students who have attended and/or registered to attend an orientation session for fall 2014 is 1,129 through 10 orientation sessions. For those who attended orientation for fall 2013 at the same time the number was 1,073. The difference is 56, 5.2%, more students. This is a number that is dynamic and should only be increasing as orientation continues through July. History tells us that in excess of 95% of students who attend orientation enroll at JSU.

Earlier in July a "confirmation edit" was processed to determine how accepted student numbers for fall 2014 compare to fall 2013 even though the due date for payment is not until August 1st 2014. The edit determined that 117 more students in 2014 have registered and made payment arrangements than those in 2013 on the comparable date.

The \$12 million i3 Federal grant received by JSU will pay scholarships for 500 dual enrollment students. JSU has hired three recruiters to concentrate on dual enrollment students with our CORE partner schools. Many of the 500 dual enrollment students receiving the i3 scholarship will be students who would have otherwise not attended JSU this year. These students have yet to register.

The Department of University Housing and Residence Life (UHRL) is projecting a fall 2014 occupancy rate of 95%. The official occupancy rate for fall 2013 resulted in 90% of available beds being occupied. UHRL is currently 90% occupied as of July 14, 2014. 946 new applications have been received for fall 2014. With orientation sessions remaining there is confidence that the number of housing applications will exceed fall 2013. In addition, application counts were 186 during the latter part of July, 2013 and in August, 2013. If properly managed, a 95% occupancy rate is, therefore, projected.

UHRL is also maintaining a waiting list of approximately 60 upper-class students seeking on-campus apartment accommodations.

Based on numbers of monthly applications from the beginning of the academic year to date, graduate applications are up 11% over this time last academic year. Seventy prospective students have begun but have not completed applications to JSU graduate programs. With almost one month to go before classes start, Graduate Studies anticipates an increase of approximately 60 enrolled graduate students (5% increase) compared with last year.

D. CORE Academy Report

Dr. Meehan recognized Dr. Alicia Simmons, Executive Director, Planning & Research, and asked her to present for the Board the great success that we experienced at the CORE Academy earlier this summer. He stated that Dr. Tommy Bice, State Superintendent of Education and member of the JSU Board of Trustees, proudly stated in his keynote address, "Jacksonville State University has more partnerships with K-12 schools than any other university in Alabama and no one is doing what JSU is doing."

Dr. Simmons showed the video that was debuted at the CORE Academy and thanked Tim Garner and Shannon Crutchfield, of Marketing Services, and Lynn Garner and John Rosier, of Planning and Research, for their help in creating this video which was produced by BIG Communications in Birmingham. She stated that more teachers attended the CORE Academy this year than last year. Dr. Tommy Bice, Alabama Superintendent of Education, was the keynote speaker for the CORE Academy and was very impressed with the CORE video and what JSU is doing to help K-12 school systems in the state.

Dr. Simmons explained some of the benefits that JSU is receiving from the \$12 million i3 Grant and introduced her Grant Management Team to the Board.

E. Benefits of Internationalization of the Curriculum of Jacksonville State University: Developing Relationships with Chinese Universities

Dr. Meehan told the Board that he had placed under Tab 4 of the Trustees binder a report from Dr. Ronnie Clayton, Glenn Huie Chair and Eminent Scholar, Professor of Finance at JSU. He stated that JSU has been exchanging faculty and students since the early 1990's. Dr. Clayton traced the impact of national, state, and local trends in relationships with China. On page nine of this report he states that over the last six years (between 2008 and 2014) with just thirty-one students attending JSU from China \$1,102,708 of tuition revenue was generated. This does not include books, board, and other expenditures which are conservatively estimated as a community economic impact benefit of \$3.3 million for these 31 students.

Academic Affairs and Student Affairs

Dr. Meehan recognized Dr. Rebecca Turner, Provost and Vice President for Academic and Student Affairs, and asked that she give an update on accomplishments within her division. He stated that Dr. Turner's full report was placed in the Trustees binder under Tab 4.

Dr. Turner recognized Dr. Rick Davis, Head of the Department of Criminal Justice. Dr. Davis introduced Joseph Scott Morgan, new Distinguished Scholar in Applied Forensics.

Dr. Turner introduced Dr. David Thornton who is serving as Interim Department Head for the Department of Mathematical, Computing and Information Sciences, upon

the retirement of Dr. Donnie Ford. She also introduced Dr. Seth Johnson, as the new head of the Department of Art.

Athletics

Dr. Meehan stated that Mr. Warren Koegel, Director of Athletics, had placed a full report in the Trustees Binder under Tab 4, but asked that he provide a brief update on Sports. Mr. Koegel stated that Athletics has had an outstanding year, with six out of sixteen teams competing in OVC championships teams and five were in NCAA playoffs. Three of our coaches, Coach Bailey, Coach Frost, and Coach McGinnis won OVC Coach of the Year Awards. The Academic Progress Rate for student athletes was the best it has ever been. Mr. Koegel stated that our first football game of the season is August 29th at Michigan State and encouraged the Trustees to call the ticket office if they were interested in making the trip.

Mr. Koegel introduced Terry Gamble, new Head Volleyball Coach and Chris Lacsamana, new Assistant Director of Sports Medicine. He also told the Trustees that he was excited to about the creation of the Board of Visitors for Athletics and expects this to help continue the growth of JSU and the Athletic Program.

Administrative and Business Affairs

Ms. Allyson Barker, Acting Vice President for Administrative and Business Affairs, recognized Dr. Rosalynn Martin, Director of Human Resources, and congratulated her for completing her Doctorate of Education.

Information Technology

Dr. Meehan stated that Mr. Vinson Houston, Vice President for Information Technology, had placed his report in the Trustees Binder under Tab 4.

University Advancement

Dr. Meehan recognized Dr. Charles Lewis, Vice President for University Advancement, and stated that in his report which was included under Tab 4 of the Trustees Binder, Dr. Lewis states that the overall capital campaign total in outright and planned gifts as of July 3rd was \$10,345,365 and in the first six months of 2014 over \$566,000 more has been raised than in 2013.

Executive Session

Dr. Meehan presented a statement from Mr. Sam Monk, University Counsel, who certified the Executive Session necessary to discuss pending litigation and controversies not currently being litigated, but likely to be litigated if the Board takes a proposed course of action.

Dr. Meehan called roll for voting to approve the Executive Session. The following persons voted:

Chairman Jim Bennett, Aye
 Mr. Jim Coxwell, Aye
 Mr. Clarence W. Doughty, Aye
 Mr. Thomas Dedrick, Aye
 Senator Vivian Davis Figures, Aye
 Mr. Randall Jones, Aye
 Mrs. Gale Saxon Main, Aye

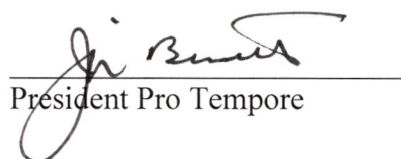
Chairman Bennett reported a unanimous vote for the Executive Session and stated that the Board members would return for a public vote on any actionable items.

Upon returning from Executive Session Mr. Bennett reported that there were no actionable items to report. However, he stated that Dr. Meehan had announced to the Board his intent to retire effective June 30, 2015. Mr. Bennett thanked Dr. Meehan for his sixteen years of service as President and said that Dr. Meehan has been an outstanding part of the University community for over forty years and wished him well for the future. Mr. Bennett stated that a diligent and extensive search will begin soon for his successor. Dr. Meehan thanked Mr. Bennett and the Board for the honor of serving as their President. He said that it has been a delight to have had the opportunity to have worked with them and stated that they have always been unified and have had the best interests of the University, its faculty and staff in mind.

Dr. Meehan announced that the Board had requested that JSU honor its Summer Commencement Speaker, Bishop F. Richard Spencer, with the honorary doctorate, when he gives the Commencement address on August 8th.

There being no further business, Chairman Bennett declared that the meeting was adjourned and stated that the next meeting of the Board of Trustees would be held at the Houston Cole Library on October 20, 2014.


Secretary


President Pro Tempore