

Shepherd University Board of Governors

Minutes of the Meeting of March 8, 2007

The Shepherd University Board of Governors met on March 8, 2007 in the Robert C. Byrd Center for Legislative Studies, Shepherd University, Shepherdstown, West Virginia, in a regular meeting. Members participating were: Lauri Bridgeforth (by phone), Gat Caperton (by phone), Kenneth Harbaugh, Anders Henriksson, Andrew Michael, Christopher Raines, Lacy Rice III (by phone), Brent Robinson (by phone) and John Sherwood. Also present were members of the executive staff, and others. Board members Manny Arvon, Doris Griffin and Robert McMillan were absent from the meeting.

Chair Sherwood convened the meeting of the Board of Governors at 2:00 p.m.

1. MINUTES OF THE MEETING OF JANUARY 11, 2007

M (Henriksson) S (Raines), PASSED, that the minutes of the January 11, 2007 meeting of the Board of Governors be adopted as presented in the agenda book. [Members participating by phone were individually polled.]

2. MINUTES OF THE SPECIAL MEETING OF FEBRUARY 16, 2007

M (Michael) S (Henriksson), PASSED, that the minutes of the February 16, 2007 Special meeting of the Board of Governors be adopted as presented in the agenda book. [Members participating by phone were individually polled.]

3. PRESIDENT'S REPORT

In addition to the President's Report that was included in the agenda book, President Dunlop shared with the Board the latest Spring 2007 enrollment data.

4. SPECIAL RESOLUTION

M (Michael) S (Harbaugh), PASSED, that the following resolution be adopted by the Board. [Members participating by phone were individually polled.]

RESOLUTION HONORING MS. BARBARA H. PICHOT

WHEREAS, Barbara H. Pichot is a 1971 and 1981 graduate of Shepherd; and

WHEREAS, Ms. Pichot served as a member of the Shepherd College Board of Advisors from 1996 to 2001; and

WHEREAS, Ms. Pichot served as Chair of the reconstituted Shepherd College Board of Advisors from 2000 to 2001, and during that time provided distinctive leadership in preparing the Board members for their new duties as a board of governors; and

WHEREAS, Ms. Pichot served as an original member of the Shepherd University Board of Governors from 2001 to 2006; and

WHEREAS, Ms Pichot served as Chair of the Shepherd University Board of Governors from 2001 to 2003, bringing wisdom and guidance to the new governing board from its inception; and

WHEREAS, Ms. Pichot demonstrated an extraordinary commitment and dedication to the Board and to Shepherd University in her many hours of Board work, including numerous trips to Charleston and tireless and effective advocacy for Shepherd; and

WHEREAS, Ms. Pichot contributed outstanding leadership ability, political savvy, and integrity while serving as a member and as Chair of the Board; and

WHEREAS, Ms. Pichot has honored her alma mater with loyalty and pride for the past 36 years; and

THEREFORE, BE IT RESOLVED, THAT the Shepherd University Board of Governors honors Ms. Pichot, upon the occasion of her retirement from the Board, for her record of strong leadership, expresses to her its sincere gratitude and admiration, and looks forward to her continued service to the University; and

FURTHER, BE IT RESOLVED, THAT this resolution be inscribed upon the minutes of the March 8, 2007 Board of Governors meeting and that a copy of the resolution be presented to Ms. Pichot.

5. **FINAL APPROVAL OF REVISED POLICY 26, SALARY POLICY**

M (Michael) S (Henriksson), PASSED, that the following resolution be adopted by the Board. [Members participating by phone were individually polled.]

RESOLVED, That the Shepherd University Board of Governors approves the revisions to Policy 26, *Salary Policy*, as presented in the agenda book and further amended in Section 5.3.3 to replace the words “*for Executive/ Administration/ Professional Personnel*” with the word “Form”, to become effective immediately upon approval of the Chancellor.

6. **WELLNESS CENTER BONDING: INDUCEMENT RESOLUTION**
M (Michael) S (Harbaugh), PASSED [Robinson abstaining], that the following resolution be adopted by the Board. [Members participating by phone were individually polled.]

**INDUCEMENT RESOLUTION STATING THE REASONABLE EXPECTATION OF
THE SHEPHERD UNIVERSITY BOARD OF GOVERNORS TO REIMBURSE
SHEPHERD UNIVERSITY FOR
CAPITAL EXPENDITURES IN CONNECTION WITH THE
PLANNING, DESIGN, ACQUISITION, CONSTRUCTION AND
EQUIPPING OF A NEW WELLNESS CENTER
AND OTHER CAPITAL IMPROVEMENTS
FOR USE BY SHEPHERD UNIVERSITY MADE PRIOR TO
THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS
AND TAKING OTHER ACTIONS IN CONNECTION WITH SAID BONDS**

WHEREAS, Shepherd University (the "University") is an institution of higher education of the State of West Virginia governed by The Shepherd University Board of Governors (the "Board"), which is empowered and authorized by Chapters 18 and 18B of the Code of West Virginia, 1931, as amended, among other things, in furtherance of the public purposes of the University, to issue revenue bonds of the University to finance capital improvements at the University and as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in conjunction therewith, to pledge the revenues and receipts from certain student fee revenues of the University to secure the payment of such bonds and interest thereon;

WHEREAS, the Board has heretofore determined that the planning, design, acquisition, construction and equipping of a new wellness center and other capital improvements for use by the University (collectively, the "Project") will be undertaken at an estimated aggregate cost not to exceed \$21,600,000; and

WHEREAS, the Board desires to express its approval in concept of the issuance of tax-exempt revenue bonds in an aggregate principal amount not to exceed \$21,600,000 to finance all or a portion of the costs of such Project (the "Bonds"); and

WHEREAS, the Board reasonably expects that the University will reimburse itself for all or a portion of the costs of the planning, design, acquisition, construction and equipping of the Project, such reimbursement to not exceed \$21,600,000, from the proceeds of the sale of the Bonds, which will be tax-exempt revenue bonds payable from certain student fee revenues pledged for such purpose; and

WHEREAS, the Board has determined to authorize the issuance of the Bonds to permanently finance the Project; and

WHEREAS, the Board has found and determined that the Project is desirable to provide improvements to the facilities of the University, for the benefit of its students and the citizens of the State of West Virginia (the "State"), and is necessary and appropriate for the public interest of the State and citizens and residents of the State and such financing and the approval of the issuance of the Bonds are for a public purpose of the State.

NOW, THEREFORE, BE IT RESOLVED BY THE SHEPHERD UNIVERSITY BOARD OF GOVERNORS AS FOLLOWS:

Section 1. The Board hereby approves in concept the issuance of the Bonds in one or more series in an aggregate principal amount not to exceed \$21,600,000 for the purpose of financing all or a portion of the costs of the Project.

Section 2. The Board reasonably expects that the University will reimburse itself from the proceeds of the Bonds for certain capital expenditures made not more than sixty (60) days prior to the date of adoption of this Resolution (and after date of such adoption, but prior to the issuance of the Bonds), in connection with the planning, design, acquisition, construction and equipping of the Project, such capital expenditures to be undertaken or incurred prior to the execution and delivery of the Bonds, which are reasonably expected to be executed and delivered within eighteen (18) months from the later of (i) the expenditure for payment of said cost, or (ii) the placing of the Project in service.

Section 3. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended.

Section 4. The source or sources of payment for such capital expenditures will be from the Education and General Capital Fees Fund of the University, and upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures will be applied to the reimbursement of the respective funds from which these expenditures were made.

Section 5. The maximum principal amount of the Bonds to be issued for the Project (including costs of issuance of the Bonds and related costs, but not including any original issue discount) and the maximum amount of reimbursable costs is \$21,600,000.

Section 6. The University shall provide written evidence of all reimbursement allocations within the time provided in Section 1.150-2 of the Treasury Resolutions, which written evidence may be satisfied by one or more requisitions submitted in connection with the subject financing.

Section 7. The President, Vice President of Administration and Finance, and other officers, employees, agents and attorneys of the University are authorized and directed to apply to West Virginia Higher Education Policy Commission for approval of the Project and the issuance of the Bonds and to take any and all actions necessary or convenient in connection therewith.

Section 8. The marketing of the Bonds by the Underwriter hereinafter designated is hereby authorized and approved, including, but in no manner limited to the preparation and distribution of a preliminary official statement or other offering document in such form as may be approved by Edward Magee the Vice President of Administration and Finance of the University after consultation with the University's legal counsel.

Section 9. The firm of Bowles Rice McDavid Graff & Love LLP is hereby appointed as Bond Counsel for the issuance and sale of the Bonds and the Board hereby approves and authorizes such Bond Counsel to prepare such documents as they deem necessary or appropriate for such purposes, provided that the fees and expenses of Bond Counsel shall be paid from the proceeds of the Bonds or other available funds of the University. All other costs of issuance shall be paid from the proceeds of the Bonds or other available funds of the University.

Section 10. The investment banking firm of Ferris, Baker Watts, Incorporated is hereby designated as the “Underwriter” with respect to the issuance of the Bonds and is hereby authorized to proceed with the preparation of all the necessary documents relating to the marketing and sale of the Bonds, all fees and expenses in connection with such services to be paid solely from the proceeds of the Bonds or other available funds of the University.

Section 11. The Bonds are special obligations of the University payable solely from the student fee revenues and other sources, if any, pledged for such purpose. The State and its counties, municipalities and political subdivisions shall not be liable for the payment or performance of the Bonds. The Bonds, as to both principal and interest, shall not constitute a debt or pledge of the full faith and credit or taxing power of the State or any county, municipality or other political subdivision of the State and are payable solely and exclusively from the revenues, funds and other collateral pledged for their payment. The holders of such Bonds shall have no right to have taxes levied by the West Virginia Legislature or the taxing authority of any county, municipality or any other political subdivision of the State for the payment of the principal of or interest on such Bonds.

Section 12. None of the present or future employees, officers or board members of the Board or the University, or any person executing the Bonds or any of the documents relating thereto shall be personally liable for the Bonds or any other obligation relating to the issuance of such Bonds, or be subject to any personal liability by reason of the issuance of the Bonds.

Section 13. The Board finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board and that all deliberations of the Board which resulted in formal action were conducted during meetings open to the public, in full compliance with all applicable legal requirements.

Section 14. The issuance of the Bonds may be authorized by future resolution of the Board upon the approval of the various documents relating to such Bonds by the Board and its duly appointed legal counsel.

Section 15. This Resolution shall become effective on the date of its adoption.

7. **QUARTERLY FINANCIAL MANAGEMENT REPORT**

Mr. Ed Magee, Vice President for Administration and Finance, presented to the Board the Quarterly Financial Management Report for the period ending December 31, 2006.

8. **APPROVAL OF BACHELOR OF SCIENCE IN COMPUTER ENGINEERING**

M (Henriksson) S (Bridgeforth), PASSED, that the following resolution be adopted by the Board. [Members participating by phone were individually polled.]

RESOLVED, that the Shepherd University Board of Governors approves the initiation of the Bachelor of Science in Computer Engineering Degree program, effective August 2007; provided, that the foregoing approval is subject to the final approval of the Higher Education Policy Commission prior to such initiation.

9. **APPROVAL OF MASTER OF ARTS IN PUBLIC HISTORY**

M (Henriksson) S (Raines), PASSED, that the following resolution be adopted by the Board. [Members participating by phone were individually polled.]

RESOLVED, that the Shepherd University Board of Governors approves the initiation of the Master of Arts in Public History program, effective August 2008; provided, that the foregoing approval is subject to accreditation being approved by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools prior to such initiation; provided further, that the foregoing approval is subject to the authorization to proceed of the Higher Education Policy Commission prior to such initiation.

10. **APPROVAL OF MASTER OF ARTS, LIBERAL STUDIES**

M (Michael) S (Bridgeforth), PASSED, that the following resolution be adopted by the Board. [Members participating by phone were individually polled.]

RESOLVED, that the Shepherd University Board of Governors approves the initiation of the Master of Arts, Liberal Studies program, effective August 2008; provided, that the foregoing approval is subject to accreditation being approved by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools prior to such initiation; provided further, that the foregoing approval is subject to the authorization to proceed of the Higher Education Policy Commission prior to such initiation.

11. **NEW BUSINESS**

President Dunlop thanked Board Chair Sherwood for his service as the Presidential Search Committee Chair.

12. HEPC FACULTY STUDY REPORT

Dr. Sylvia Shurbutt, faculty representative to the Advisory Council of Faculty, presented the HEPC Faculty Study Report to the Board.

There being no further business, the meeting was adjourned.

Signed

John M. Sherwood
Chair

Signed

Manny P. Arvon
Secretary