

**Shepherd College
Board of Governors**

Minutes of the Meeting of November 14, 2002

The Shepherd College Board of Governors met on November 14, 2002, at the Cumberland Room, College Center, Shepherd College, Shepherdstown, West Virginia, in a regular meeting. Members present were: Anders Henriksson, Bethany Knowles, Sarah Payne Naylor, Chair Barbara Pichot, Lacy Rice III, Brent Robinson, John Sherwood, and Dan Starliper. Also present were President David Dunlop, members of the Executive Staff, and others.

The Chair convened the meeting of the Board of Governors at 3:15 p.m.

1. MINUTES OF THE MEETING OF OCTOBER 10, 2002.

M (Henriksson), S (Sherwood) PASSED, that the minutes of the October 10, 2002 meeting of the Board of Governors be approved as presented in the agenda book.

2. PRESIDENT'S REPORT

Dr. Dunlop reported that we should anticipate a mid-year budget cut. The President reported that the College has planned a surplus in FY03 to help cover the expected shortages in FY04. He emphasized that peer equity funding is essential to the future progress of the College. The President also discussed with the Board the WV Legislature's initiative to authorize \$125 million in bonding for capital improvements at higher education institutions. The President spoke about Shepherd College's peer group comparisons. Dr. Dunlop highlighted the success of the Sports Hall of Fame Banquet and mentioned those honored.

3. PROVOST'S REPORT

Dr. Peter Checkovich announced that Ann Shipway has been hired as Director of Workforce Development and Continuing Education and advised the Board that no new bids have been received for Berkeley County's renovation work which will allow the Community and Technical College's move to the Dunn Building.

The Provost reported that the Board of Advisors of the CTC had met twice, and would be meeting quarterly. Their next meeting will be January 22, 2003.

4. QUARTERLY FINANCIAL REPORT

Ed Magee presented the quarterly financial report for the period ending September 30, 2002.

5. **TRAVEL REGULATIONS**

Dr. Dunlop and Mr. Magee reviewed the proposed amendment of Policy 14 with members.

6. **CLASSIFIED EMPLOYEE SALARY STUDY**

The background and legal parameters were presented for a salary policy that the Board is required to develop. Included were (1) the core statutory provisions relating classified employee compensation, including the non-binding, statutory minimum salary schedule; (2) HEPC Series 8; and (3) HEPC Salary Guidelines. Dr. Starliper discussed the basic components of the Mercer Classification System as reflected in Series 8. Chair Pichot assigned this project to the Finance Committee.

7. **FACULTY SALARY POLICY UPDATE**

The President gave notice that a salary policy is under continuing review and the Faculty Senate has a committee working to produce a draft policy for the President's review by mid-spring. It is anticipated that the FY '05 Faculty Salary Policy will be presented for review by the Board in that time-frame. A mid-winter update is planned.

8. **NON-CLASSIFIED SALARY POLICY UPDATE**

The President asked Dr. Starliper to chair a working group which will develop a draft salary policy which will meet the Policy Commission's mandate. It is anticipated that the President's proposals on FY '05 non-classified staff salary policy will be presented to the Board for review in conjunction with the proposed Faculty Salary Policy.

9. **STAFF CRITICAL RETENTION DESIGNATION**

M (Sherwood), S (Robinson) PASSED that the following resolution be adopted by the Board:

Resolved, that the Shepherd College Board of Governors assigns *Critical Retention* status to the following position: Music Operations Manager.

10. **CAPITAL BONDING PROJECT AND RELATED STUDENT FEE**

M (Sherwood), S (Robinson) PASSED with one abstention that the following resolutions be adopted by the Board:

RESOLVED, That the Shepherd College Board of Governors approves the establishment of a Capital Financing Fee, to be effective as of the Fall 2003 academic semester; and

RESOLVED, FURTHER, That the Shepherd College Board of Governors directs the President to take such action as necessary to allow the Board of Governors to take final action on fees necessary to support the Capital Bonding Project at the December meeting of the Board.

M (Sherwood), S (Robinson) PASSED that the following resolutions be adopted by the Board:

BE IT RESOLVED BY THE SHEPHERD COLLEGE 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 \$6,000,000 for the purpose of financing all or a portion of the costs of the Project.

Section 2. The Board reasonably expects that the College 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 building and campus renewal fund of the College, 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 \$6,000,000.

Section 6. The College 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 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 College, after consultation with the College's legal counsel.

Section 8. The firm of Bowles Rice McDavid Graff & Love, PLLC 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 College. All other costs of issuance shall be paid from the proceeds of the Bonds or other available funds of the College.

Section 9. The investment banking firm of Crews & Associates, Inc. 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 College.

Section 10. The Bonds are special obligations of the College 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 11. None of the present or future employees, officers or board members of the Board or the College, 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 12. 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 13. 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 14. This Resolution shall become effective on the date of its adoption.

11. **STUDENT CONDUCT POLICY REVIEW**

The President and the Vice President for Student Affairs anticipate creating an open dialogue on the content of this policy as a part of the policy review process. A variety of changes in the policy may ultimately be recommended, based upon that dialogue. Based upon the prevailing pattern of appeals processes across the country, it is anticipated that the staff recommendation will ultimately include the elimination of an appeal of right to the Board in any case.

12. **COMPACT UPDATE -- FOUR-YEAR COLLEGE**

M (Starliper), S (Henriksson) PASSED, as amended, that the following be adopted by the Board:

RESOLVED, That the Shepherd College Board of Governors approves, effective as of today, the Shepherd College Compact Narrative, November 15, 2002, as amended in the following manner:

1. To delete the final two line items on page 12-4 of the Agenda Book;
2. To amend the second sentence of the section *Important Campus Challenges and Opportunities* on page 12-2 of the Agenda Book, by adding the phrase 'including externally generated funding' after the word 'resources.'

13. **COMPACT UPDATE -- TWO-YEAR COLLEGE**

M (Starliper), S (Henriksson) PASSED that the following resolution be adopted by the Board:

RESOLVED, That the Shepherd College Board of Governors approves, effective as of today, the Compact Narrative Update for the Community and Technical College of Shepherd.

14. **BOARD RETREAT**

Dr. Dunlop reported that he had secured Janine Varner of Oklahoma Christian University to facilitate the Board Retreat. The Board chose Saturday, January 25, 2003 for the Retreat with the location to be announced at the December BOG meeting.

15. NEW BUSINESS

There was no new business.

16. PRESENTATION ON STUDENT COMMUNITY SERVICE

A brief presentation by Holly Frye, Office of Student Community Services, showed some of the community service the students did in August 2002.

There being no further business, the meeting was adjourned.

Signed Copy on file

Barbara H. Pichot
Chair

Signed Copy on file

Manny P. Arvon, II
Secretary