

MINUTES
BOARD OF TRUSTEES' MEETING
July 27, 2007
Troy University, Troy, Alabama

The Troy University Board of Trustees met at 3:15 p.m. on July 27, 2007, in the Ballroom on the Troy University Campus in Troy, Alabama.

I. Call to Order

Dr. Doug Hawkins, President pro tempore of the Board, called the meeting to order.

II. Roll Call

Upon roll call, the following members, comprising a quorum, answered present: Dr. R. Douglas Hawkins, Mr. Gerald O. Dial, Mr. Roy H. Drinkard, Mr. John Harrison, Mr. Lamar P. Higgins (via teleconference), Mr. Forrest Latta (via teleconference), Mr. C. Charles Nailen, Mr. Allen E. Owen, III, and Mr. Cody Ash, representing SGA President Ms. Andrea Roberts (non-voting member). Absent: Governor Bob Riley, Dr. Joe Morton, State Superintendent of Education; Dr. James R. Andrews, and Mr. Milton McGregor.

Dr. D. Hawkins welcomed Mr. Cody Ash to the meeting.

III. Approval of Minutes (May 10, 2007)

A draft copy of the minutes was mailed to Board members prior to the meeting. There being no changes, Dr. D. Hawkins called for a motion to approve the minutes as presented.

ACTION: Mr. Gerald Dial made a motion to approve the Minutes as presented for the May 10, 2007, meeting. A second to the motion was made by Mr. Allen Owen. Having received a motion and second, the Minutes (copies of which were mailed to Board members prior to the meeting) were approved as presented.

IV. Reports

A. Chancellor

Chancellor Hawkins introduced Mr. Ward Sullivan to the Board and Ward will head up the University's Planned Giving Program.

A summary of the Chancellor's report follows:

The Chancellor outlined the agenda for today's meeting which included a finance report, approval for the 2007-2008 budget, ratification of the bond issue for the College of Education

The Odyssey Convocation for first-year students is set for August 12 and Jill Dobson, a TROY graduate now with Fox News, will be keynote speaker.

C. Board Committee Reports

○ **Finance Committee, Honorable John Harrison**

Mr. Harrison reported that because of time constraint as referenced by Mr. Bookout in his report, the full Finance Committee had not met, but he had had an opportunity to review the

**Resolution No. 2—Ratification of Bond Issue for College of
Education Building**

Mr. Harrison called upon Mr. Roy Goldfinger, Bond Attorney for the University, to make brief comments regarding Resolution No. 2. Mr. Goldfinger provided a recap of Board activity leading up to today's resolution, adding that Resolution No. 2 is for ratification of the steps that have been taken and to close the circle on this bond issue. Following his comments, Mr. Goldfinger called for questions/comments.

There being no further discussion, the chair called for a motion on Resolution No. 2.

Resolution No. 2

ACTION: Resolution No. 2 was unanimously adopted on a motion made by Mr. Harrison and seconded by Mr. Higgins.

**RESOLUTION RATIFYING AND APPROVING ACTIONS TAKEN AND
DETERMINATIONS MADE BY THE CHANCELLOR AND
TREASURER OF THE UNIVERSITY IN CONNECTION WITH THE
ISSUANCE BY THE UNIVERSITY OF ITS GENERAL STUDENT FEE
REVENUE BONDS, SERIES 2007.**

WHEREAS, the Board of Trustees of Troy University (the "University") heretofore on May 10, 2007 adopted a resolution (the "Series 2007 Resolution") authorizing the issuance by the University of up to \$13,000,000 in principal amount of its General Student Fee Revenue Bonds, Series 2007 (the "Series 2007 Bonds"); and

WHEREAS, the Series 2007 Resolution entrusted to the discretion of the Chancellor and Treasurer of the University the taking of various actions and the making of various determinations on behalf of the Board in connection with the timing of issuance, terms and provisions, securitization, pricing and application of proceeds of the Series 2007 Bonds, such actions and determinations to be commemorated in the Determination Document (said term and others used but not otherwise defined herein having the meanings given to them in the Series 2007 Resolution); and

WHEREAS, the Chancellor and Treasurer have taken the actions and made the determinations so entrusted to them, and have jointly executed the Determination Document as of July 12, 2007, a true and complete copy of which has been attached hereto as Annex A; and

WHEREAS, by the terms of the Series 2007 Resolution, the Determination Document, upon its execution, became and shall be construed as an integral part of the Series 2007 Resolution.

Passed by the Board of Trustees of Troy University this 27th day of July, 2007.

President pro tempore of the Board
of Trustees

(S E A L)

Attest: _____
Secretary of the Board
of Trustees

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ANNEX A

SERIES 2007 DETERMINATION DOCUMENT

Troy University
General Student Fee Revenue Bonds

Bonds, and hereby determine that the purchase price at which the Bonds shall be sold to the Purchaser shall be (a) 99.461% of the aggregate principal amount thereof, or \$12,929,930.00, less (b) original issue discount in the aggregate amount of \$68,876.55, plus (c) original issue premium in the aggregate amount of \$165,835.80, plus (d) the sum of \$43,057.20, representing accrued interest on the Bonds from their date to July 26, 2007, being the intended Issue Date, for a total price of \$13,069,946.45.

5. Having successfully concluded negotiations with Ambac, the undersigned officers, as authorized pursuant to Section 10.1 of the Series 2007 Resolution, have determined to accept from Ambac two commitments, for the issuance by Ambac of (a) a financial guaranty insurance policy covering the payment of debt service on the Bonds (the "2007 Policy"), and (b) a Reserve Credit Facility in face amount at least equal to the increase in the Maximum Annual Debt Service Requirement attributable to the Bonds. Attached hereto as Appendix I and hereby made a part hereof and of the Series 2007 Resolution (as authorized by Section 10.1 thereof), are the provisions, supplemental to and designated as and constituting "Article XII" of the Series 2007 Resolution, required by Ambac Assurance in connection with the issuance of the 2007 Policy.

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IN WITNESS WHEREOF, we have hereunto set our hands and the seal of Troy University,
as of this 12th day of July, 2007.

[S E A L]

Chancellor of the University and
Secretary of the Board of Trustees

Treasurer and Vice Chancellor for
Financial Affairs of the University

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APPENDIX I

PROVISIONS RELATING TO THE 2007 POLICY

(c) Any reorganization or liquidation plan with respect to the University must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all holders who hold Ambac Assurance-insured Series 2007 Bonds absent a default by Ambac Assurance under the Policy.

(d) Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of Series 2007 Bonds or the Depository for the benefit

6. Hosted the Southwestern Athletic Conference (SWAC) Track and Field Championships.
7. Co-hosted with the City of Dothan the Wiregrass Baseball Classic.
8. After winning the Sun Belt Conference, the football team qualified for the R&L

Therefore Be It Resolved, that further honor is accorded Dr. Hawkins by naming the Athletic Tower at Movie Gallery Veterans Stadium in his honor, to be known henceforth as the R. Douglas Hawkins Tower, effective this date, 27 July 2007.

VI. Nominating Committee Report, Honorable Allen Owen

Mr. Owen advised that as preparations were underway to present a Nominating Committee report, the committee became aware that the Bylaws of the Board called for election of officers to occur “at the October meeting of 2007 and at the October meeting every four years thereafter.” He said it is recommended that the Bylaws be amended as reflected in the following resolution.

Mr. Higgins and Mr. Owen added that the committee also looked at other sections of the Bylaws and may at a later date come back with some additional changes/recommendations. Mr. Owen asked that a copy of the Bylaws be available at future Board meetings in the Board packets. Dr. D. Hawkins asked Mr. Owen if he would give a report at the next Board meeting on the Bylaws.

Mr. Owen called for discussion or questions. There being none, the following action was taken on the Bylaws.

○ **Resolution No. 4—Amending Bylaws**

Resolution No. 4

ACTION: Mr. Owen made a motion to adopt Resolution No. 4. Seconded by Mr. Dial, Resolution No. 4 which follows was unanimously adopted.

over Troy University. In order to manage and control Troy University more effectively, in order to provide for a definitive, orderly form of governance, and in order to secure and continue a responsive, progressive, and superior institution of higher learning, the Board of Trustees does promulgate and adopt these Bylaws, replacing all bylaws heretofore adopted by this Board.

ARTICLE I

The Board of Trustees

The entire management and control over the activities, affairs, operations, business, and property of Troy University shall be completely and absolutely vested in the Board of Trustees of Troy University (hereinafter referred to as the “Board”); however, upon general or specific authorization or delegation made or provided for in these Bylaws or other action approved by the full Board, the Board may exercise its management and control by and through such officers, officials, committees, and agents as it may deem fit and proper.

The composition of the Board and the terms of office of Board members shall be in compliance with Section 16-56 of the *Alabama Code* as amended by Act Number 97-586 of the Alabama Legislature. Failure to attend board meetings or failure to participate in board meetings in good faith may constitute grounds for the full board to request the resignation of a board member. Such an action would require a three-fourths vote of the entire board. All other state laws pertinent to the removal of public officials shall apply to the members of the Board.

In exercise of its management and control of Troy University, the Board recognizes that it must determine major University policies, review existing policies, define the mission, role, and scope of the University and provide ultimate accountability to the public and political bodies of Alabama. It is incumbent on board members to recognize that their authority is of a collective nature and is not derived from their individual status. While the Board determines broad policy issues, it delegates implementation of policy and all administrative matters to the Chancellor of Troy University. In carrying out these responsibilities, the Chancellor may consult with other officers of the University, faculty, and staff as deemed prudent and appropriate to a university community.

Within these fundamental responsibilities, the Board shall act on recommendations brought by the Chancellor in the following areas:

1. Regulations, alterations, or modifications of the governance of The University;
2. Policies and goals of the University;
3. Academic plans, including new programs and new units, and major modification in existing programs and units;
4. Levying of tuition, fees, and charges;
5. Student admission and retention policies;
6. Requests for legislative appropriations;
7. Annual budgets;
8. All loans, borrowing, and issuance of bonds;
9. Compensation policies for faculty and staff;
10. Campus master plans, facilities development programs, and capital development programs;
11. The transfer and sale of real property and plans to ensure that all properties of the University are preserved and maintained;
12. Objectives, policies, and practices which provide for effective and prudent management, control, and preservation of the investment assets of the University;
13. Such other polices that are in the best interest of the operation and advancement of the University.

ARTICLE II

Meetings of the Board of Trustees

Section 1. Annual Meetings. The Board shall hold its annual regular meeting each year on the Troy Campus on or about the date scheduled for spring term graduation unless the Board

shall, during a regular or special session, determine to hold its annual meeting at some other time and place.

Section 2. Regular Meetings. In addition to the annual meeting, the Board may, during the annual meeting or during a regular meeting, set dates, times, and locations for one or more regular meetings to be held in the upcoming year.

Section 3. Special Meetings. Special meetings of the Board may be assembled by either of the following methods:

- (1) Special meetings of the Board may be called by the Governor or by the Preeting, se

- § Call to order
- § Roll call
- § Approval of the minutes of the prior meeting
- § Correspondence
- § Committee Reports
- § Old business
- § New business
- § Elections
- § Adjournment

Section 11. Rules of Order. Business at all meetings of the Board shall be conducted in conformity with *Robert's Rules of Order*, unless specifically stated otherwise by action of the Board.

ARTICLE III

Officers

The Board shall have the following officers and any other officer it may from time to time elect. Such officers shall have the power and shall perform the duties as are set forth herein, together with those which may be authorized and delegated by the Board from time to time, and the usual and customary powers and duties which are incident to the office.

Section 1. President of the Board. The Governor of the State of Alabama shall be *ex officio* President of the Board. When in attendance at a meeting, the Governor shall preside and may call special meetings of the Board upon the conditions herein before described.

Section 2. President Pro Tempore. In the absence of the Governor, the President *Pro Tempore* shall preside at all Board meetings. The President *Pro Tempore* appoints chairs and vice chairs and members of the Board's standing committees and any *ad hoc* committees authorized by the Board. The President *Pro Tempore* shall fill vacancies which may occur on such committees and has the authority to replace and/or reassign committee chairs and committee members at his or her discretion.

Section 3. Vice President Pro Tempore. The Vice President *Pro Tempore* shall be elected by and from the membership of the Board. He shall serve as the presiding officer of the Board in the absence of the President and the President *Pro Tempore*. The Vice President *Pro Tempore* shall serve as chair of the Academic Affairs Committee.

Section 4. Secretary. The Chancellor of Troy University shall serve the Board *ex officio* as the Secretary in a non-voting capacity. The Secretary shall cause notice of meetings of the Board and its committees to be given to the members thereof; shall prepare and distribute the agenda; shall attend all Board and committee meetings; and shall make, record, and retain complete records and minutes of all official actions of the Board.

Section 5. Election of Officers. The President of the Board and the Secretary of the Board shall hold their appointments by their elected and appointed positions respectively. The President *Pro Tempore* and Vice President *Pro Tempore* shall be elected by and from the members of the Board to serve a term of four years and until their successors shall have been elected. The first election under these Bylaws shall occur at the October 2003 Board meeting and subsequently at the October meeting in 2007 and at the October meeting every four years thereafter. Board members shall assume office upon their election. Board members may be elected to an office for no more than two consecutive terms, but may serve again after four years have elapsed from serving in that office. A majority vote shall be required for elected officers. If no nominee receives a majority, then the two nominees receiving the greatest number of votes shall be subjected to a run-off election. Elections shall be by open balloting.

ARTICLE IV

Committees

The President *Pro Tempore*, in consultation with the Chancellor, shall appoint all committees and the respective chairs of each committee except as otherwise designated by these bylaws. The terms of service of committee members and chairs shall be subject to the pleasure of the President *Pro Tempore*, unless specifically stated otherwise by action of the Board.

The Secretary of the Board shall be an *ex officio* member of all committees and shall provide staff support to committees as necessary. Committees of the Board shall make recommendations to the full Board and may not take any official actions on behalf of the full Board unless specifically authorized by the full Board. Minutes of each committee meeting shall be maintained as designated by the Secretary. The Board shall have the following standing committees:

Section 1. Executive Committee. The Executive Committee shall be comprised of the President *Pro Tempore*, the Vice President *Pro Tempore*, and the Chairman of the Finance Committee. The President *Pro Tempore* shall chair the Executive Committee. The Executive Committee shall work for the advancement of The University and take actions necessary to ensure a good relationship with the university administration, faculty, students, and alumni. Personnel policies shall be recommended to the Board and monitored by this committee.

Section 2. Finance Committee. The Finance Committee shall review the annual budget for Troy University and make recommendations to the full Board regarding the annual budget. It also shall work with the administration for recommending Board issues and review other financial policies, issues, and transactions for Board approval.

Section 3. Academic Affairs Committee. This committee shall periodically review curricula, courses of study, program offerings, viability, faculty personnel policies, accreditation, and the general soundness of academic disciplines and shall make such recommendations on these matters as it deems necessary to the full Board. This committee shall recommend to the full Board candidates for the honorary doctorate.

Section 4. Athletics Policy Committee. This committee shall be responsible for recommending Board policies relating to intercollegiate athletics competition for Troy University, consistent with rules and guidelines issued by the National Collegiate Athletics Association (NCAA). This committee shall work to achieve excellence in athletics along with promoting sound academic performance by student athletes. This committee will promote participation in and support of the Troy University athletics program by all campuses of Troy University.

ARTICLE V **Amendments**

These bylaws may be amended at any regular meeting of the Board by a majority vote of the Board.

Resolution No. 5

ACTION: Mr. Harrison made a motion to adopt the following resolution naming the new College of Education Building in honor of Chancellor Hawkins. Seconded by Mr. Higgins, Resolution No. 5 which follows was unanimously approved by the Board.

Resolution No. 5

Resolution to Name the College of Education Building at Troy University

WHEREAS, Dr. Jack Hawkins, Jr., assumed the position of Chancellor of the Troy State University System, now Troy University, on September 1, 1989; and

WHEREAS, Chancellor Hawkins' exemplary leadership has led to the transformation of Troy University from a rural teachers college to a worldwide university; and

WHEREAS, the achievements of the Hawkins Administration at Troy University are many and varied, to include:

- Doubling the size of the worldwide enrollment of TROY students;
- Implementing stricter academic standards, thus enhancing the value of the TROY degree;
- Investing more than \$100 million in the physical plants of the four Alabama Campuses;
- Creating a worldwide distance learning system that is second to none in American higher education;
- Leading the transition of Troy University athletics to the highest level of NCAA competition, bringing recognition to the University and fostering pride in its students, alumni and friends;
- Implementing the concept of internationalization at Troy University by creating TROY teaching sites abroad and bringing students from across the globe to Alabama to receive a high-quality American university degree;
- Creating a program of international economic development for Alabama using the worldwide resources of Troy University; and
- Leading the process of unifying the former Troy State University System worldwide into "One Great University," making TROY a model for 21st Century higher education; and

