

**Minutes of the Special Board of Regents Meeting
Murray State University
Friday, October 14, 2011
8 a.m. – Jesse Stuart Room – Pogue Library**

The Board of Regents (BOR) of Murray State University (MSU) met on Friday, October 14, 2011, in special session in the Jesse Stuart Room of Pogue Library on the main campus of Murray State University. Chair Constantine Curris called the meeting to order at 8 a.m.

Roll Call

The roll was called and the following members were present: Marilyn Buchanon, Constantine Curris, Sharon Green, Susan Guess, Jeremiah Johnson, Jack Rose, Phil Schooley, Jenny Sewell and Harry Lee Waterfield II. Absent: Jerry Sue Thornton and Stephen Williams.

Others present were Randy J. Dunn, President; Jill Hunt, Senior Executive Coordinator for the President, Coordinator for Board Relations and Secretary to the Board of Regents; Tom Denton, Vice President for Finance and Administrative Services and Treasurer to the Board of Regents; John Rall, General Counsel; Joshua Jacobs, Chief of Staff; and faculty, staff and news media.

AGENDA

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| 1. <u>Roll Call</u> | Dr. Curris |
| 2. <u>Resolution to Approve the Execution of a Ground Lease and a Contract/Lease/Option with McCracken County, Kentucky, Relating to the Financing of the Acquisition, Construction and Installation of a New Regional Campus in Paducah, Kentucky; Execute Other Documents Related to the Ground Lease and Contract/Lease/Option; and Authorize Other Actions in Connection Therewith*</u> | Dr. Dunn/
Mr. Denton/
Mr. Rall |
| 3. <u>Adjournment</u> | |

(*Indicates Board Action Item)

Resolution to Approve the Execution of a Ground Lease and a Contract/Lease/Option with McCracken County, Kentucky, Relating to the Financing of the Acquisition, Construction and Installation of a New Regional Campus in Paducah, Kentucky; Execute Other Documents Related to the Ground Lease and Contract/Lease/Option; and Authorize Other Actions in Connection Therewith, adopted

Dr. Dunn reported Board members were provided with documentation for approval to effectuate the bond sale that McCracken County will undertake in support of constructing a building for the New Regional Campus in Paducah. A great deal of information has been provided since this issue was first discussed at the Board level and a *Memorandum of Understanding* was approved at the last Quarterly BOR Meeting. A Resolution and two underlying lease agreements were provided for Board approval today. In the recommended form of motion which was included in the BOR packet, reference was made to authorizing other actions in connection with the Board approving this action today. A supplemental packet was also provided which contained a document outlining minor changes which have occurred subsequent to Board review of the original documents. There could be additional minor changes, including the indication in the Resolution that the financial institution will change from U.S. Bank to Paducah Bank for construction of the facility. There will be additional similar “clean-up” aspects to the Resolution but those will not change the substance of the document. Clarification was provided there is no conflict of interest for Regent Guess to vote on this recommendation.

Dr. Rose moved that the Board of Regents, upon the recommendation of the President of the University, adopt the Resolution and Leases, said Resolution entitled:

A Resolution of the Board of Regents of Murray State University approving the execution of a ground lease and a contract, lease and option with the county of McCracken, Kentucky, relating to the financing of the acquisition, construction and installation of a new regional campus facility in Paducah, Kentucky, with maximum rental payments under the lease not to exceed \$290,000 during each fiscal year; authorizing the execution of various documents related to such lease; and

authorizing other actions in connection therewith. The exhibits thereto have been provided to the members of the Board.

Mrs. Guess seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Green, yes; Mrs. Guess, yes; Mr. Johnson, yes; Dr. Rose, yes; Mr. Schooley, yes; Mrs. Sewell, yes; Mr. Waterfield, yes; and Dr. Curris, yes. The motion carried.

(See Attachments #1, #2 and #3)

Dr. Dunn thanked the Board for their affirmative vote. Dr. Curris indicated the Board received, through the courtesy of the Council on Postsecondary Education (CPE), the comments of Auditor of Public Accounts Crit Luallen made during the Governor's Conference on Postsecondary Education Trusteeship. Also provided was a copy of the information Auditor Luallen prepared one year ago entitled *Recommendations for Public and Nonprofit Boards*. All recommendations contained in that document do not necessarily represent policies this Board should adopt but it is important for every member to review the items identified from the standpoint of understanding the Auditor of Public Accounts' recommendations for public higher education institutions.

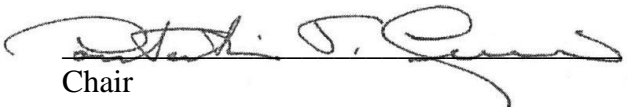
Information was also presented representing bond fund appropriations and authorizations over a 15-year period (covering the administrations of Governors Paul Patton, Ernie Fletcher and Steve Beshear). An enumeration of funding for higher education institutions to issue bonds was provided as well as information on agency bonds issued by the campuses. The state will enter a major legislative session in January and this appropriations and authorizations information illustrates how Murray State has fared in comparison to other institutions. This information also provides greater prominence to the importance of the priority this Board has set forth with the goal of completing the Science Complex. It certainly cannot be argued that Murray State University has been overfunded in terms of capital projects.

An inquiry was made as to whether it would be beneficial for the Board to know the level of funding which has been requested by MSU and how that compares to what other institutions have requested and received. Dr. Dunn replied those requests are packaged by the CPE and typically – for capital purposes – represent the top one or two projects. Agency bonds represent MSU requests and are reflective of how the institution has indicated it wants to fund projects based upon the debt capacity of the University.

Ms. Hunt will provide these informational handouts to the Regents who were unable to attend the meeting.

Adjournment

Dr. Rose moved, seconded by Mr. Schooley, that the Special Board of Regents Meeting adjourn. Adjournment was at 8:10 a.m.


Chair


Secretary

(The remainder of this page intentionally left blank for inclusion of attachments.)