

October 16, 2014

Board of Governors



AGENDA

FSU BOARD OF GOVERNORS' MEETING
OCTOBER 16, 2014, 9:00 A.M.
LOCATION: GASTON CAPERTON CENTER
501 WEST MAIN STREET, CLARKSBURG, WV



- I. CALL TO ORDER**
 - A. Roll Call
 - B. Public Comment
 - C. Approve Agenda *Action Item*

- II. APPROVAL OF MINUTES OF AUGUST 14, 2014.....** *Tab 1 Action Item*

- III. CHAIRMAN'S REPORT**

- IV. PRESIDENT'S REPORT**

- V. REPORTS AND PRESENTATIONS**
 - A. Foundation (Will Armistead)
 - B. Construction Project Updates (Tom Tucker)
 - C. Amy Sidwell Grant Announcement

- VI. ACADEMIC AFFAIRS/ADMISSIONS COMMITTEE (John Myers, Chair)**
 - A. Approval To Discontinue The Technology Education Major..... *Tab 2 Action Item*

- VII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)**

- VIII. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)**

- IX. ENROLLMENT COMMITTEE (Dixie Yann, Chair)**

- X. FINANCE COMMITTEE (Mark Pallotta, Chair)**
 - A. Approval of 30-Day Comment Period for Policy #59
(Debt Policy) *Tab 3 Action Item*
 - B. Approval of 30-Day Comment Period for Policy #60 (Email
Established as an Official Form of Communication).....*Tab 4 Action Item*
 - C. Campus Housing Project (Handout at Meeting)..... *Tab 5 Action Item*

- XI. EXECUTIVE COMMITTEE (Ron Tucker, Chair)**

- XII. POSSIBLE EXECUTIVE SESSION - Under the Authority of West Virginia Code
§6-9A-4 To Discuss Property Issues**

- XIII. ADJOURNMENT**

**NEXT MEETING: DECEMBER 11, 2014, AT 9:00 A.M.,
LOCATION: BOARD ROOM, 3RD FLOOR FALCON CENTER,
1201 LOCUST AVENUE, FAIRMONT, WV**

Tab 1



FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
MEETING MINUTES
AUGUST 14, 2014
BOARD ROOM, 3RD FLOOR FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV

I. CALL TO ORDER

A. Roll Call

Chairman Ron Tucker convened a meeting of the Fairmont State University (FSU) Board of Governors on August 14, 2014, beginning at approximately 9:00 a.m. in the Board Room, 3rd Floor Falcon Center, 1201 Locust Avenue, Fairmont, West Virginia.

At the request of Chairman Tucker, Judy Biafore conducted a roll call of the Board of Governors. Present for the meeting were board members Chris Courtney, Holly Fluharty, Bob Mild, John Myers, Mark Pallotta, Ron Tucker, Frank Washenitz, and Dixie Yann. Bryan Foley and John Schirripa participated by conference call. Bryan Towns was absent. Also in attendance were President Rose and President's Council members Christina Lavorata, Ann Booth, Kaye Widney, and Rick Porto. Athletic Director, Tim McNeely and Construction Manager, Stephanie Slaubaugh, also attended.

B. Public Comment

Frank Washenitz reported no one signed up for public comment.

C. Approval of Agenda

Bob Mild made a motion to approve the agenda. Mark Pallotta seconded. The motion passed.

II. APPROVAL OF MINUTES OF JUNE 19, 2014

John Myers made a motion to approve the minutes of June 19, 2014, and Bob Mild seconded. The motion passed.

III. CHAIRMAN'S REPORT

A. Chairman Tucker stated that Fairmont State hosted a number of activities on campus over the summer; including Governor's Honors Academy – the Miss West Virginia Pageant – a Girl Scout STEM camp – a Future Teachers' Academy – band camps – and a number of conferences and retreats.

- B. He also reported that the Board of Governors (BOG) Summit held in Charleston on August 1st and 2nd was a very enlightening meeting. He thanked all who participated.
- C. Chairman Tucker reported that there has been no notification from the Governor's Office concerning Shirley Stanton's replacement. (Shirley Stanton is a former Fairmont State University (FSU) BOG member whose term expired June 30, 2014.)
- D. Chairman also said that the first football game is scheduled for Thursday evening – September 4th.
- E. He also reminded those in attendance that the next BOG meeting scheduled for October 16th will be held at the Gaston Caperton Center in Clarksburg.

IV. PRESIDENT'S REPORT

- A. President Rose reported that this is Faculty Development Week. There was a general faculty welcome and opening session this past Monday and new faculty were introduced. The individual Schools have been having meetings concerning assessment.
- B. She also stated that there is new student convocation and a picnic Friday. Convocation at the Caperton Center is Saturday and classes begin Monday (August 18, 2014). There is a back to school bash for students on Tuesday (August 19, 2014).

V. REPORTS AND PRESENTATIONS

- A. Fairmont State Foundation (Will Armistead)

Will Armistead, President of the Fairmont State (FS) Foundation, reported that as of July 31, (2014), assets remain over \$21.1 million despite an unfavorable investment market in July. During FY 2013-14, which ended June 30, (2014), assets increased by \$3.9 million. Two years ago, assets totaled \$13.9 million.

Mr. Armistead stated that Jimmy Staton, retired Executive Vice President and Group Chief Executive Officer at NiSource, is a new member of the FS Foundation board.

He also reported that the annual request and application to the State Development Office has been submitted to receive NIP credits. Last year,

The FS Foundation received \$20,000 in credits which were awarded to past contributors.

Mr. Armistead reported that the annual audit has been completed by an independent firm. He said the opinion letter has not been received yet but they do expect to receive the highest level of assurance issued.

Mr. Armistead also reported that the Foundation is in the process of developing some informational brochures to share as needed. He also handed out introductory brochures which explain the purpose and priorities of the Foundation.

He said that the FSAA (Fairmont State Alumni Association) finished their fiscal year slightly below budget due to hosting one less event during the year. The 1000 Club will be used as a tool to increase funding to the FSAA and to support specific "friends of" accounts. The FSAA sponsored Athletic Hall of Fame Dinner will be held during Homecoming, Friday, October 24, 2014. They are also planning an elimination dinner in November.

B. Construction Project Updates (Stephanie Slaubaugh)

Stephanie Slaubaugh, Construction Manager, gave an update on the various projects that are currently underway on campus. Weekly updates are available online at:
<http://www.fairmontstate.edu/adminfiscalaffairs/physical-plant/construction-projects>.

C. FBI National Academy Selection (Jack Clayton)

FSU's Chief of Campus Police, Jack Clayton, announced that Matt Swain, Deputy Chief of Campus Police, was nominated and selected to attend the FBI National Academy in October (2014). He also said that this is a very prestigious program and that only 1% of those nominated are selected.

D. FSU Recruitment Video (Ann Booth)

Ms. Booth, Associate Vice President - University Communications, introduced the new 30 second recruitment videos featuring three FSU students. They talked about the reasons they came to Fairmont State which were affordability, small class sizes, and a sense of family.

VI. CONSENT AGENDA

Bob Mild moved to accept the following Consent Agenda:

- A. Capital Projects 2015
- B. Approval of Financial Report (Months Ending 5/31/14 and 6/30/14)

Chris Courtney seconded. The motion passed.

VII. ACADEMIC AFFAIRS/ADMISSIONS COMMITTEE (John Myers, Chair)

Mr. John Myers, Chair of the Academic Affairs/Admissions Committee, moved to accept the Textbook Adoption Report that is done annually.

- A. Approval of Textbook Adoption Report

Mark Pallotta seconded. The motion passed.

VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)

- A. Mr. Frank Washenitz, Chair of the Athletic Affairs Committee, introduced Dr. Chris Courtney, also a member of the Athletic Affairs Committee, and asked him to update the Board on procedures for sports injuries.
- B. He then asked Tim McNeely, Director of Athletics, for his report and update. Mr. McNeely indicated that there was a possibility that some of FSU's football games may be moved to a Thursday night in order to be televised. He said they would have more information on that soon. Also, Mr. McNeely stated that there had been challenges with practices and conflicts with events because of the renovation of the Feaster Center basketball court. He stated that they have been working through them and they hoped the project would be complete in November (2014).

IX. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)

Chairman Tucker stated there were no items to bring forth by the BOG Operating Procedures Committee.

X. ENROLLMENT COMMITTEE (Dixie Yann, Chair)

- A. Dixie Yann, Chair of the Enrollment Committee, asked Kaye Widney, Vice President for Student Services, to provide an update. Ms. Widney reviewed the following which was distributed to those members in attendance:

• FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS ENROLLMENT COMMITTEE SUMMARY
REPORT
August 14, 2014

- *Enrollment Activity for Fall 2014:*
 - Final orientation program is today and there are 16 students registered-we have had over 800 students participate in the Fall 2014 Orientation programs offered throughout late spring/summer
 - Turley Student Services Center has extended hours this week, staying open until 6:30 p.m. and also open on Saturday from 8:00 a.m. to 10:00 a.m. -we will resume normal operating hours after the first week of school
 - FSU students can continue through the first week to schedule classes for fall term.
- *Admissions/ Recruitment Activities:*
 - Kick-off meeting for HEPC "Txt4Success" program will be held in late September; FSU will be able to target specific counties in addition to those included in the HEPC grant
 - WV Road Runners Tour begins September 8 and out of state recruiting begins September 14
- *Welcome Weekend:*
 - Welcome Weekend begins on 8/15/14 with "Move-In" (currently have about 150 volunteers to assist students/families with residence hall move-in in the morning)
 - Residence Halls have 1,098 students assigned to rooms
 - There are 423 students registered for Welcome Weekend
 - Convocation will be held on Friday afternoon, followed by academic department meetings and campus picnic with community organizations participating
 - Back to School Bash will be held on Tuesday, August 19th; this event is co-sponsored by Student Government Association and Student Activities

- *Turley Student Services Center Updates:*
 - From July 2013 through July 2014, there were almost 23,000 FSU student and staff visits for the services handled in Turley. In addition, there were over 10,000 PCTC student/staff visits, but we are in the process of transitioning many of the Pierpont students back to their own Student Services area located in Hardway 248.
 - Students may now text into NEMO ticket system and also leave a call-back phone number when calling into main Student Services line
 - Staffing updates-Directors of Financial Aid/Scholarships and Career Development Center have taken positions outside of the University; Financial Aid search will begin soon. Interviews are beginning soon for two Admissions counselors. Alicia Moore has joined FSU as Director of Housing/Residence Life and Campus Judicial Officer. Jennifer Jones is the new academic advisor

XI. FINANCE COMMITTEE (Mark Pallotta, Chair)

Mr. Mark Pallotta, Chair of the Finance Committee, gave an overview of the following items and stated that the Finance Committee had discussed them and approved the items as presented.

Mark Pallotta moved to accept the following:

- A. Approval of Update to the 2015 Capital Project Submission (which was an additional forty-nine thousand dollars for HVAC (Heating, Ventilation, Air Conditioning at the Byrd Aerospace Center).

Dixie Yann seconded. The motion passed.

Mark Pallotta moved to accept the following with a stipulation that follows:

- B. Approval of Design, Acquisition, Construction, and Equipping of a Residential Housing Facility. This resolution allows us to reimburse our housing reserves up to \$2.5 million prior to any bonds being sold.

John Myers requested that the motion be amended to also state that this is providing that the West Virginia Tax Exemption status applies.

Bob Mild seconded. The motion passed.

Mark Pallotta moved to accept the following:

- C. Approval of Capital Appropriation Request for FY 2016:

Dixie Yann seconded. The motion passed.

Mark Pallotta moved to accept the following:

- D. Approval of FY 2016 Appropriation Submission (Handout at meeting due end of Aug. to WV Higher Educ. Policy Commission)

Bob Mild seconded. The motion passed.

- E. Capital Project Summary report for FY 2005-2014

This was an information only item.

- F. 2014-2015 Academic Year Fee Information

This was an information only item.

XII. EXECUTIVE COMMITTEE (Ron Tucker, Chair)

- A. Chairman Tucker stated that the Executive Committee had not met but that everyone would be contacted soon regarding the Board of Governors' Retreat that will be sometime in September.

XIII. POSSIBLE EXECUTIVE SESSION

Dixie Yann made a motion to go into Executive Session "Under the Authority of West Virginia Code §6-9A-4-2b" to discuss property issues.

Mark Pallotta seconded. The motion passed.

Dixie Yann made a motion to reconvene in open session. John Myers seconded. The motion passed.

There was no vote on any item discussed in Executive Session.

XIV. ADJOURNMENT

John Myers made a motion to adjourn the meeting. Chris Courtney seconded. The motion passed.

_____FSU Board of Governors' Chairman
Ron Tucker Date

_____FSU Board of Governors' Secretary
Dixie Yann Date

Tab 2

ITEM: Program Closure in the College of Science and Technology

COMMITTEE: Academic Affairs

RECOMMENDED
RESOLUTION: Resolved, That the Fairmont State University Board of
Governors approve the closing of the College of Science and
Technology program, Technology Education (BAE).

STAFF MEMBERS: Christina Lavorata, Provost and Vice President for
Academic Affairs, Donald Trisel, Interim Dean, College of
Science and Technology, and Kimberly Murphy, Chair,
Department of Technology.

BACKGROUND: The Dean of the College of Science and Technology and the
Chair of the Department of Technology have monitored
enrollments in this program for the past three years. There
have been no new students admitted to the program, despite
recruitment efforts in the public high schools. The remaining
senior in the program will graduate in May 2015. The
closure of the program will allow more efficient use of space,
personnel, and financial resources in the more robust
technology programs.

Tab 3

**Fairmont State University
Board of Governors
October 16, 2014**

Item: Approve New Policy #59 – Debt Policy for thirty-day comment period.

Committee: Committee of the Whole

Recommended Resolution: Approval of the Debt Policy #59 for thirty day comment period.

Staff Member: Rick Porto

Background: In preparing for the apartment project and obtaining HEPC approval (once the Board approves this project) we are required to complete the HEPC Financial Feasibility Study. This study asks for a board approved debt policy.

This Policy #59 is recommended to be Fairmont State’s Debt Policy to guide administration in managing the current and future debt of the University.

Note: This policy draft was reviewed and modified by Bond Counsel and Underwriter working with us on the Apartment Replacement Project.

Fairmont State University Board of Governors
Policy #59
Effective date:

TITLE: DEBT POLICY

SECTION 1. OVERVIEW

- 1.1 Scope: In support of its mission, Fairmont State University is developing its long-term Auxiliary Facilities Master Plans. The University has developed an operational and renovation plan to support priorities and objectives for each Auxiliary Enterprise.
- 1.2 The University's use of debt plays a critical role in ensuring adequate funding for the capital plan as well as providing a cost-effective source of funding for facility renewal and replacement purposes, for each Auxiliary Enterprise.
- 1.3 The Debt Policy is intended to be a "living" document that will evolve over time to meet the changing needs of the University, but at this time is limited to Auxiliary Funds that are not dependent on Education and General Operating Fee Revenues.

SECTION 2. SCOPE AND OBJECTIVES

- 2.1 Purpose:
1) Define what activities are subject to the policy
2) Define the objectives for the Debt Policy
3) Establish debt management goals
- 2.2 The Debt Policy covers several forms of debt including long and short-term, fixed and variable rate bonds ("Bonds"). It also covers other forms of financing such as lease purchase arrangements for certain projects.
- The objectives of this policy are to:
- (i) Outline the University's philosophy on debt.
 - (ii) Establish a control framework for approving and managing debt.
 - (iii) Define reporting guidelines.
 - (iv) Establish debt management guidelines.
- 2.3 The policy establishes a control framework to ensure that appropriate discipline is in place regarding capital rationing, reporting requirements, debt portfolio composition, debt servicing, and debt authorization. It establishes guidelines to ensure that existing and proposed debt issues are consistent with financial resources to maintain an optimal amount of leverage, a strong financial profile, and a strategically optimal credit rating.
- Under this policy, debt is being managed to achieve the following goals:
- (i) Maintaining access to financial markets: capital markets and banks,
 - (ii) Managing the University's credit rating to meet its strategic objectives while maintaining the highest acceptable creditworthiness and most favorable relative cost of capital and borrowing terms,
 - (iii) Optimizing the University's debt mix (i.e. short-term, long-term, and variable and fixed-rate) for the University's debt portfolio,

- (iv) Managing the structure and maturity profile of debt to meet liquidity objectives and make funds available to support future capital projects and strategic initiatives,
- (v) Coordinating debt management decisions with asset management decisions to optimize overall funding and portfolio management strategies.

2.4 The University may use debt to accomplish critical priorities by prudently using debt financing to accelerate the initiation or completion of certain projects, where appropriate. As part of its review of each project, the University evaluates all funding sources to determine the optimal funding structure to achieve the lowest cost of capital.

SECTION 3. OVERSIGHT

- 3.1 Purpose:
- 1) Provide mechanism for Board of Governors oversight and review on periodic basis.
 - 2) Provide management flexibility to make ongoing financing decisions within the framework of the Policy.
- 3.2 The Vice President for Administrative & Fiscal Affairs and Chief Financial Officer (“VP & CFO”) is responsible for implementing this policy and for all debt financing activities of the University. The policy and any subsequent, material changes to the policy are approved by the University’s Board of Governors. The approved policy provides the framework under which debt management decisions are made.
- 3.3 The exposure limits listed in the policy are monitored on a regular basis by the Office of the VP & CFO. The office of the VP & CFO reports regularly to the President and the BOG on the University’s debt position and plans.
- 3.4 The Office of the VP & CFO is responsible for establishing procedures to monitor post-issuance compliance with IRS requirements and continuing disclosure obligations.

SECTION 4. DEBT AFFORDABILITY

- 4.1 In assessing its current debt levels, and when planning for additional debt, the University takes into account its debt affordability. Debt affordability focuses on the University’s ability to find the lowest possible bond interest rates and to show it can service its debt through its operating budget and identified revenue streams and is driven by strength in income and cash flows.
- 4.2 All projects requiring issuance of Bonds also require substantial financial planning that demonstrates fiscal capability to support specific revenue streams to pay for the bonds and as well pay for annual operating costs of the facility being bonded and finally maintain the facility with repairs and renovations over the life of the bonds.
- 4.3 All issuances of Bonds require the support of bond counsel and underwriters that help document the purpose for bonding and help document the financial feasibility, as appropriate, to sell bonds. Ultimately it is up to the institution’s leadership to provide committed revenue streams and to adjust these revenue streams to assure that bond debt, operating costs, and repair and renovation costs are taken care of for the life of the bonds.

SECTION 5. FINANCING SOURCES

- 5.1 The University recognizes that due-diligence review must be performed for each transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt affordability.
- 5.2 The University recognizes that Bonds are a significant component of the University's capitalization due in part to its substantial cost benefits; therefore, Bonds are managed as a portfolio of obligations designed to meet long-term financial objectives of our Auxiliary Enterprise operating and capital renewal and replacement needs.

SECTION 6. APPROVAL PROCESS

- 6.1 All debt issued by the University Board of Governors is required to be approved by the Higher Education Policy Commission and the Governor of the State of West Virginia.

DRAFT

Tab 4

**Fairmont State University
Board of Governors
October 16, 2014**

Item: Approval of Policy #60 - Email Established as an Official Form of Communication

Committee: Committee of the Whole

Recommended Resolution: Approval of the Email Established as an Official Form of Communication Policy #60 for thirty day comment period.

Staff Member: Rick Porto

Background: Currently, there is a high dependency on email communication to inform faculty, staff, and students about important matters. The University administration feels it important that policy 60 be issued to establish email as the official form of communication and to allow administration the authority to assign an email to all faculty, staff, and students and to provide access to all a computer or kiosk and training on use of same, so they will be able to review their emails on a regular and timely basis.

Fairmont State University Board of Governors
POLICY NO. 60

TITLE: Email Established as the Official Form of Communication for the University

ORINATION: August 29, 2014

EFFECTIVE DATE: xxxx

STATUS: New Policy

SECTION 1. GENERAL

1.1 To establish and ensure that Fairmont State University campus email is an official method of communication between, faculty, staff, and students and to ensure that email messages from the University directed to faculty, staff, and students are delivered, accessible to the intended recipient and retrieved by the recipient.

SECTION 2. SCOPE AND APPLICABILITY

2.1 This issuance applies to all constituents of Fairmont State University for whom a campus email account is provided, including but not limited to students, staff, faculty and others assigned institutional email accounts.

SECTION 3. DEFINITIONS

3.1 Campus Email Account: An email account provided by the University (associated with a domain name owned and managed by the institution) and assigned for the exclusive use of one individual.

3.2 Campus Directory – the online address book associated with the faculty/staff/student email system.

SECTION 4. POLICY

4.1 Fairmont State will utilize institutionally-issued email accounts to convey university-related, critical, and/or time sensitive information to faculty, staff, and students. In some instances, email communication may be the only means by which particular information is conveyed. Examples include, but are not limited to:

- 4.1.1 Announcement of policy or regulatory changes,
- 4.1.2 Human Resources or employment-related notifications/deadlines,
- 4.1.3 Information from the State ERP,
- 4.1.4 Financial Aid or registration notifications/deadlines,
- 4.1.5 Class or work schedule changes,

- 4.1.6 Inclement weather advisories/instructions,
 - 4.1.7 Mandatory training or meeting notifications,
 - 4.1.8 Any other information deemed relevant and/or necessary to employees or students.
- 4.2 Email messages originating from the University or via automated campus or student information system processes will be sent exclusively to the campus email address.
 - 4.3 University email distribution lists will be used ONLY to disseminate information directly related to the business of the institution (re: Board of Governors Policy No. 53, "Information Technology")
 - 4.4 Students may configure their campus email account to forward University email to a preferred email address. Faculty and staff are expected to use the University-provided email tools and are prohibited from forwarding email indiscriminately to an external email account. All messages contained within the University's email system are the property of and proprietary to the institution.
 - 4.5 All official faculty and staff campus accounts will be maintained in the campus directory.
 - 4.6 Email communication from Fairmont State faculty/staff to students must originate from an official University account.

SECTION 5. RESPONSIBILITIES AND PROCEDURES

- 5.1 Information Technology is responsible for the maintenance of the campus directory and campus email system, including the creation of accounts.
- 5.2 Institutional business units must ensure that messages are appropriately addressed to campus email addresses.
- 5.3 The use of institutional accounts shall be governed and in accordance with all institutional and Information Technology guidelines and policies, including the Board of Governors Policy No. 53 on acceptable use of this medium.
- 5.4 Faculty, staff, and students must maintain their campus and/or preferred email address to ensure that they receive their email and are encouraged to check their accounts daily.
- 5.5 Faculty, staff and students are responsible for responding to email notifications sent by authorized parties to their official email accounts in a timely manner. Failure to read and respond appropriately to an email communication in a timely manner (except in instances of system downtime) does not release the employee or student from the obligation of knowing and timely compliance with its content and requirements.

Tab 5

Campus Housing Project (Handout at Meeting)