

Morehead, Kentucky  
August 31, 1984

The Board of Regents of Morehead State University met on Friday, August 31, 1984, at 5:00 p.m. in the Riggle Room of the Adron Doran University Center in special session for the purpose of receiving the report of the Norfleet negotiating committee and to consider a final decision of the Board with respect to its position as to the employment contract dispute with Dr. Morris L. Norfleet.

Chairman Robert M. Duncan called the meeting to order.

Dr. John R. Duncan gave the invocation.

On roll call, the following members were present:

Mr. John Baird  
Mr. Walter W. Carr  
Mr. Lloyd Cassity  
Mrs. Eunice H. Caston  
Dr. John R. Duncan  
Mr. Robert M. Duncan  
Mr. Michael Fox  
Judge J. M. Richardson  
Dr. Forest M. Skaggs

Absent: Mr. Harry LaViers

Motion by Mr. Cassity, seconded by Mr. Fox, that the minutes of the special meeting held July 24, 1984, be approved as distributed. Motion unanimously carried.

Chairman Duncan indicated that President Reinhard had three items to present to the Board and if there was no objection his report would be first on the agenda. There being no objection Dr. Reinhard presented the following items:

1. Budget Status Report--Dr. Reinhard presented a report on the status of the budget for the period July 1, 1984, through August 31, 1984. (Attached to and made a part of minutes).

Judge Richardson moved, seconded by Mrs. Caston, that the Board accept the Budget Status Report of the President. Motion unanimously carried.

2. Proposed Policy--Dr. Reinhard recommended that the President be granted authority to use his discretion in terms of advertisements to be approved for use in all university publications. Approval of this policy will supersede all previous policies.

Motion by Dr. Skaggs, seconded by Mr. Fox, that the President's recommendation be approved. Motion unanimously carried.

3. Banking Services--Dr. Reinhard indicated that KRS 164.440 requires that the Board of Regents appoint a bank or trust company to serve as its depository. The depository shall be designated for a period of one (1) year or part thereof.

On June 28, 1983, Morehead State University designated, via competitive negotiations, Peoples' Bank of Morehead as the depository for the University for the 1983-84 fiscal year, with an option to renew for one year. On May 11, 1984, MSU advised the Peoples' Bank of Morehead of the University's desire to execute the option. Peoples' Bank of Morehead accepted the renewal on May 21, 1984.

President Reinhard, therefore, recommended, in accordance with the provisions of KRS 164.440, that the Board approve the Peoples' Bank of Morehead as the depository for the University for the 1984-85 fiscal year.

Motion by Mr. Baird, seconded by Mr. Carr, that the Board approve the President's recommendation. Motion carried with Mr. Duncan abstaining from voting.

Following the President's Report, Chairman Duncan called upon the Chairman of the Norfleet Negotiating Committee, Dr. Forest Skaggs, to present the report of the Committee.

Dr. Skaggs indicated that the Committee had met on August 8, 1984, in the President's Conference Room of the Howell-McDowell Administration Building. The three members of the Committee, Dr. Skaggs, Mr. Carr and Mr. Fox, were present along with President Reinhard and University Legal Counsel, Mr. F. C. Bryan. Dr. Norfleet was invited along with his attorney; however, neither attended the meeting. The Committee tendered a proposal, a copy of which is attached to and made a part of the minutes. The proposal was subsequently sent to Dr. Norfleet's attorney, Mr. F. Stephen Pitt, for their consideration. The reply from Dr. Norfleet's attorney turned down the Committee's proposal and offered a counterproposal. Due to the nature of the counterproposal and the fact that it was asked to be kept private to the Board of Regents and, further, that the open records law and the Attorney General's opinions under it say that communications from the counsel of a private individual to a public agency are subject to view only should it be ordered by a court of competent jurisdiction, it was Mr. Bryan's opinion that it should not be made public.

Dr. Reinhard indicated that he had had a request from the Lexington Herald-Leader to him to turn over all documents, tangible and intangible, in reference to Dr. Norfleet's employment and this had been done with the exception of the letter of August 21, 1984, to which Mr. Bryan was referring from Mr. F. Stephen Pitt, Legal Counsel for Dr. Norfleet, to Mr. Bryan.

Mr. Baird moved, seconded by Mr. Cassity, that the Board go into Executive Session for the purpose of discussing personnel and threatened litigation. Motion was adopted by the following roll call vote:

Mr. Baird	Aye
Mr. Carr	Aye
Mr. Cassity	Aye
Mrs. Caston	Aye
Dr. Duncan	Aye
Mr. Duncan	Aye
Mr. Fox	Aye
Dr. Skaggs	Aye
Judge Richardson	Nay

Chairman Duncan declared the motion passed and ordered that the Board go into closed session. The Regents remained in executive session in excess of two hours.

Upon returning to public session, Mr. Cassity moved, seconded by Judge Richardson, that the Negotiating Committee composed of the three members, Dr. Skaggs, Mr. Carr and Mr. Fox, be authorized to again negotiate with Dr. Morris L. Norfleet (he shall be present or in the building and close proximity to the meeting room) and his attorney or attorneys concerning his contract dispute and beginning at 4:30 p.m. on Tuesday, September 4, 1984, and with a special meeting of the Board of Regents of Morehead State University to convene or be available to convene at 5:30 p.m. on the same date for the purpose of making every attempt possible to resolve this contract dispute without litigation. Motion was adopted by the following roll call vote:

Mr. Baird	Aye
Mr. Carr	Aye
Mr. Cassity	Aye
Mrs. Caston	Aye
Dr. Duncan	Aye
Mr. Duncan	Aye
Mr. Fox	Aye
Judge Richardson	Aye
Dr. Skaggs	Aye

Nays: None

Motion by Mr. Baird, seconded by Mr. Cassity, that the meeting adjourn at 9:10 p.m. Motion carried.

  
Chairman

  
Secretary

- EMPLOYMENT CONTRACT -

THIS EMPLOYMENT CONTRACT, made and entered into this \_\_\_ day of August, 1984, by and between MOREHEAD STATE UNIVERSITY, hereinafter referred to as "University", and DR. MORRIS L. NORFLEET, hereinafter referred to as "Norfleet", WITNESSETH;

WHEREAS, on November 12, 1983, the Board of Regents of the University designated Norfleet as the person to fill the newly created position of Chancellor For Corporate Relations, and directed its Executive Committee to implement the details of the new position with Norfleet; and

WHEREAS, a "Presidential Transitional Agreement" was entered into November 27, 1983, by Norfleet with the Executive Committee; and

WHEREAS, at a meeting of the Board of Regents Norfleet as Chancellor for Corporate Relations was granted sabbatical leave from July 1, 1984, through June 30, 1985; and

WHEREAS, at a June 27, 1984, meeting of the Board

a salary of \$72,000.00; and

WHEREAS, a dispute exists as to whether or not there is a valid employment contract between Norfleet and the University and, if so, the exact nature of the terms and conditions thereof; and

WHEREAS, the parties hereto have agreed to settle and compromise this dispute through the negotiation and execution of a new contract of employment of Norfleet; and

WHEREAS, the parties hereto desire to settle any and all claims which may now exist or develop in the future directly related to the negotiations set forth in the premises or any other discussions, promises or actions with respect thereto by the University, the Board of Regents of the University, or any other employee of the University;

NOW, THEREFORE, in consideration of the foregoing premises, it is MUTUALLY CONTRACTED, COVENANTED AND AGREED by and between the parties hereto as follows:

1. Any contract of employment by the University with Norfleet arising out of the circumstances set out in the premises of this Employment Contract is hereby cancelled, voided and shall henceforth be held for naught, and neither the University nor Norfleet shall have any rights, duties or obligations thereunder.

2. Norfleet is hereby employed by the University, subject to the terms and conditions hereinafter set out, as "Special Assistant to the President for Research" for the three fiscal years beginning July 1, 1984 and ending June 30, 1985, beginning July 1, 1985 ending June 30, 1986, and beginning July 1, 1986 ending June 30, 1987.

3. The terms and conditions of this employment of Norfleet by the University shall be as follows:

A. The annual salary shall be FIFTY THOUSAND DOLLARS (\$50,000.00) to be paid in twelve (12) equal, monthly installments.

B. For the fiscal year employment beginning July 1, 1984 and ending June 30, 1985, Norfleet shall not receive sick or annual leave since he will not assume his duties under this Contract until the date the Contract is executed. Otherwise, during the three years of his employment, Norfleet shall receive all fringe benefits afforded a regular full-time member of the faculty and staff at the University, including by way of illustration but not by way of limitation, hospitalization, life insurance, sick leave, and annual leave.

C. The President of Morehead State University shall assign to Norfleet various research projects which in the President's judgment will benefit and promote the interests of the University. The President shall set out in writing and detail the nature of the research projects assigned to Norfleet. The decision and discretion of the President as to the nature of the research projects to be performed by Norfleet under this Contract shall be in all respects binding on Norfleet. These assignments shall be made on a regular and continuing basis during the term of the Contract of Employment. Norfleet shall submit final reports, findings and recommendations on the research projects assigned to him as directed by the President of Morehead State University.

D. In carrying out the assigned research projects Norfleet shall have such secretarial assistance and

access to such facilities as are deemed necessary and approved by the President of Morehead State University.

E. Norfleet shall have the use of a University-owned vehicle at such times as in the judgment of the President a vehicle is necessary for Norfleet to conduct the duties of his employment.

F. Norfleet shall be reimbursed for expenses directly related to carrying out assigned research projects in the same manner and under the same policies as govern such reimbursements to other faculty and staff at the University.

4. Norfleet shall perform and complete the research projects assigned to him by the President of Morehead State University in a timely, efficient, professional and competent manner.

5. Norfleet does hereby RELEASE AND DISCHARGE the University, the Board of Regents of Morehead State University and its individual members, and any other employee of Morehead State University from any and all claims, demands, actions, causes of action and suits and damages, direct or indirect, known, presently existing or unknown, or which may develop in the future, arising out of the negotiations and alleged contract employment as set out in the premises hereof; and this Employment Contract and the settlement therein contained is intended to constitute a final determination of the obligations and liabilities of the University, the Board of Regents and the above-mentioned individuals to Norfleet by reason thereof.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto, in duplicate originals, the date and year first herein written.



MOREHEAD STATE UNIVERSITY

By: \_\_\_\_\_  
CHAIRMAN, BOARD OF REGENTS OF  
MOREHEAD STATE UNIVERSITY

\_\_\_\_\_  
DR. MORRIS L. NORFLEET

Accepted  
8/31/84

MOREHEAD STATE UNIVERSITY  
BUDGET STATUS REPORT

July 1, 1984, through August 31, 1984

1984-85 Budget Authorization	\$37,869,141
State General Fund Support	21,050,800
Kentucky Teachers' Retirement System Matching	1,141,885
Tuition and Fees	6,882,340
Sales and Services	526,000
Other Sources	634,400
Fund Balance	1,400,000
Auxiliary	6,233,716

Since the beginning of the 1984-85 fiscal year, expenditures have been consistent with budgetary allotments for the two-month period ending August 31. Fall tuition and fees, the main revenue source other than the state appropriation, have been assessed in the amount of approximately \$3.2 million dollars. Projected revenues at the time the budget was prepared were \$3,136,276 thus fall tuition income will meet the budget projections. Tuition revenue for the fall is up approximately \$138,000 compared to last year.

Overall, enrollment for the 1984 Fall Semester appears to be down. Fall tuition collections were estimated based on a projected enrollment of 6,221 headcount students, a decrease of 4.4 percent from the Fall Semester of 1983. Full-time headcount is down 28 at this time. The number of part-time students is down considerably and, therefore, is the major cause of the headcount enrollment decline. The tuition revenue increase is due to the Council on Higher Education mandated tuition rate increase of 7 percent. Since the 1984 Fall Semester has been in session only since August 22, the other revenue categories remain essentially unaffected. Income comparisons of these other revenue categories are unreliable at this time. However, Summer Session II revenues were above the estimates and provided a sound base for Summer Session II expenditure activities.

There have been no new positions created since July 1, 1984. Transfers, resignations and appointments, as usual during the summer months, were quite active but were within the resources available to the institution and represent no major departure from previously authorized budget limitations.

Reassignments and the pending university reorganization have resulted in a number of internal reallocations, but again all were made within the resources available for allocations and will not impact the original authorized expenditure level.

Twenty-three (23) food service/cafeteria employees that have been employed for a number of years at minimum wage have had their salaries adjusted to bring them more in line with Food Services' regular employees' salaries. The adjustments were made to address inequities that existed in the salary structure for this group of employees. The increase in salary costs will hopefully be absorbed by any additional revenues that will be realized in food services due to an extension of the meal plan to the ADUC cafeteria. Prior to this semester the meal plan has only been available in the Alumni Tower cafeteria. We have added over 250 students to the meal plan as a result of this expansion of service.

To date, occupancy in the residence halls is down 13 from the 1983 Fall Semester. Housing revenues will be realized in excess of those estimated.

Sufficient funds are on hand at this point in the semester to permit the university to operate without cash flow difficulties. State revenue estimates for July, 1984, were up considerably from July, 1983, indicating that the economic problems the state has had in the past may not continue. Also, we are hopeful we can operate this fiscal year without the cloud of a potential statewide budget cut.