

**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY**  
Center for Health, Education and Research, DeMoss Suite  
Friday, September 30, 2016, 8 a.m.

**Agenda**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ORIENTATION SESSION**
- IV. SPOTLIGHT PRESENTATION ON ENROLLMENT, RETENTION AND FISCAL CONSIDERATIONS**
- V. PRESIDENT’S RECOMMENDATIONS**
  - A. Consent Agenda (Action)**
    - 1. Approve Minutes of June 10, 2016 and August 26, 2016 Meetings ..... 1-13
    - 2. Ratify Personnel Actions ..... 14-19
    - 3. Approve Tenure and Rank, Academic Administrator ..... 20
  - B. Recommendations (Action)**
    - 1. Approve Revision to Personnel Policy PSNE-5, Overtime Pay for Employees Classified as Staff Nonexempt.....21-24
    - 2. Adopt Resolution Authorizing a Trust Agreement for the Issuance of Morehead State University General Receipts Obligations, 2016 Series B .....25-34
  - C. Reports**
    - 1. Preliminary Fall 2016 Enrollment Report..... 35
    - 2. Report on Real Property Leases .....36-39
    - 3. Report on Personal Service Contracts.....40-43
  - D. President’s Report**
- VI. OTHER BUSINESS**
  - A. Future Meetings**
    - 1. Audit Committee – Friday, November 11, 8 a.m.
    - 2. Work Session – Friday, November 11, 9 a.m.
    - 3. New Board Member Orientation Conducted by CPE – Wednesday, November 30, 9 a.m. – 2:30 p.m., Frankfort
    - 4. Quarterly Meeting – Friday, December 9, 9 a.m.
    - 5. Fall Commencement – Saturday, December 10, 10:30 a.m.
- VII. ADJOURNMENT**

**BOARD OF REGENTS MEETING  
MOREHEAD STATE UNIVERSITY  
June 10, 2016**

The Board of Regents of Morehead State University met at 9:00 a.m. on Friday, June 10, 2016, in the DeMoss Suite of the Center for Health, Education and Research in Morehead, Kentucky.

**CALL TO ORDER**

Chair Goodpaster called the meeting to order.

**ROLL CALL**

The following Board members were present: Royal Berglee, Austin Casebolt, Paul Goodpaster, Shannon Harr, Eric Howard, Debbie Long, Wayne Martin, Craig Preece, Patrick Price, and Kathy Walker.

**MEDIA**

Jason Blanton, Director of Media Relations, introduced Stephanie Ockerman of The Morehead News, and Dan Conti of Morehead State Public Radio.

**RESOLUTION OF  
COMMENDATION**

Chair Goodpaster read the following resolution of commendation for Austin Casebolt whose term on the Board ends June 30, 2016:

**Austin Casebolt**

**RESOLUTION HONORING AUSTIN CASEBOLT**

**WHEREAS**, Mr. Austin Casebolt of Pikeville, Kentucky, served with distinction as the student member of the Board of Regents of Morehead State University since July 1, 2015, and

**WHEREAS**, Mr. Casebolt also served in superior fashion during this period as president of the University's Student Government Association, and

**WHEREAS**, Mr. Casebolt's initiative resulted in the procurement of the LiveSafe App to enhance the safety of the campus community, and

**WHEREAS**, Mr. Casebolt's leadership inspired the student congress to create a fund to support the vision of a boat dock at Eagle Lake, and

**WHEREAS**, Mr. Casebolt's active engagement with the Board of Regents and his stewardship of the Student Government Association consistently demonstrated his high ethical standards and his abiding commitment to student and institutional success,

**THEREFORE**, be it resolved by the Board of Regents of Morehead State University that Mr. Austin Casebolt be and hereby is commended for his year of honorable and outstanding service on the Board of Regents and for his leadership of the Student Government Association.

Done this tenth day of June 2016.

\_\_\_\_\_  
Paul C. Goodpaster, Chair

ATTEST:

\_\_\_\_\_  
Sharon S. Reynolds, Secretary

\_\_\_\_\_  
Wayne D. Andrews, President

Mr. Casebolt thanked the members of the Board of Regents and Dr. Andrews.

**STUDENT  
GOVERNMENT  
REPORT**

Mr. Casebolt introduced Mr. Adam Abbott, a senior marketing major from Gays Creek, Kentucky, who was recently elected president of the Student Government Association and will serve as the student representative on the Board of Regents during the 2016-17 year. Mr. Abbott will be administered the oath of office in August.

Mr. Casebolt reported on SGA initiatives for the past year, including initiatives to keep MSU as one of the safest campuses in the state, such as the LiveSafe app and a free student shuttle service.

**FOUNDERS AWARD  
FOR UNIVERSITY  
SERVICE**

The President recommended:

**RECOMMENDATION:** That the Board approve the selection of Myron Doan as the recipient of the 2016 Founders Award for University Service.

*(Background information attached to these minutes and marked V)*

**MOTION:** Mr. Howard moved that the Board approve the President's recommendation. Ms. Walker seconded the motion.

**VOTE:** The motion carried.

**PERSONNEL  
POLICIES PAc-22, PAc-  
26 AND PG-63**

Chair Goodpaster summarized the shared governance process that was undertaken regarding personnel policies PAc-22, Faculty Discipline and Removal for Cause, and PAc-26, Termination of Faculty for Financial Exigency and Discontinuance of Program, and described how the Board will proceed regarding approval.

After a workgroup of the Board was formed at the March 2016 meeting to further review PAc-26, the group submitted a revised policy to the Board for discussion at the May work session. The Board also received input on the revised PAc-26 policy from Dr. Berglee, the chair of the Faculty Senate, and the American Association for University Professors. Chair Goodpaster noted that the Board is in agreement that

shared governance has been followed to date, and values tenure and intends to support it broadly. The Chair announced that he has decided to delay seeking Board approval of the revised PAc-22 and PAc-26 until the September 2016 meeting. The elimination of tenure or tenure track faculty positions will not be a part of the 2016-17 budget. He also recommended that the Board approve PG-63, Employee Furloughs.

Chair Goodpaster invited the chair of Faculty Senate to discuss, before the September meeting, possible revisions to PAc-26 that would be acceptable to the Board to enable the University to rebalance investments in faculty positions as needed to sustain high-demand and priority academic programs.

*(Background information attached to these minutes and marked VI)*

MOTION: Mr. Casebolt moved that the Board approve PG-63, Employee Furloughs. Mr. Preece seconded the motion.

VOTE: The motion carried with Dr. Berglee voting nay.

**CONSENT AGENDA**

Chair Goodpaster asked if the Board would like to discuss any item on the Consent Agenda as follows:

1. Minutes of March 18, 2016 (VII-A-1)
2. 2016 Spring Graduates (VII-A-2)
3. Personnel Actions (VII-A-3)
4. Minimum Scope of Audit (VII-A-4)

Dr. Berglee requested that the Personnel Actions item be removed from the Consent Agenda.

MOTION: Mr. Price moved that the Board approve the remaining items in the Consent Agenda be approved. Mr. Casebolt seconded the motion.

VOTE: The motion carried unanimously.

Dr. Berglee asked whether the personnel actions were for annual contracts.

MOTION: Dr. Harr moved that the Personnel Actions be approved. Mr. Martin seconded the motion.

VOTE: The motion carried with Dr. Berglee abstaining.

**PRESIDENT'S  
RECOMMENDATIONS**

*Promotion*

The President recommended:

RECOMMENDATION: That the Board approve the granting of promotion to the following faculty with the issuance of their contracts for the 2016-2017 year:

Steve Chen, sports management (SBA)  
Sam Nataraj, computer information systems (SEIS)  
Christopher Schroeder, mathematics  
Lucy Mays, nursing (ADN)

*(Additional background information attached to these minutes and marked VII-B-1)*

MOTION: Ms. Walker moved that the Board approve the President's recommendation. Mr. Preece seconded the motion.

VOTE: The motion carried unanimously.

*Emeritus Status*

The President recommended:

RECOMMENDATION: That the Board of Regents approve the granting of Emeritus Status to the following:

L. K. Williams, professor of accounting  
C. Steven Hunt, professor of information systems  
James Knoll, department chair of early childhood, elementary and special education and professor  
Suanne Blair, assistant professor of music  
Susan Creasap, associate director of bands and professor of music  
John Hennen, professor of history  
Sarah Morrison, professor of English  
Barb Lewis, associate professor of veterinary technology  
Charles Mason, professor of geoscience

*(Additional background information attached to these minutes and marked VII-B-2)*

MOTION: Mr. Martin moved that the Board approve the President's recommendation. Dr. Harr seconded the motion.

VOTE: The motion carried unanimously.

*Tenure and Rank,  
Academic Administrators*

The President recommended:

RECOMMENDATION: That the Board of Regents approve the granting of tenure and the rank of Professor of Biology to Dr. Charles Lydeard, Chair, Department of Biology and Chemistry.

*(Additional background information attached to these minutes and marked VII-B-3)*

Dr. Ralston noted that the other individual listed in the printed agenda item declined the position offer.

MOTION: Mr. Casebolt moved that the Board approve the President's recommendation. Mr. Howard seconded the motion.

VOTE: The motion carried with Dr. Berglee voting nay.

*Third Quarter Financial  
Statements*

The President recommended:

RECOMMENDATION: That the Board approve the financial statements and amend the operating budget for the third quarter of the fiscal year that will end June 30, 2016.

*(Financial Report and additional background information attached to these minutes and marked VII-B-4)*

Beth Patrick, Chief Financial Officer and Vice President for Administration, reported that MSU's financial picture remained stable through the third quarter of the 2015-16 fiscal year. She said that the University operated with a surplus of revenues over expenditures and transfers of \$13M, which is common for this point in the year as billings for fall semester 2015 and spring semester 2016 are reflected in tuition and fees revenue, while only expenditures through March 31, 2016 are reflected. She said that total revenues increased by \$3.2M over last year due to state appropriations to support the Craft Academy for Excellence in Science and Mathematics, as well as increases in tuition and housing rates.

Ms. Teresa Lindgren, Executive Director of Budgets and Financial Planning, said the total operating budget for the University has increased by \$703,955 in the third quarter due to a combination of increased tuition from the first winter session, and unbudgeted revenue allocations from the MSU Foundation in support of Academic Affairs.

MOTION: Dr. Harr moved that the Board approve the President's recommendation. Mr. Casebolt seconded the motion.

VOTE: The motion carried with Dr. Berglee abstaining.

**2016-2017 Operating  
Budget, Fee Schedule and  
Personnel Roster**

The President recommended:

RECOMMENDATION: That the Board approve the recommended 2016-2017 Operating Budget, which totals \$150,940,000, the 2016-2017 Personnel Roster, and the 2016-2017 Fee Schedule.

*(2016-2017 Operating Budget, Personnel Roster and Fee Schedule along with background information attached to these minutes and marked VII-B-5)*

Ms. Patrick reminded the Board of factors that have impacted the current financial situation, including continued decline in state appropriations, increased competition, mandatory and unavoidable cost increases (such as retirement and healthcare), declining population in the traditional service region, challenges with student retention, the need to raise the bar for admission, and increased investment in student academic support services to prepare for performance funding.

The 2016-2017 Operating Budget totals \$150.9 million, a decrease of \$6.8 million (4.3 percent) compared to the current fiscal year. New revenue from a combination of a 5.33 percent tuition rate increase for undergraduate students (\$216 per semester), winter session tuition revenue, and a 4.0 percent increase in residence hall rates is included in the operating budget. An overall \$4.6 million net decrease in tuition revenue is budgeted due to declining undergraduate and graduate enrollment and changes in the non-resident tuition rate and scholarship program. State appropriation decreased by \$1.4 million in 2016-2017 from the current fiscal year.

The operating budget is built on 1,373 first-time freshmen and total enrollment of 10,702 (including Early College) in fall 2016, which represents a decline of 9.25 percent and 3.18% respectively. She noted that MSU is the only institution currently that does not charge tuition and utilizes high school teachers for its Early College program. The Governor's recently announced Early College Scholarship Program may prompt MSU to make adjustments to its program in the future.

Tuition in 2016-2017 will be the second lowest in the state, at \$4,265 per semester. The special use fee/student recreation fee will continue to be \$66. Business courses will carry an additional \$5 per credit hour and online courses will carry an additional \$10 per credit hour.

The Personnel Roster includes 1,017 positions, a reduction of 66 positions, or 6.1 percent. It is estimated that 950 of those positions will be filled on July 1, 2016. There are no salary increases in the 2016-2017 operating budget. Twenty-three employees were impacted by position eliminations, lay-off, or non-renewal of fixed term contracts.

Dr. Andrews stated that Morehead State University is not in a fiscal crisis. MSU is focusing on the right things to address the issues that are within our control.

Chair Goodpaster provided additional comments on behalf of the Board. The comments were prompted by assertions made by Faculty Senate in a censure resolution and a letter from the Faculty Senate chair to members of the Board. The primary theme of both documents was that the administration of the University has failed to plan and budget properly thereby being a primary contributor to the University's current fiscal situation. The Board Chair said this is not true, and emphasized the Board's role in reviewing and approving budgets. He went on to state that the Board has been kept abreast of political and fiscal challenges, as well as the administration's efforts to inform, update and involve the campus community in decisions facing the institution.

He said that the Board does not believe the sentiment of the faculty in general is represented by the Faculty Senate, nor has the faculty been well served by the Faculty Senate in this approach.

Academic Affairs is being asked to undertake some initiatives and focus on some instructional efficiencies while also improving retention. If these efficiencies are not realized, further budget reductions may become necessary. If this is the case, the Board will not eliminate tenure or tenure-track faculty, but will instead reduce faculty salaries to fill the remaining gap.

Chair Goodpaster summarized the Board's comments by stating that the Board of Regents fully supports the administration of the University and stands behind their leadership in guiding the institution during these challenging times. The Board values and appreciates the faculty and staff and is grateful for their commitment to student success. He encouraged the Faculty Senate to leave behind narrow self-interests and become a true university stakeholder interested in real shared governance and genuine problem solving.

Dr. Berglee stated that he is disturbed by the widening gap between faculty and administration and encouraged everyone to work to address it.

MOTION: Mr. Price moved that the Board approve the President's recommendation to approve the 2016-2017 Operating Budget, the 2016-2017 Personnel Roster, and the 2016-2017 Fee Schedule. Mr. Martin seconded the motion.

VOTE: The motion carried with Dr. Berglee voting nay.

Chair Goodpaster declared a 10 minute break. The meeting resumed at 11:18 a.m.

**RECESS**

*Financing for Phase II  
Construction of Parking  
Garage/Dining Commons*

The President recommended:

RECOMMENDATION: That the Board authorize the University President and/or the Vice President for Administration to execute a loan agreement either through the



Commonwealth of Kentucky Master Lease Program, a separate third party lender or issuance of general receipts bonds:

A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF APPROXIMATELY \$6,600,000 GENERAL RECEIPTS OBLIGATIONS (CONSTRUCT PARKING GARAGE/DINING COMMONS – PHASE II) OF MOREHEAD STATE UNIVERSITY, PURSUANT TO THE TRUST AGREEMENT DATED AS JULY 1, 2007.

*(Additional background information attached to these minutes and marked VII-B-6)*

Ms. Patrick said the parking garage and dining commons was included in the 2016-2018 Budget of the Commonwealth as a capital authorization to be funded by agency bonds. This project will complete the fit out and internal systems and equipment for the student dining commons currently under construction.

MOTION: Mr. Casebolt moved that the Board approve the President's recommendation. Ms. Long seconded the motion.

VOTE: The motion carried with Dr. Berglee abstaining.

***Locally Manage Capital  
Construction Projects***

The President recommended:

RECOMMENDATION: That the Board approve a request to locally manage future capital construction projects.

*(Additional background information attached to these minutes and marked VII-B-7)*

Ms. Patrick said the University undertakes capital construction projects necessary to maintain appropriate equipment and facilities in support of the institution's mission. Capital projects are defined by the state as construction projects estimated to cost \$1 million or more, and equipment purchases of \$200,000 or more. In 1982, the General Assembly authorized governing boards of state universities to elect to perform capital construction management locally. The University has in place appropriate systems, processes and personnel necessary to effectively manage capital construction in accordance with all state procurement and accounting regulations. Local management of capital projects will streamline procurement, decision making, and approvals for faster and more efficient project delivery.

MOTION: Ms. Walker moved that the Board approve the President's recommendation. Mr. Preece seconded the motion.

VOTE: The motion carried unanimously.

**REPORTS****Spring 2016 Enrollment**

Tim Rhodes, Interim Assistant Vice President for Enrollment Services, presented a preliminary enrollment report for Spring 2016, including the new Winter Term. He reported that final spring semester headcount enrollment was 9,411, and 324 students were enrolled during the Winter term. *(Final Enrollment Report for Spring 2016 attached to these minutes and marked VII-C-1)*

**Personal Service Contracts**

Ms. Patrick reported on personal service contracts, which represent all such contracts issued with amounts greater than \$10,000 between February 16, 2016 and May 15, 2016. *(Report attached to these minutes and marked VII-C-2)*

**EXECUTIVE SESSION**

Chair Goodpaster entertained a motion to go into Executive Session at 11:35 a.m. pursuant to KRS 61.810(1) (f) to discuss matters relating to appointment of a specific employee. The Board will take no action while in Executive Session. Ms. Walker moved that the Board go into Executive Session. Mr. Price seconded the motion. The motion carried and the Board retired to Executive Session.

**OPEN SESSION**

Following closed session, Chair Goodpaster asked for a motion to return to Open Session. Dr. Harr moved that the Board return to Open Session at 11:57 a.m. Mr. Casebolt seconded the motion. The motion carried. Chair Goodpaster stated that no action was taken during the Executive Session.

**PRESIDENTIAL PERFORMANCE AND CONTRACT**

Vice Chair Martin read the following statement concerning Dr. Andrews' performance and contract:

"Dr. Wayne Andrews has been President of Morehead State University since January 1, 2005. His current contract expires June 30, 2018. He, however, has chosen to retire effective June 30, 2017. At that time, President Andrews' tenure will be the second longest of any president in MSU history.

As Chairperson of the President's Evaluation and Compensation Committee (which is composed of the Board of Regent's Executive Committee), our committee unanimously approved recommending the following:

- That no change will be made to President Andrews' contract. This includes no raise, despite the outstanding evaluation this committee confers upon President Andrews and the same overwhelming consensus from the full Board's evaluations.
- President Andrews' current contract entitles him to 10 percent of his current base salary as a retention bonus. He has strongly requested that our committee not provide a recommendation to the Board exercising this retention bonus. With respect to his request and the unprecedented budget challenges facing MSU, our committee agrees to accept President Andrews' request and not exercise the bonus payment.

The Board sets the vision for Morehead State University and it is the President's responsibility to execute this vision. It is our committee's unanimous belief that President Andrews and his team, during challenging economic conditions in MSU's primary service region, coupled with years of state funding cuts to higher education, have executed the Board's vision in an exceptional manner and with admired excellence.

In honor of his outstanding leadership over the past 11 ½ years and in honor of the outstanding contributions to his Presidency and to Morehead State University by the First Lady, the President's Evaluation and Compensation Committee (which is composed of the Board of Regent's Executive Committee) unanimously recommends that the new residence hall to be opened in the fall of 2016 be named Andrews Hall, in honor of Wayne D. and Susan H. Andrews."

Chair Goodpaster added his commendation of the President stating that his approach has remained steadfast, includes careful consideration, and that he leads with vision, compassion, honesty and integrity. In his last year, the Board has asked the President to prioritize his efforts on budget planning and implementation, and enrollment with an emphasis on retention.

MOTION: Mr. Price made the motion to adopt the President's Evaluation and Compensation Committee's recommendation as stated. Mr. Preece seconded the motion.

VOTE: The motion carried with Dr. Berglee abstaining.

Dr. Andrews provided his goals for 2016-17.

**President's Goals  
2016-17**

- I. Work closely with the Student Success team and the campus community to insure best practices are in place to:
  - a. Improve overall enrollment
  - b. Improve retention and graduation rates
- II. Continue aggressive fundraising to reach \$10 million beyond the Comprehensive Campaign goal of \$25 million

MOTION: Ms. Long made the motion to accept the President's Goals for 2016-17. Dr. Harr seconded the motion.

VOTE: The motion carried unanimously.

**PRESIDENT'S  
GOALS**

Dr. Andrews thanked the Board of Regents for their support and stated they should be proud of the work being done on campus.

Assistant Vice President for Facilities Management Rick Linio provided an update on construction projects, including the Adron Doran University Center expansion and renovation, the East parking garage and dining commons, the new residence hall on campus (now named Andrews Hall), the Alumni Welcome Center, and “Third Street Eats,” the temporary dining center.

**ANNOUNCEMENTS**

Chair Goodpaster announced the next Board work session is August 26, and the next quarterly meeting is September 30.

**ADJOURNMENT**

There being no further business to conduct, Dr. Harr moved that the meeting adjourn at 12:30 p.m. Mr. Price seconded the motion. The motion carried.

Respectfully submitted,



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Sharon S. Reynolds, Secretary  
Board of Regents

**SPECIAL MEETING  
BOARD OF REGENTS  
MOREHEAD STATE UNIVERSITY  
August 26, 2016**

The Board of Regents of Morehead State University met at 10:30 a.m. on Friday, August 26, 2016, in the DeMoss Suite of the Center for Health, Education and Research in Morehead, Kentucky for a special called meeting to administer the oath to newly appointed Board members. Chair Paul C. Goodpaster presided.

**CALL TO ORDER**

Chair Goodpaster called the meeting to order and introduced new and reappointed Board members in attendance: Adam Abbott, Terri Walters, Patrick Price and Craig Preece.

**ROLL CALL**

The following Board members were present: Adam Abbott, Royal Berglee, Paul Goodpaster, Shannon Harr, Eric Howard, Wayne Martin, Craig Preece, Patrick Price, and Terri Walters. Debbie Long and Kathy Walker were unable to attend the meeting.

Also present was President Wayne D. Andrews, Provost Dr. Steven Ralston, Vice President Beth Patrick, Vice President Jason Bentley, Vice President James Shaw, Diversity Officer Charles Holloway, and General Counsel Jane Fitzpatrick.

**MEDIA**

Jason Blanton, Director of Media Relations, introduced Stephanie Ockerman of The Morehead News, and Dan Conti of Morehead State Public Radio.

**OATH OF OFFICE**

The Honorable Beth Maze, Chief Circuit Judge for the 21<sup>st</sup> District, administered the oath of office to the following Regents:

Mr. Adam Abbott, who was elected by the student body to serve a one-year term ending June 30, 2017;

Mr. Patrick Price, who was appointed by Governor Matt Bevin to serve for the remainder of an unexpired term ending June 30, 2019;

Ms. Terri Walters, who was appointed by Governor Matt Bevin to serve a six-year term ending June 30, 2022; and

Mr. Craig Preece, who was reappointed by Governor Matt Bevin to serve a six-year term ending June 30, 2022.

**ELECTION OF  
VICE CHAIR &  
SECRETARY;  
APPOINTMENT  
OF TREASURER**

Pursuant to KRS 164.330, Chair Goodpaster asked for nominations for vice chair, secretary and treasurer. Mr. Howard made a motion to nominate Mr. Martin as vice chair, Ms. Reynolds as secretary, and to reappoint Ms. Patrick as treasurer. Mr. Preece seconded the motion. The motion carried unanimously.

**AMEND CAMPUS  
MASTER PLAN TO  
INCLUDE PURCHASE  
OF REAL PROPERTY**

Ms. Patrick introduced the request for the Board to approve an amendment to the Campus Master Plan to include the acquisition of an approximate 0.50 acre parcel of land located on the corner of Rowan Street and Bridge Street in Morehead for the purpose of construction of a sediment basin adjacent to the University's water treatment facility. She stated that the basin was necessary to meet all regulations required by the Kentucky Division of Water pertaining to the return of water to Triplett Creek. The parcel is currently owned by the City of Morehead. The price was set at the appraised value of \$129,500 less the estimated cost of improvements of \$59,680, resulting in a purchase price of \$69,820. Mr. Martin moved to amend the Campus Master Plan to include the acquisition of said property. Mr. Howard seconded the motion. The motion carried unanimously.

*(Additional background information attached to these minutes and marked V)*

**DISCUSSION**

The Board engaged in discussion of the Fair Labor Standards Act and Personnel Policy PSNE-5, Overtime Pay for Employees Classified as Staff Nonexempt; Personnel Policy PAc-26, Termination of Faculty for Financial Exigency and Discontinuance of Program; and preliminary indicators of fall enrollment. Vice Chair Martin, who serves as the chair of the presidential search and screening advisory committee, provided the Board with a report on the Presidential Search and introduced Mr. Bill Funk of R. William Funk and Associates, the executive search firm assisting the Board with the search. Also, the Board was provided the proposed 2017 meeting dates. These items were for discussion only and no action was taken.

**UPCOMING  
MEETINGS AND  
EVENTS**

Chair Goodpaster announced the upcoming meetings and events:

- Quarterly Meeting, Friday, September 30, 9 a.m.
- Audit Committee Meeting, Friday, November 11, 8 a.m.
- Work Session, Friday, November 11, 9 a.m.
- Quarterly Meeting, Friday, December 9, 9 a.m.
- Fall Commencement, Saturday, December 10, 10:30 a.m.

**ADJOURNMENT**

There being no further business to conduct, Dr. Harr moved that the meeting adjourn at 11:52 a.m. Mr. Price seconded the motion. The motion carried.

Respectfully submitted,



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Sharon S. Reynolds, Secretary  
Board of Regents

## **RATIFY PERSONNEL ACTIONS**

**BOR (V-A-2)  
September 30, 2016**

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### **Recommendation:**

That the Board ratify the Personnel Actions for the period May 16, 2016, through September 2, 2016.

### **Background:**

The Personnel Action Request Report includes actions related to:

- 1) full-time and continuing part-time faculty, librarians and Executive, Administrative and Managerial employees, excluding supplemental actions not listed under Item 3, below;
- 2) full-time and continuing part-time non-classified Executive, Administrative and Managerial and Professional Staff positions (including supplemental actions);
- 3) supplemental actions for faculty acquiring managerial duties, excluding normal grant activities;
- 4) discipline;
- 5) leave of absences;
- 6) sabbaticals; and
- 7) retirements.

**MOREHEAD STATE UNIVERSITY  
ROSTER POSITIONS SUMMARY  
09/02/16**

	<u>July 1 Authorized Positions</u>	<u>Current Authorized Positions</u>	<u>+/- Position Adjustments</u>	<u>Current Position Strength</u>	<u>% Current Strength</u>
Office of the President	4.50	4.50	0.00	3.50	77.78
Division of University Advancement	37.75	37.75	0.00	33.75	89.40
Division of Administration and Fiscal Services	102.75	102.75	0.00	95.75	93.19
Facilities Management	147.00	147.00	0.00	142.00	96.60
Division of Student Success	171.32	185.32	14.00	177.32	95.68
Division of Academic Affairs	44.33	53.99	9.66	51.16	94.76
Caudill College of Arts, Humanities & Social Sciences	143.54	144.54	1.00	129.71	89.74
College of Business and Technology	63.50	55.50	-8.00	52.50	94.59
College of Education	72.37	70.37	-2.00	61.37	87.21
College of Science	157.91	146.08	-11.83	134.08	91.79
Academic Programs	29.83	29.83	0.00	25.83	86.59
Camden-Carroll Library	33.00	33.00	0.00	29.00	87.88
	<u>1,007.80</u>	<u>1,010.63</u>	<u>2.83</u>	<u>935.97</u>	<u>92.61</u>

Note: Positions are expressed in terms of full-time equivalency.



**TENURE AND RANK,  
ACADEMIC ADMINISTRATOR**

**BOR (V-A-3)  
September 30, 2016**

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**Recommendation:**

That the Board of Regents approve the granting of tenure and the rank of Professor of Kinesiology to Dr. Wayne Miller, Dean, College of Science.

**Background:**

Morehead State University's personnel policy, PAc-27, provides a procedure for employing academic administrators with tenure. The search committee and the department of Kinesiology, Health and Imaging Sciences faculty recommended that Dr. Miller be employed with tenure and the rank of professor. The Provost and the President support this recommendation.

**APPROVE REVISION TO PERSONNEL POLICY  
PSNE-5 OVERTIME PAY FOR EMPLOYEES  
CLASSIFIED AS STAFF NONEXEMPT**

**BOR (V-B-1)  
September 30, 2016**

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**Recommendation:**

That the Board approve the revised personnel policy PSNE-5 related to overtime pay for employees classified as staff nonexempt.

**Background:**

The Office of Human Resources maintains a manual of personnel policies approved by the Board that outline the rules and regulations associated with the employment of academic, administrative, staff exempt and staff nonexempt employees. These policies are revised as necessary to fulfill changes in employment needs, compliance with regulations and to codify all processes, rights and responsibilities related to employment at Morehead State University.

The recent change to the Federal Fair Labor Standards Law (FLSA) that takes effect December 1, 2016, has prompted the University to make revisions to PSNE-5 relating to overtime pay for employees classified as staff nonexempt.

**Revisions:**

The revision proposed in PSNE-5 deals with the calculation of hours to determine overtime status for a nonexempt employee. Primary changes include:

- Vacation leave, sick leave, funeral leave, holidays and other time when the employee is in a paid status but is not physically engaged in work are no longer considered as hours worked for purposes of calculating overtime pay status. Only actual hours worked above 40 hours in a workweek will be paid at the overtime rate of one and one-half times the employee's regular hourly rate.
- Flexible work schedules may be used during the workweek to avoid incurring overtime.
- Emergency call out hours will result in an employee being paid a minimum of two working hours at one and one-half the employee's regular rate of pay regardless of total actual hours worked during the workweek. Emergency situations are defined as work necessary to:
  - Avoid significant service disruption
  - Avoid placing employees or the public in unsafe situations
  - Protect and/or provide emergency services to property or equipment
  - Respond to emergencies with students
- Supplemental stipends for non-exempt staff will need to be budgeted and paid at the employee's overtime rate based on their weighted average hourly rate for all work assignments.

Prepared by: Beth Patrick

**Policy: PSNE-5**

**Subject: Overtime Pay for Employees Classified as Staff Nonexempt**

Approval Date: 07/01/85

Revision Date: 04/30/93, 12/16/05, 09/15/05

**PURPOSE:**

To establish provisions for paying overtime to employees classified as nonexempt for hours worked in excess of 40 in a workweek in accordance with the Fair Labor Standards Act of 1934 (FLSA).

**OVERTIME PHILOSOPHY:**

As a rule, it is expected that the University's various workloads should be accomplished within the basic schedule of the workweek. It is the policy of the University to discourage overtime work situations. Each supervisor is responsible for organizing, scheduling, and staffing workloads in a manner that will avoid the development of overtime work situations wherever possible.

This policy applies to situations which require overtime work, such as the extension of departmental services with a resulting peak overload or unforeseen circumstances which prevent accomplishing the work during regular hours.

Overtime, if required, shall be performed only at the recommendation of the supervisor.

**OVERTIME PAY:**

Overtime pay is based on **time hours** actually worked and is calculated at a rate of one and one-half times the employee's regular hourly rate for each hour worked beyond 40 hours in a workweek. The University's workweek begins at 12:01 a.m. on Sunday and ends at 12:00 midnight on the following Saturday. **For purposes of computing overtime, each workweek stands alone. Hours worked during two or more workweeks may not be combined or averaged to determine overtime pay due. With agreement between the supervisor and employee, flexible work schedules may be used during the work week to avoid incurring overtime.**

**Hours worked include all time an employee is required or permitted to perform activities beneficial to the University and on the University's premises or at a prescribed work location except for meals or other periods when the employee is free from duty. Work breaks or rest periods of short duration, such as five (5) to fifteen (15) minutes, are considered to be hours worked. Meal periods of thirty (30) minutes or more are considered non-work time. Travel time to and from work is not considered work time; however, travel at the request of the employer may be compensable.**

~~In determining total overtime worked, Hours paid but not worked, including but not limited to paid sick leave, vacation leave, or holiday pay during a week will be considered as work time in computing the 40 hours.~~ For purposes of determining overtime, vacation leave, sick leave, funeral leave, holidays and any other time when the employee is not physically engaged in work are not considered. Work performed on University holidays is at the regular rate, unless it is overtime work.

Overtime provisions also apply when an employee works in more than one department. If an employee normally works 37.5 hours per week in one department and performs services in another department, i.e. teaching a class, any hours worked between 37.5 and 40 are paid at the regular rate and hours over 40 are paid at the overtime rate.

Compensatory time off in lieu of overtime pay is prohibited by Kentucky Wage and Hour Laws. Therefore, the employee must be paid for all overtime.

#### **EQUIVALENT TIME:**

A full-time employee who works in excess of his/her regular weekly schedule but less than 40 hours in the week shall receive equivalent time off for such hours under 40. Such equivalent time off is used for absences where vacation leave would be charged, is scheduled in the same manner as vacation, and is to be used for such absences before vacation leave is charged.

It is permissible for the unit to pay out accumulated equivalent time by paying the employee for each hour accrued to reduce their accumulated equivalent time balance. Such payments must be made at the regular hourly rate of pay received by the employee at the time of payment.

At the time of transfer to another unit, the transferring employee must be paid for all accrued equivalent time by the unit in which it was earned. Such payment must be made at the regular hourly rate of pay received by the employee at the time of transfer.

#### **RECORD OF HOURS WORKED:**

For all employees, full-time and part-time, in positions classified as nonexempt a record of total hours worked must be maintained within the administrative unit for a period of three years. Hours worked must be documented in three separate categories: 1) regular time, 2) equivalent time (for employees whose scheduled workweek is 37.5 hours), and 3) overtime.

#### **UNAUTHORIZED WORK:**

Supervisors are required to approve any work for nonexempt employees that is in excess of their regular work schedule. Work on personal devices, e.g., smart phones, tablets, home computers, is prohibited for nonexempt employees outside the normal work schedule unless authorized by the supervisor. Nonexempt employees who engage in unauthorized overtime

work may be subject to disciplinary action. Supervisors should implement management controls to assure that unauthorized overtime work is not being performed.

### **SUPPLEMENTAL WORK ASSIGNMENTS AND COMPENSATION**

In rare situations, a nonexempt employee may be asked to perform a supplemental work assignment for another University department (not their assigned department). Time worked on a supplemental assignment is not a separate entity but a combination of the regular job and supplemental duties, so all hours worked for each department must be reported and compensation computed as defined in the policy; therefore a flat fee may not be paid.

When a non-exempt employee works two jobs at two different rates of pay, a blended overtime rate will be calculated in which the hours worked at each rate are combined to determine a weighted average rate of pay. The employee is then paid overtime at one and one-half that weighted average for all overtime hours worked.

All hours worked by an employee in a supplemental assignment in another department, whether the employee works a 37.5 or 40 hour workweek, will be paid at one and one-half the employee's regular rate of pay or the weighted average rate of pay even if the time worked is not overtime work as defined by the Fair Labor Standards Act (over 40 hours in a workweek).

### **EMERGENCY CALL OUT:**

An employee who is called out by his/her supervisor outside their normal work schedule shall be credited with a minimum of two working hours, which will be paid at one and one-half the employee's regular rate of pay. This applies only to emergency situations as defined below in which the work to be performed has not been previously scheduled.

- To avoid significant service disruption
- To avoid placing employees or the public in unsafe situations
- To protect and/or provide emergency services to property or equipment
- To respond to emergencies with students

**ADOPT RESOLUTION AUTHORIZING A TRUST  
AGREEMENT FOR THE ISSUANCE OF  
MOREHEAD STATE UNIVERSITY GENERAL  
RECEIPTS OBLIGATIONS, 2016 SERIES B**

**BOR (V-B-2)  
September 30, 2016**

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**Recommendation:**

That the Board adopt the following resolutions relating to the sale of the University's General Receipts obligations:

A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF APPROXIMATELY \$6,600,000 GENERAL RECEIPTS OBLIGATIONS (CONSTRUCT FOOD SERVICE/RETAIL & PARKING) OF MOREHEAD STATE UNIVERSITY, PURSUANT TO THE TRUST AGREEMENT DATED AS JULY 1, 2007.

FURTHERMORE, IN ACCORDANCE WITH THE PROVISION OF HOUSE BILL 7 OF THE 2014 REGULAR SESSION OF THE KENTUCKY GENERAL ASSEMBLY, THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY HEREBY CERTIFIES THAT THE ISSUANCE OF THESE GENERAL RECEIPTS OBLIGATIONS WILL NOT RESULT IN INCREASES IN TUITION RATES.

**Background:**

The University is in the final stages of completion of Phase I of the construction of a combined parking garage and student dining commons facility that was funded with cash reserves from auxiliary operations and \$10 million cash from Aramark, the University's food service provider. Phase I of the project includes completion of the parking garage and the external shell space for the dining commons. Phase II of the project includes completion of the interior dining commons area and fit-out of equipment, furnishings and infrastructure. Total scope of Phase II is \$6.6 million and was authorized in the 2016-18 Capital Budget of the Commonwealth.

The Board authorized the administration to seek financing for this project at their quarterly meeting on June 10, 2016 from one of three sources including the state's master lease agreement, local financing from a third-party lender or through the sale of bonds. After analysis of each financing option, the recommendation is to finance the project through the issuance of the University's General Receipts Obligations, 2016 Series B. The bonds are scheduled to be sold in November 2016. In order to proceed with the sale of the General Receipts Obligations for Phase II of the Food Service/Retail & Parking Facility, the Board must adopt the following resolution:

## SERIES RESOLUTION

A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF APPROXIMATELY \$6,600,000 GENERAL RECEIPTS OBLIGATIONS (CONSTRUCT FOOD SERVICE/RETAIL & PARKING PROJECT) OF MOREHEAD STATE UNIVERSITY, PURSUANT TO THE TRUST AGREEMENT DATED AS JULY 1, 2007.

WHEREAS, Morehead State University (herein called the "University"), a public body corporate and an educational institution and agency of the Commonwealth of Kentucky, by resolution adopted by the Board of Regents of the University on June 15, 2007 (herein called the "General Bond Resolution"), and by a Trust Agreement, dated as of July 1, 2007, as supplemented (herein called the "Trust Agreement"), comprised in part of the General Bond Resolution, has provided for the issuance from time to time of Obligations (as defined in the Trust Agreement) of the University secured by a pledge of the University's "General Receipts" (as defined in the Trust Agreement), each such issue to be authorized by a Series Resolution, as required by the Trust Agreement; and

WHEREAS, the Board has determined that it is necessary to finance the costs of the renovating, installation and equipping of a certain authorized project identified as Construct Food Service/Retail & Parking (the "Project"); and

WHEREAS, by authority of Sections 162.340 to 162.380 of the Kentucky Revised Statutes, Chapter 56 of the Kentucky Revised Statutes and Sections 58.010 to 58.140 of the Kentucky Revised Statutes (collectively, the "Act"), the University is authorized to construct educational building facilities, to issue its obligations to pay all or part of the costs of such facilities, and to secure said obligations by a pledge of and lien on all or such part of the revenues and receipts of the University; and

WHEREAS, the Board of Regents desires to provide for issuance and sale of Morehead State University General Receipts Bonds and for other matters in connection therewith, by the adoption of this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY, AS FOLLOWS:

SECTION 1. Definitions and Interpretations. All words and terms defined in Section 1 of the Trust Agreement and all interpretations therein provided shall have the same meanings, respectively, and be subject to the same interpretations as therein provided where used in this Resolution, unless the context or use clearly indicates another or different meaning or intent, except that this Resolution is sometimes herein called and may be known as the "Construct Food Service/Retail & Parking Resolution," the Obligations authorized by this Resolution are referred to herein and in the Supplemental Trust Agreement hereby authorized as the "Construct Food Service/Retail & Parking Obligations," and the terms "hereof," "hereby," "hereto," "herein," and "hereunder," and similar terms, mean this Resolution.

SECTION 2. Authority. This Resolution is adopted pursuant to the General Bond Resolution, the Trust Agreement, and the Act.

SECTION 3. Authorization, Designation and Purpose of Construct Food Service/Retail & Parking Obligations. It is hereby declared to be necessary to, and the Board shall, issue, sell and deliver, as provided and authorized herein, approximately \$6,600,000 principal amount of General Receipts Obligations which shall be issued as General Receipts Bonds (the “Bonds”). Such Obligations shall be designated “Morehead State University General Receipts Bonds” and shall bear such further series designations as the Fiscal Officer (as defined in the Trust Agreement) deems appropriate. Such Obligations shall be issued for the purpose of (i) financing the costs of the Project; and (ii) paying costs of issuance in connection with such Obligations. The proceeds from the sale of such Obligations shall be deposited and allocated as provided in Section 6 hereof.

SECTION 4. Terms and Provisions Applicable to the Obligations.

(a) Form, Numbering and Designation. The Construct Food Service/Retail & Parking Obligations shall be issued in the form of fully registered Obligations as approved by the Fiscal Officer, shall be numbered from 1 upwards, and shall bear such series designation as the Fiscal Officer deems appropriate.

(b) Denomination and Dates. The Construct Food Service/Retail & Parking Obligations shall be in such denominations as requested by the Original Purchaser (hereafter defined), and shall be dated on the date determined by the Fiscal Officer and may be issued in installments (each installment being a part of the Construct Food Service/Retail & Parking Obligations herein authorized) with maturity dates approved by the Fiscal Officer, having a final maturity that is no later than twenty years from the date the Construct Food Service/Retail & Parking Obligations are issued.

(c) Interest. The Construct Food Service/Retail & Parking Obligations shall bear interest from their respective dates payable on dates approved by the Fiscal Officer, beginning on a date approved by the Fiscal Officer, at the rate or rates per annum determined pursuant to Section 5 hereof.

(d) Maturities. The Construct Food Service/Retail & Parking Obligations shall mature on such dates, in the years and in the principal amounts set forth in the maturity schedule approved by the Fiscal Officer pursuant to Section 5 hereof.

(e) Redemption Terms and Prices. The Construct Food Service/Retail & Parking Obligations shall be subject to optional and mandatory redemption on such dates and terms as approved by the Fiscal Officer, with the advice of the Financial Advisor (hereinafter identified) and set forth in the Supplemental Trust Agreement. If less than all of the outstanding Construct Food Service/Retail & Parking Obligations are called for redemption at one time, they shall be called in the order of the maturities as directed by the Fiscal Officer. If less than all of the outstanding Construct Food Service/Retail & Parking Obligations of one maturity are to be called, the selection of such Construct Food Service/Retail & Parking Obligations or portions of Construct Food Service/Retail & Parking Obligations of such maturity to be called shall be made by lot in the manner provided in the Trust Agreement. Notice of call for redemption of Construct Food Service/Retail & Parking Obligations shall be given in the manner provided in the Trust Agreement.



(f) Other Provisions. The Construct Food Service/Retail & Parking Obligations may, at the option of the Fiscal Officer, be secured by municipal bond insurance or similar instrument issued by a financial or insurance institution acceptable to the Fiscal Officer.

(g) Place of Payment and Paying Agents. The principal, interest and any redemption premium on registered Construct Food Service/Retail & Parking Obligations shall be payable by check or draft, as provided in the Trust Agreement.

(h) Execution. The Construct Food Service/Retail & Parking Obligations shall be executed in the manner provided in the General Bond Resolution.

SECTION 5. Award and Sale of Obligations. The Construct Food Service/Retail & Parking Obligations shall be offered publicly for sale upon the basis of competitive bids at such time as the Fiscal Officer, upon advice of the Financial Advisor to the University, shall designate.

The Fiscal Officer is hereby authorized and directed to cause an appropriate form or forms of a Notice of Sale of Bonds to be published in *The Morehead News*, a legal newspaper published in the City of Morehead, Kentucky, which will afford local notice of the sale, the *Courier Journal*, a legal newspaper published in the City of Louisville, Kentucky, which will afford statewide notice of the sale, and, to the extent required by law, in *The Bond Buyer*, a financial journal published in the City of New York, New York, which is a publication having general circulation among bond buyers; and said newspapers and financial journal are hereby declared to be qualified to publish such notice for the Board within the meaning and provisions of Chapter 424 of the Kentucky Revised Statutes. Such notice shall be published in said newspapers and financial journal at least once not less than seven nor more than twenty-one days prior to the scheduled date of sale of the Construct Food Service/Retail & Parking Obligations.

The forms of Notice of Bond Sale, Official Terms and Conditions of Sale of Bonds, Bid Form and Official Statement, shall be in such form as approved by Bond Counsel for the University, by the Financial Advisor, by the General Counsel of the University and by the Fiscal Officer.

Bidders shall be advised that the fee of the Financial Advisor for services rendered with respect to the sale of the Construct Food Service/Retail & Parking Obligations is contingent upon the issuance and delivery of the Construct Food Service/Retail & Parking Obligations, and that the Financial Advisor may not submit a bid for the purchase of the Construct Food Service/Retail & Parking Obligations at the time of the advertised public sale of the Construct Food Service/Retail & Parking Obligations, either individually or as the member of a syndicate organized to submit a bid for the purchase of the Construct Food Service/Retail & Parking Obligations.

Upon the date and at the respective hour set forth for the submission and consideration of purchase bids, as provided in the instruments hereinabove approved, bids shall be reviewed as provided in such instruments. If there shall be one or more bids which conform in all respects to the prescribed terms and conditions, such bids shall be compared, and the Fiscal Officer, upon the advice of the Financial Advisor, is authorized to accept the best of such bids, as measured in terms of the lowest interest cost to the Board, as calculated in the manner prescribed in the Official Terms and Conditions of Sale of Bonds. Calculations shall be performed as are

necessary to determine the exact amount of Construct Food Service/Retail & Parking Obligations that are required to be issued in order to (i) pay the budgeted costs of the Project and (ii) pay the costs of issuing the Construct Food Service/Retail & Parking Obligations and the final principal amount, interest rates and maturities of the Construct Food Service/Retail & Parking Obligations shall thereupon be established, as prescribed in the Official Terms and Conditions of Sale of Bonds.

SECTION 6. Allocation of Proceeds of Obligations. All of the proceeds from the sale of the Construct Food Service/Retail & Parking Obligations and other lawfully available funds of the University shall be received and receipted for by the Fiscal Officer and shall be deposited and allocated as set forth in the Supplemental Trust Agreement approved hereby.

SECTION 7. Additional Covenants with Respect to Internal Revenue Code of 1986, as Amended. This Board hereby finds and determines that all of the proceeds from the sale of the Construct Food Service/Retail & Parking Obligations will be needed for the purposes set forth in Section 6 hereof. This Board hereby covenants for and on behalf of the University, that it will restrict the use of the proceeds of the Construct Food Service/Retail & Parking Obligations in such manner and to such extent, if any, and take such other actions as may be necessary, in view of reasonable expectations at the time of issuance of the Construct Food Service/Retail & Parking Obligations so that the Construct Food Service/Retail & Parking Obligations will not constitute obligations the interest on which is subject to federal income taxation or “arbitrage bonds” under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations prescribed under such Sections. The Fiscal Officer or any other officer of the University having responsibility with respect to issuance of the Construct Food Service/Retail & Parking Obligations is hereby authorized and directed to give an appropriate certificate for inclusion in the transcript of proceedings with respect to the Construct Food Service/Retail & Parking Obligations, setting forth the facts, estimates and reasonable expectations pertinent under said Sections 103(b)(2) and 148 of the Code and an election, if appropriate, with respect to Section 148(f)(4)(B)(iv)(IV) of the Code. The Fiscal Officer is hereby authorized and directed to create a Rebate Account (which shall be held by either the University or the Trustee, at the discretion of the Fiscal Officer) if the Fiscal Officer determines such account is necessary so that the University complies with the rules concerning “rebate” as set forth in the Code, as they apply to the Construct Food Service/Retail & Parking Obligations.

SECTION 8. Supplemental Trust Agreement. The Chairman of the Board is authorized and directed to execute, acknowledge and deliver to the Trustee, in the name of and on behalf of the University, a Supplemental Trust Agreement pursuant to the Trust Agreement and in connection with the issuance of the Construct Food Service/Retail & Parking Obligations, in substantially the form submitted to this Board with such changes therein not substantially adverse to the University as may be permitted by the Act and the Trust Agreement and approved by the officer executing the same on behalf of the University. The approval of such changes, and that such changes are not substantially adverse to the University, shall be conclusively evidenced by the execution of such Supplemental Trust Agreement by such officer.

SECTION 9. Official Statement. The Chairman is hereby authorized and directed to execute and deliver an Official Statement with respect to the Construct Food Service/Retail & Parking Obligations for the purpose of making available to potential investors the information therein contained, which describes the interest rates and other terms to be borne by and the price to be paid for the Construct Food Service/Retail & Parking Obligations, and such other

information with respect to the University and the Construct Food Service/Retail & Parking Obligations, necessary in the judgment of the Chairman with the advice of the Fiscal Officer and the Financial Advisor. The Chairman and the Fiscal Officer are each hereby authorized to deem the Preliminary Official Statement and final Official Statement “near final” and “final” for purposes of Securities Exchange Commission Rule 15c2-12, as amended and interpreted from time to time, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the “Rule”).

SECTION 10. Compliance With Rule 15c2-12. The Board of Regents hereby agrees, to comply with the provisions of the Rule. In order to comply with the Rule, a Continuing Disclosure Agreement in the usual and customary form is hereby authorized and approved, with such modifications and additions as may be approved by the officer of the University executing the same. The Chairman and the Fiscal Officer are each hereby authorized to execute and deliver such Continuing Disclosure Agreement.

SECTION 11. Open Meetings. This Board hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Board, and that all deliberations of this Board and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 12. Further Authorization. That the proper and appropriate officers of the Board and of the University, to the extent authorized by law, are hereby authorized to execute and deliver the closing certificates, if any, with such modifications thereto as may be required by the purchasers of the Construct Food Service/Retail & Parking Obligations and approved by special bond counsel to the University as well as such other documents, certificates and statements as may be so required and so approved in connection with sale and delivery of the Construct Food Service/Retail & Parking Obligations.

SECTION 13. Provisions in conflict are Repealed. All resolutions or parts thereof in conflict with the provisions of this Resolution are hereby rescinded to the extent of such conflict.

SECTION 14. Effective Date. This resolution shall take effect from and after its passage.

SECTION 15. Copy to be Filed with Trustee. A certified copy of this Resolution shall be filed with the Trustee

Adopted September 30, 2016.

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Chairman, Board of Regents  
Morehead State University

Attest:

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Secretary, Board of Regents  
Morehead State University

**CERTIFICATION**

The undersigned, Secretary of the Board of Regents of Morehead State University, Morehead, Kentucky, hereby certifies that the foregoing is a true copy of a Resolution adopted by the Board of Regents of said University at a meeting held on September 30, 2016, as recorded in the official Minute Book of said Board of Regents, which is in my custody and under my control, that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.823, that a quorum was present at said meeting, and that the aforesaid Resolution is of record in the office of the Board, has not been modified, amended, or rescinded, and is in full force and effect at this date.

WITNESS my signature this \_\_\_\_th day of \_\_\_\_\_, 2016.

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Secretary, Board of Regents  
Morehead State University

10670674v2

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF MOREHEAD STATE UNIVERSITY GENERAL RECEIPTS BONDS (CONSTRUCT FOOD SERVICE/RETAIL & PARKING PROJECT).

WHEREAS, the General Assembly, pursuant to H.B. 303 of the General Assembly of the Commonwealth of Kentucky, 2016 Regular Session, as enacted and vetoed in part (the “Budget Act”), authorized certain expenditures by Morehead State University (the “University”) for the purpose of paying costs related to a project identified in the Budget Act as Construct Food Service/Retail & Parking (the “Project”) to be financed with bonds; and

WHEREAS, in accordance with provisions of Sections 162.340 to 162.380 of the Kentucky Revised Statutes, Chapter 56 of the Kentucky Revised Statutes and Sections 58.010 to 58.140 of the Kentucky Revised Statutes (the “Act”), the University may issue bonds to finance projects approved by the General Assembly of the Commonwealth of Kentucky, upon approval of the State Property and Buildings Commission (the “Commission”); and

WHEREAS, in accordance with the Act, the University adopted and entered into a Trust Agreement dated as of July 1, 2007 (the “Trust Agreement”) between the University and U.S. Bank National Association for the purpose of issuing Obligations, as defined therein, including bonds; and

WHEREAS, the Project is ready for construction and, pursuant to the Trust Agreement, the Board of Regents of the University (the “Board”), subject to approval thereof by the Commission, has determined to issue its Morehead State University General Receipts Bonds in the approximate principal amount of \$6,600,000, pursuant to its Resolution adopted on September 30, 2016, to pay the costs of the Project;

NOW, THEREFORE, THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY DOES HEREBY RESOLVE THAT:

Section 1. Determinations by Commission. The Commission hereby finds and determines (a) that the facts and circumstances described in the recitals to this Resolution are true and correct and (b) the Project is hereby approved.

Section 2. Approval of Bonds. The issuance of Morehead State University General Receipts Bonds in the principal amount of approximately \$6,600,000 to pay a portion of the costs of the Project and related issuance costs is hereby approved.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption.

ADOPTED AND APPROVED this 13th day of October, 2016.

STATE PROPERTY AND BUILDINGS  
COMMISSION OF THE  
COMMONWEALTH OF KENTUCKY

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William M. Landrum, III, Executive  
Director and Presiding Officer

ATTEST:

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Ryan Barrow, Secretary

APPROVAL OF SECRETARY OF  
THE FINANCE AND ADMINISTRATION CABINET

The Secretary of the Finance and Administration Cabinet of Kentucky as head of the Finance and Administration Cabinet of Kentucky hereby authorizes, approves and consents to the issuance of the General Receipts Bonds (Construct Food Service/Retail & Parking Project), as provided by the foregoing Resolution, and hereby authorizes, ratifies and confirms the recitals, provisions, covenants and undertakings of said Resolution insofar as the same appertain to or come within the jurisdiction, functions and powers of said Secretary of the Finance and Administration Cabinet.

It is further certified that the foregoing is a true and correct copy of a resolution duly adopted by the State Property and Buildings Commission of Kentucky on the 13th day of October, 2016 and such resolution has not been altered, amended or repealed.

Executed and dated at Frankfort, Kentucky, this \_\_\_ day of \_\_\_\_\_, 2016.

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William M. Landrum, III  
Secretary, Finance and Administration  
Cabinet and Executive Director of the State  
Property and Buildings Commission

### 5-Year Enrollment Trends

Term	Headcount		Student Credit Hours		FTE		First-Time Freshmen	
	N	% Change	N	% Change	N	% Change	N	% Change
Fall 2012	11,172		110,859		7,537		1,649	
Fall 2013	11,358	1.7%	114,224	3.0%	7,741	2.7%	1,685	2.18%
Fall 2014	11,053	-2.7%	113,494	-0.6%	7,678	-0.8%	1,513	-10.21%
Fall 2015	10,875	-1.6%	112,282	-1.1%	7,592	-1.1%	1,461	-3.44%
*Fall 2016	10,439	-4.0%	107,905	-3.9%	7,351	-3.2%	1,278	-12.53%

### High School Dual-Credit Enrollment

	Fall 2015	Fall 2016
Early College Program	2,499	2,450
<b>Grand Total</b>	<b>2,499</b>	<b>2,450</b>

60 high schools enrolled students in the Early College Program (preliminary).

### Fall 2016\* Enrollment by Level

Undergraduate	9,447
Graduate	992
<b>Grand Total</b>	<b>10,439</b>

### Fall 2016\* Enrollment by Race/Ethnicity

<b>Non URM</b>	<b>9,727</b>
Nonresident Alien	204
Asian	57
White	9,380
Unknown	86
<b>Under-Represented Minority</b>	<b>712</b>
American Indian	15
Black	353
Hispanic	164
Native Hawaiian, Pacific Islander	9
Two or More Races	171
<b>Grand Total</b>	<b>10,439</b>

### Fall 2016\* First-Time Freshmen

Average ACT	Average HS GPA
22.86	3.45

### Origin of First-Time Freshmen

<b>In State</b>	<b>83.57%</b>
In Service Region	46.24%
Out of Service Region	37.32%
<b>Out of State</b>	<b>14.55%</b>
<b>Foreign</b>	<b>1.88%</b>
<b>Grand Total</b>	<b>100.00%</b>

### Top 5 Majors of First-Time Freshmen Bachelor Seekers

Biomedical Sciences Area Bachelor of Science	99
Pre-Nursing	97
Biology Area Bachelor of Science	52
Veterinary Science Area Bachelor of Science	50
Undeclared Provisional Bachelors Degree	43

\*Fall 2016 data is preliminary.

### Quick Facts about Preliminary Enrollment Numbers for Fall 2016

453 transfer students with 262 being from KCTCS.

69.7% retention of Fall 2015 first-time freshmen to Fall 2016.

66.1% retention of Fall 2015 first-time freshmen who were under-represented minorities to Fall 2016.

61.5% retention of Fall 2015 Black first-time freshmen to Fall 2016.



**ANNUAL REPORT ON  
REAL PROPERTY LEASES**

**BOR (V-C-2)  
September 30, 2016**

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**Background:**

Policies related to Real Property Management approved by the Board of Regents on April 30, 1993, require that all leases be reported annually to the Board. The Lease Report reflects those Lease Agreements in effect on July 1, 2016.

## ANNUAL REPORT ON REAL PROPERTY LEASES

LESSOR	LEASE ID	DESCRIPTION	LOCATION	LEASE EXPIRES	ANNUAL RENTAL COST
<b>ACADEMIC SUPPORT</b>					
Ashland Community & Technical College (ACTC)	MOA	MSU at Ashland Classroom/Office Space	College Drive, Ashland	6/30/2017	\$ 62,136.00
Morehead-Rowan County Chamber of Commerce	MSU-24	Small Business Development Center Office Space 700 sq. ft.	150 East 1 <sup>st</sup> Street, Morehead	6/30/2021	\$ 7,500.00
CommUNITY Development	MSU-18	MSU at Mt. Sterling 8,777 sq. ft. Classroom/Office Space (\$9.00/sq. ft.)	Indian Mound Drive, Mt Sterling	6/30/2031	\$ 79,000.00
CommUNITY Development	MSU-18	MSU at Mt. Sterling 9,206 sq. ft. Classroom Space (\$9.00/sq. ft.)	Indian Mound Drive, Mt. Sterling	6/30/2031	\$ 82,854.00
Center for Health Education & Research Building (CHER)	MOA	MSU/SCR/UK	316 West 2 <sup>nd</sup> Street, Morehead	MOA Beginning 07/02/2010	N/A
Parrott Corporation	MSU-31	Small Businesses Development Center 2 Offices and 4 Parking Spaces 850 sq. ft.	1645 Winchester Ave. 2nd Floor, Ashland	12/31/2023	\$ 8,400.00
Powell County Board of Education	MSU-34	Adult Learning Center 1568 sq. ft. Office, Classroom and Instructional Room	691 Breckinridge Street P.O. Box 430, Stanton	6/30/2024	\$ 10,380.00

**ANNUAL REPORT ON REAL PROPERTY LEASES (continued)**

<b>LESSOR</b>	<b>LEASE ID</b>	<b>DESCRIPTION</b>	<b>LOCATION</b>	<b>LEASE EXPIRES</b>	<b>ANNUAL RENTAL COST</b>
Owingsville Baptist Church, Inc.	MSU-49	Bath County Adult Learning Center 1700 sq. ft.	19 Water Street, Owingsville	06/30/2020	\$ 9,000.00
MSU Foundation, Inc.	MSU-054	Launch Pad Business Incubator 5,218 sq. ft. w/8 Parking Spaces. (Cost per term of \$1.00)	149 East Main Street, Morehead	06/30/2020	\$ 1.00
Four J Development, Inc.	MSU-55	Paintsville & Pikeville SBDC Offices w/Reception, Restroom, Kitchen & Storage Areas- 810 sq. ft.	Uniplex Building 126 Trivette Drive, Pikeville	06/30/2022	\$ 12,000.00
<b>AUXILIARY SUPPORT</b>					
KET	MSU A-006	WMKY Transmitter Site and Antenna	2066 Triangle Mt.	08/31/2026	\$ 3,429.00
<b>LEASE/PURCHASE</b>					
MSU Foundation, Inc.	MSU-16	Enrollment Services Center 10,080 sq. ft. Office Space (\$5.16/sq. ft.)	120 Normal Avenue, Morehead	06/30/2018	\$ 52,012.80
MSU Foundation, Inc.	MSU-7	Adjacent to Sunnybrook Golf Course	Morehead	02/01/2019	\$ 18,927.84

**ANNUAL REPORT ON REAL PROPERTY LEASES (continued)**

LESSOR	LEASE ID	DESCRIPTION	LOCATION	LEASE EXPIRES	ANNUAL RENTAL COST
<b>PARKING LOTS</b>					
Dr. Donald Blair	PR 3122	54 Space Gravel Parking Lot	5th Street, Morehead	6/30/2023	\$ 4,225.00
Morehead United Methodist Church Parking Lot (St. Claire Regional Hospital)	MSU-35	50 Space Parking Lot (\$240.00 per space)	227 West Main Street, Morehead	6/30/2018	\$ 12,000.00
<b>OTHER</b>					
Alana Scott	MSU-50	Faculty/Staff Housing 1248 sq. ft.	419 East Main Street, Morehead	6/30/2023	\$ 7,200.00
First Commonwealth Bank of Prestonsburg, KY	MSU-53	Retired Senior Volunteer Program - Flooding Disaster Relief Offices & Conference Room 677 sq. ft.	232 Main Street, Paintsville	6/30/2023	\$ 2,400.00

**REPORT ON PERSONAL SERVICE CONTRACTS**

**BOR (V-C-3)  
September 30, 2016**

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The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between May 16, 2016 and September 1, 2016.

**PERSONAL SERVICE CONTRACTS**  
**May 16, 2016 through September 1, 2016**

<b>Individual/Firm</b>	<b>Contract Description</b>	<b>Contract Beginning Date</b>	<b>Contract Ending Date</b>	<b>Contract Amount</b>	<b>Method of Selection</b>
Dean, Dorton, Allen, Ford PLLC	External audit	7/1/16	6/30/17	\$80,000.00	Request for Proposal
McBrayer, McGinnis, Leslie & Kirkland	Legal services	7/1/16	6/30/17	\$28,000.00	Request for Proposal
Sturgill, Turner, Barker & Moloney	Legal services for UE cases	7/1/16	6/30/17	\$50,000.00	Request for Proposal
Sturgill, Turner, Barker, & Moloney	Legal services for general representation	7/1/16	6/30/17	\$15,000.00	Request for Proposal
Audrey Ruiz Lambert	Sign language interpretation	7/1/16	6/30/17	\$35,000.00	Request for Proposal
Sign Language Network of Kentucky	Sign language interpretation	7/1/16	6/30/17	\$100,000.00	Request for Proposal
Central Kentucky Interpreter Referral, Inc.	Sign language interpretation	7/1/16	6/30/17	\$32,500.00	Request for Proposal

**PERSONAL SERVICE CONTRACTS**  
**May 16, 2016 through September 1, 2016**

<b>Individual/Firm</b>	<b>Contract Description</b>	<b>Contract Beginning Date</b>	<b>Contract Ending Date</b>	<b>Contract Amount</b>	<b>Method of Selection</b>
Interpreting Service of the Commonwealth LLC	Sign language interpretation	7/1/16	6/30/17	\$32,500.00	Request for Proposal
MML&K Government Solutions	Governmental relations consultant	7/1/16	6/30/17	\$59,640.00	Request for Proposal
Dr. Brenda Wilburn	Delivering healthcare to students	7/1/16	6/30/17	\$54,000.00	Request for Proposal
The Segal Company	Health insurance and wellness plan consultant	7/1/16	6/30/17	\$132,000.00	Request for Proposal
Kentucky Science & Technology Corporation	Broker/management of space related services	7/1/16	6/30/17	\$140,750.00	Request for Proposal
Tony Brown	Information guide and posters for Athletics	7/1/16	6/30/17	\$10,000.00	Request for Proposal
Carson Consulting & Training	Math course content consultant for KY Adult Education Academy	7/1/16	6/30/17	\$50,000.00	Sole Source Justification

**PERSONAL SERVICE CONTRACTS**  
**May 16, 2016 through September 1, 2016**

<b>Individual/Firm</b>	<b>Contract Description</b>	<b>Contract Beginning Date</b>	<b>Contract Ending Date</b>	<b>Contract Amount</b>	<b>Method of Selection</b>
Steve Hinds	Math course content consultant for KY Adult Education Academy	7/1/16	6/30/17	\$29,000.00	Sole Source Justification
R. William Funk & Associates	Executive search	7/1/16	6/30/17	\$139,000.00	Request for Proposal
Caption Colorado	Remote captioning (CART) services	7/1/16	6/30/17	\$95,500.00	Request for Proposal