

Public Session Minutes

The Morgan State University Board of Regents Retreat was called to order by Chairman Kweisi Mfume at 8:44 a.m.

Present: Hon. Kweisi Mfume, Chairman, Regent; General (Ret.) Larry Ellis, Vice Chair, Regent; Hon. Tracey Parker-Warren, Secretary, Regent; Dr. Linda Gilliam, Regent; Ms. Emily Hunter, Regent; Dr. Shirley Malcom, Regent; Mr. Wayne Resnick, Regent; Mr. William Sherman, Regent; Ms. Shelonda Stokes, Regent; Mr. Winston Wilkinson, Regent

Absent: Ms. McCall Brown, Student Regent; Dr. Harold Carter, Regent; Dr. Burney Hollis, Regent; Mr. Carl Turnipseed, Regent

Staff: Dr. David Wilson, President; Mr. Thomas Faulk, Principal Counsel for Morgan State University, Office of the Attorney General; Mrs. Cassandra Grogan, Executive Administrator for the Board for Regents

Minutes

The Chairman opened the floor for a motion to adopt the minutes of May 3, 2022. It was MOVED by Regent Stokes and SECONDED by Regent Wilkinson. The MOTION CARRIED unanimously.

Chairman's Remarks

The Chairman opened the meeting by welcoming board members and Dr. Wilson. He thanked all in attendance for taking time out of their busy schedules to come together for this day-long meeting. He stated that following the Closed Session, the Board would reconvene in Public Session to receive updates on the matters identified as such on the agenda.

The Chairman announced that the Board of Regents would convene in Closed Session to receive the Evaluation Committee Report and discuss board affairs, which are specifically exempted from public consideration under § 3-305(b)(1)(7) and § 3-103(a)(1) of the Open Meetings Act.

After reading the citation into the record, the Chairman opened the floor for a motion to adjourn the PUBLIC SESSION to move into CLOSED SESSION. It was MOVED by Regent Malcom and SECONDED by Regent Stokes to adjourn the PUBLIC SESSION. The MOTION CARRIED unanimously.

The PUBLIC SESSION adjourned at 8:48 a.m.

The Board of Regents reconvened in PUBLIC SESSION 2 at 12:55 p.m.

Add'l Staff: Mr. David LaChina, AVP for Finance and Administration; Dr. Patricia Lessane, AVP for Academic Affairs; Ms. Kim McCalla, AVP for Facilities, Design and Construction Management; Dr. Willie May, VP for Research and Economic Development; Dr. Don-Terry Veal, VP for State and Federal Relations and Chief of Staff

Maryland Economic Development Corporation (MEDCO) Supplemental Letter of Intent (LOI)

Dr. Wilson yielded the floor to Mr. LaChina to present this action item. Mr. LaChina stated that the University is continuing to move forward with plans to demolish the old Thurgood Marshall Complex (Stage 2) and build an additional tower (Stage 3) at the new Thurgood Marshall housing and dining facility starting as soon as practical. In Stage 3, MEDCO will design and build additional replacement (expansion) housing to accommodate up to 600 students. The plan is to have these additional units ready for occupancy by August 2024. The current project (Stage 1) to provide replacement housing for 670 students is on track for occupancy by August 2022. Due to economic volatility, rising interest rates, and stress within the global supply chain, a reassessment of costs was

needed as it relates to the Stage 3 tower. The revised construction costs required a further review and development of the project cash flows pro forma statements to determine the marketability/viability of the project. Relevant analysis was completed for further development of an updated LOI. Further discussions occurred regarding the LOI and the general relationship and status of the overall project. It was determined that additional development costs were required to keep the project on track (late July 2024 completion) as we advance our plans to build an additional tower (Stage 3). The predevelopment costs (new cap of \$5M) are expected to be reimbursed by MEDCO to the University as part of the Tower 3 financing. The supplemental LOI is needed to address costs through the actual financing (expected in the fall 2022).

Ms. McCalla commented that much of the equipment and materials for the project are being ordered more than a year in advance in order to keep the project on track. In addition, some Phase 3 utility work must be done under Phase 2 to prevent having to disrupt newly installed work.

Chairman Mfume asked about the primary driver for increased costs. Mr. LaChina responded that the two primary drivers are architectural costs (several iterations of tower configuration) and contractors.

Regent Resnick inquired about the delay in opening food services. Ms. McCalla responded that the main focus has been on the housing portion of the project, adding that the dining facility is anticipated to open soon after as the installation of the flooring was pushed back to avoid any damage. She added that students will start moving into the new facility on August 12th. Construction/finishing is mostly from the top down with the Dining Hall being the last area to be completed.

Dr. Wilson stated that he recommends approval of the supplemental LOI to keep the project on track to build an additional tower for occupancy by late July 2024.

The Chairman opened the floor for a motion to approve the MEDCO Supplemental Letter of Intent. It was MOVED by Regent Gilliam and SECONDED by Regent Stokes. The MOTION CARRIED unanimously.

Report of the President

Dr. Wilson provided a report to the Board covering some major developments that occurred at the University since the last meeting in May 2022. Those highlights include: (a) Tuskegee University Commencement; (b) MSU Commencement 2022; (c) Amelia Love Johnson High School Graduation – President Wilson served as the commencement speaker at his former high school; (d) enrollment update – anticipated fall 2022 enrollment 8,500-8,650; (e) Maryland College of Osteopathic Medicine update; (f) grand opening of Harbor Bank at Northwood Commons; (g) NASDAQ Summit; and (h) the choir tour to Peru and Ecuador.

As a follow up to the College of Osteopathic Medicine (COM) update, Chairman Mfume stated that the Affiliation Agreement calls for the appointment of two MSU representatives and a MSU Board of Regents ex-officio representative. He appointed Regent Gilliam as an ex-officio member to the COM Board of Trustees. He noted that two additional Regents will be appointed to the COM Board of Trustees at the next meeting in August.

Lake Clifton Property Acquisition and the Way Forward

Dr. Wilson provided a summary of the timeline with regard to property discovery; meetings with state and local officials; submission of unsolicited and formal expressions of interest; stages of approval – Baltimore City (Board of Estimates and Planning Department), MSU Board of Regents, Legislative Policy Committee, and the Board of Public Works; and next steps (development plan). He also mentioned the Frequently Asked Questions (FAQs) sheet, which was prepared and included in the May board book and shared again today.

A brief discussion followed regarding the current, interim and long-term plans for the property, which totals 59 acres and is less than 1.5 miles from the main campus. The draft vision includes a multi-purpose facility consisting of an 8,000-seat arena, fitness/wellness center, classrooms, intramural sports and other multi-purpose rooms; a research/innovation building to support R1 research activities; graduate/family student housing; retail and mixed-use properties; restoration/renovation of the Valve House; green space for community activities; and development along Harford Road to North Avenue and Hillen Road to campus.

Regents asked questions related to (1) the timelines associated with the COM and Lake Clifton initiatives in terms of the priorities (e.g., housing for COM students, the overlay of the strategic housing plan, increased research and post-docs, etc.); (2) possible relocation of the sports arena to the satellite campus to free up space on the main campus; (3) agricultural plans; and (4) elevated vision for innovation/incubator space and other unique needs of the community.

The Chairman asked Dr. Wilson to provide a comprehensive update to the Board at the November meeting with regard to where Morgan is and the overall direction as it moves towards achieving R1 status.

Enterprise Risk Management (ERM) Policy and Oversight

Dr. Wilson stated that the administration has developed a proposed draft Enterprise Risk Management Policy for consideration by the Audit Committee in August. The University has never had an ERM Policy, and it is critical that we have such a policy. There are a number of risks that actually go beyond the Office of Legislative Audits and Internal Audit findings, which governing boards must pay attention to. Some of these risks include strategic risks (Lake Clifton and COM), financial risks (enrollment and building additional housing), operational risks, and reputational risks. In essence, the policy says that we will develop a comprehensive approach to risk management at the institution at a higher level, which will initially involve the Audit and Institutional Assessment Committee. Subsequently, on an annual basis, there will be a discussion with Board regarding all of the major institutional risks. He also referenced the Enterprise Risk Assessment grid that was developed for illustrative purposes to get the Board and the administrative team thinking about what this would look like. The grid serves as a template to jumpstart the thinking as it relates to who owns the risk, the likelihood of that risk occurring (high, medium, or low), and proposed mitigation plans. He concluded that Morgan would benefit significantly if it moves in this direction.

The Chairman opened the floor for further discussion, observations and comments. Regent Ellis stated that the draft policy lends itself to best practices in business and government organizations, and it will shift our current manner of assessing and managing risk to the University. A structure will need to be put in place to oversee this process, which the administration is working through.

Regent Malcom commented that reputational risk basically crosses all categories, and it is not clear who claims ownership within the board structure. Regent Ellis responded that during the last Audit Committee meeting, it was suggested that those items identified/raised by a board member (i.e., reputational matters) be given an elevated status (not lower than medium risk category regardless of the dollar value), which would draw visibility and prevent it from dropping off the list until the matter is fully resolved. Dr. Wilson commented that a distinction could be made in terms of those risks that should be handled by the Board and those that should be handled by management.

The Chairman stated that he would like the Audit Committee Chair and Dr. Wilson to make a formal presentation at the next meeting or perhaps an unscheduled meeting for the benefit of board members who are not in attendance today so that they understand the level of importance, what it can prevent as well as what it can help, and have an opportunity to ask questions. Regent Ellis commented that the draft policy has been reviewed by the Audit Committee as well as Internal Audit and feedback was received.

Dr. Wilson commented that he disagrees with the added language in Section IV of the policy that was suggested by legal. He stated that he does not believe the Board wants to start a process whereby approved policies include aspects of the presidential evaluation.

The Chairman asked whether this is a concern or recommendation of the Office of the Attorney General or General Counsel or both. Mr. Faulk responded that this was not a concern by either office, but rather the draft policy was modeled after the University System of Maryland's policy.

After further discussion regarding the language in question, the Chairman stated that this matter is being remanded back to the Audit and Institutional Assessment Committee for further work and a final recommendation, which the Board will receive at a future date or as early as the next meeting in August.

Adjournment of the Public Session

The Chairman announced that the Board of Regents would convene to discuss the Evaluation Committee Report and board matters, which are specifically exempted from public consideration under § 3-305(b)(1)(7) and § 3-103(a)(1) of the Open Meetings Act. The Board may reconvene in Public Session at the conclusion of the Closed Session, if necessary.

After reading the citation into the record, the Chairman opened the floor for a motion to adjourn the PUBLIC SESSION to move into CLOSED SESSION. It was MOVED by Regents Gilliam and Stokes and SECONDED by Regent Resnick to adjourn the PUBLIC SESSION. The MOTION CARRIED unanimously.

The PUBLIC SESSION adjourned at 3:35 p.m.

**MORGAN STATE UNIVERSITY
CITATION OF AUTHORITY FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
BOARD OF REGENTS RETREAT**

Date: Saturday, June 25, 2022

Time: 8:30 a.m.

Location: Baltimore Marriott
Waterfront Hotel

Motion to close meeting made by: Regent Malcom

Seconded by: Regent Stokes

Members voting in favor: All Regents in attendance

Opposed:

Abstaining:

Absent: Regents Brown, Carter, Hollis and Turnipseed

THE STATUTORY AUTHORITY TO CLOSE THIS MEETING CAN BE FOUND AT (check all that apply):

General Provisions Article, § 3-305 (b)(1)(7):

(1) (i) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or (ii) any other personnel matter that affects one or more specific individuals;

(2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

(3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

(4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

(5) To consider the investment of public funds;

___ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

___ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

___ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

___ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

___ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

___ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

___ (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

___ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

General Provisions Article, § 3-103 (a)(1):

X (1) To carry out an administrative function;

___ (2) To carry out a judicial function;

___ (3) To carry out a quasi-judicial function.

FOR EACH CITATION CHECKED ABOVE, THE REASONS FOR CLOSING AND TOPICS TO BE DISCUSSED:

1. To receive the Evaluation Committee Report.
2. To discuss Board Affairs.

THE BOARD MAY RECONVENE IN PUBLIC SESSION AT THE CONCLUSION OF THE CLOSED SESSION IF NECESSARY TO TAKE ANY FINAL AND BINDING ACTION.

This statement is made by Kweisi Mfume
Chairman of the Board of Regents

SIGNATURE:



***** FOR USE IN MINUTES OF NEXT REGULAR MEETING: *****

TOPICS DISCUSSED AND ACTION(S) TAKEN (IF ANY):