

MINUTES

OF THE

SPECIAL TELEPHONIC MEETING OF THE

BOARD OF REGENTS

OF

THE TEXAS A&M UNIVERSITY SYSTEM

HELD IN

COLLEGE STATION, TEXAS

December 11, 2008

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**MINUTES OF THE
SPECIAL TELEPHONIC MEETING
OF THE BOARD OF REGENTS**

December 11, 2008

Mr. Bill Jones, Chairman of the Board, convened a special telephonic meeting of the Board of Regents of The Texas A&M University System, at 11:04 a.m., Thursday, December 11, 2008, Board of Regents Meeting Room, Memorial Student Center, on the campus of Texas A&M University (TAMU), College Station, Texas.

The following members of the Board were present by telephone:

Mr. Bill Jones, Chairman
Mr. John D. White, Vice Chairman
Mr. Morris Foster
Mr. Lupe Fraga
Mr. Erle Nye
Mr. Gene Stallings
Ms. Ida Clement Steen
Mr. Jim Wilson
Mr. Anthony Cullins (Student Regent)

The following member of the Board was not present:

Dr. Richard A. Box

Mr. Jones said in accordance with the Texas Government Code, that allows governing boards to meet by telephone, each party to the conference call must clearly identify himself/herself prior to speaking. Mr. Jones called the roll and said a quorum was present.

Mr. Jones said the posted purpose of this special telephonic meeting was to consider and take action on three items:

Item 1 - Authorization to Lease the Pelican Island Private Student Housing Apartment Complex, Located at 1014 Texas Clipper Road, Galveston, Texas, for a Term of Ten Years, TAMU

Item 2 – (Executive session item - Action to be taken in open session)

Appointment of Vice Chancellor and Dean of Agriculture and Life Sciences, TAMUS/
TAMU

Item 3 – (Executive session item – Action to be taken in open session)

Appointment of Dean of the College of Veterinary Medicine and Biomedical Sciences,
with Tenure, TAMU

Mr. Jones called on Dr. Bowen Loftin, Vice President and Chief Executive Officer at Texas A&M University at Galveston (TAMUG), and Dr. Elsa Murano, President of Texas A&M University (TAMU), to present this item. Dr. Elsa Murano said she would defer to Dr. Loftin to present this item.

Dr. Loftin said he had reported to the Board last week that the campus in Galveston stood ready to receive their students in January to begin the spring semester. He said the remaining problem needing to be solved was housing. He said housing on Galveston Island was severely damaged by Hurricane Ike and they had been working very diligently to make certain their students had adequate access to housing when they return. Dr. Loftin said a key part of that was to be able to secure housing close to the campus on Pelican Island. He said they were fortunate to have been able to talk about a lease agreement with the owner of the Pelican Island Private Student Housing, directly across from the main campus on Pelican Island. He said the item being presented today was a lease agreement possibility for that property. He said referencing the materials, you would notice two photographs: one was a satellite photograph of the Mitchell Campus on Pelican Island where outlined in red was the subject property. Dr. Loftin said the second photograph was a ground view of the two buildings comprising that property. He said because of this property structure, they would not only be able to make it available to their students through this lease agreement, but they would also be able to double the capacity by housing two students per room. He said historically this building had been used for single occupancy only and because of their severe need for housing, control of the property would allow them to be able to have two students per room. Dr. Loftin said the rooms were spacious and much larger than dormitory spaces on the campus in general.

Mr. Jones said he wanted to make sure he was clear with the fact that there was no previous lease relationship with this particular apartment complex and the reason we were asking for it, in this instance, was that they don't have adequate space on the island to house the students that would be coming back next spring. Dr. Loftin said that was correct and that they had, in the past, assumed their students would arrange their own leases with the owner of the property. He said because of the severe shortage of housing on Galveston Island, in general, they were concerned that if they didn't secure the entire property for the use of their students that others who were not students might take advantage of its availability and preclude the students from being able to use it in January when they returned to classes.

Dr. Mike McKinney, Chancellor, asked if this was a facility that would be under consideration at some point for becoming a permanent part of the university. Dr. Loftin said yes, over time they hoped to be able to arrange to purchase the property with gift funds.

Mr. Foster said he had two questions for Dr. Loftin: first, this facility was used by whom prior to the hurricane; and secondly, with this twelve-month contract, what were the provisions for maintenance of the facility in that twelve months. Dr. Loftin said the preponderance of occupants of this facility prior to Hurricane Ike were TAMUG students and because the property was unoccupiable after the storm, the leases were all terminated. He said right now no one lives in the apartments, but they were occupied previously by TAMUG students. Dr. Loftin said the lease we were looking at right now was a ten-year agreement and he believed the provisions that existed were that the owner was responsible for all major maintenance of the facility over the

ten-year lease period. He said, in fact, the new owner had already begun some rehabilitation of the building, because it did receive some damage from the storm. He said it would be completed this month and he believed the facility would be in good condition when the students returned to classes.

Mr. Tim Coffey, Assistant General Counsel, said Dr. Loftin was right. The lease provided that the landlord would take care of the roof, the structure of the building, the foundation of the building – all capital items. He said all we would be obligated to do would be to take care of day-to-day maintenance.

Mr. Morris asked if the heating and air was a chilled water system or individual units. Mr. Coffey said he did not know the answer to that question, but the owner would take care of all the electrical and mechanical issues and all of those type items would be the owner's responsibility.

Mr. Nye said it looked like there were units on top of the roof and thus, not chilled water. Mr. Nye asked what rental cost would be imposed on the students. Dr. Loftin said it would be a transparent situation. He said they would collect lease payments from the students and then remove "our money" for the residence's hall and for covering our small maintenance costs that Mr. Coffey outlined. He said the remainder of the money would go directly to pay the \$58,000 per month lease cost. Dr. Loftin said he thought the number was about \$1,600 or \$1,700 per semester. Dr. Loftin asked Mr. Coffey if he knew the exact numbers. Mr. Coffey said he was not sure of the cost, but the rent on the apartments was \$58,000 per month which would be \$5,000 per unit. He said he did not know what the students were paying. Dr. Loftin said at two people per room, it would be approximately \$550-\$600 per month for the two people there, so the actual run out over a four and a half month semester was approximately \$1,600 or \$1,700 charged to the students. Mr. Nye said it looked like \$2,600 per year for each of the students, assuming full occupancy.

Dr. McKinney asked what they were paying when they stayed in the old facility. He said he thought it was around \$450 per month. Dr. Loftin said there were different charges on the rental properties depending on the specific room, but the charges were about \$500 per month per student under the previous arrangement with single occupancy. He said that contrasted on campus; for example, for a dormitory room on campus, they charge \$1,075 per student per semester right now. Dr. Loftin said it would be somewhat more expensive; however, these units did have small kitchenettes, they were larger than the dormitory facilities and there was one bathroom per unit.

Mr. Jones asked for any additional questions, comments or concerns about Item 1. There were none.

The Board took action as set forth below:

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**MINUTE ORDER 444-2008 (AGENDA ITEM 1)**

**AUTHORIZATION TO LEASE THE  
PELICAN ISLAND PRIVATE STUDENT HOUSING APARTMENT COMPLEX,  
LOCATED AT 1014 TEXAS CLIPPER ROAD, GALVESTON, TEXAS,  
FOR A TERM OF TEN YEARS,  
TEXAS A&M UNIVERSITY**

Mr. Nye made a motion to approve Agenda Item 1. Mr. White seconded the motion. Mr. Jones said he would call each regent's name so that their votes were properly recorded. The regents voted as follows: Foster – yes, Fraga – yes, Nye – yes, Stallings – yes, Steen – yes, White – yes, Wilson – yes. Mr. Jones said although not required, he was voting “yes” as well. The following minute order was approved:

The Vice President and Chief Executive Officer of Texas A&M University of Galveston, or designee, following approval for legal sufficiency by the Office of General Counsel, is authorized to negotiate, execute, and deliver a ten-year lease of the Pelican Island Private Student Housing Apartment Complex located at 1014 Texas Clipper Road, Galveston, Texas, and to take any and all other action deemed necessary to carry out this minute order.

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Mr. Jones said he knew Mr. Cullins does not get to vote as a Student Regent, but he asked Mr. Cullins if he would like to share his thoughts with the Board on Item 1. Mr. Cullins said if he could vote that he would vote “yes.”

RECESS TO EXECUTIVE SESSION

At 11:15 a.m., Mr. Jones announced that the Board would recess into executive session to consider matters as permitted by Section 551.071 of the Texas Government Code (consultation with system attorneys regarding legal matters), and Section 551.074 (deliberations regarding personnel matters relating to appointment, employment, evaluation, reassignment, duties, discipline or dismissal of an officer or employee, or to hear complaints or charges against an officer or employee), including Items 2 and 3.

Mr. Jones said in accordance with the law, no final action, decision, or vote with regard to any matter considered in the executive session would be made or taken. Mr. Jones asked the following members of the administration to stay for the executive session: Dr. Mike McKinney (Chancellor), Mr. Scott Kelly (Interim General Counsel), Dr. Elsa Murano (President of TAMU), and Ms. Vickie Spillers (Executive Secretary to the Board). Mr. Jones said all persons who had not been requested to stay for the executive session were requested to leave the meeting room.

Mr. Jones said he wanted to make sure he cleared for the record that the Vice Chancellor position was with regards to The Texas A&M University System.

(Secretary's Note: The Board met in executive session from 11:16 a.m. until 11:44 a.m.)

RECONVENE IN OPEN SESSION

Mr. Jones reconvened the meeting in open session at 11:45 a.m. Mr. Jones announced that the Board met in executive session from 11:16 a.m. until 11:44 a.m., and considered Items 2 and 3. He said there were no votes taken in executive session and all discussion met the terms of the Government Code.

Mr. Jones asked Dr. McKinney to present Item 2 and Dr. Murano to present Item 3 unless Dr. McKinney would want to defer both presentations to Dr. Murano.

Mr. Nye said that the paperwork on these items had been distributed to Board members for some time. Mr. Nye made a motion to approve Items 2 and 3. Mr. Jim Wilson seconded the motion.

Mr. Jones asked if there was any discussion, questions or debate on Items 2 and 3. There were none.

The Board took action as set forth below:

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**MINUTE ORDER 445-2008 (AGENDA ITEM 2)**

**APPOINTMENT OF  
DR. MARK HUSSEY  
AS VICE CHANCELLOR AND  
DEAN OF AGRICULTURE AND LIFE SCIENCES,  
THE TEXAS A&M UNIVERSITY SYSTEM,  
TEXAS A&M UNIVERSITY**

Mr. Nye moved adoption of the minute order. Mr. Wilson seconded the motion. Mr. Jones said if there is no discussion, question or debate, he would call each regent's name so their votes were properly recorded. The regents voted as follows: Foster – yes, Fraga – yes, Nye – aye, Stallings – yes, Steen – yes, White – yes, Wilson – yes. Mr. Jones said he voted “yes.” The following minute order was adopted:

Effective December 1, 2008, Dr. Mark Hussey is hereby appointed Vice Chancellor and Dean of Agriculture and Life Sciences at Texas A&M University, at an initial salary of \$300,000.

**MINUTE ORDER 446-2008 (AGENDA ITEM 3)**

**APPOINTMENT OF  
DR. ELEANOR M. GREEN  
AS DEAN OF VETERINARY MEDICINE AND BIOMEDICAL SCIENCES,  
TEXAS A&M UNIVERSITY**

Mr. Nye moved adoption of the minute order. Mr. Wilson seconded the motion. Mr. Jones said if there is no discussion, question or debate, he would call each regent's name so their votes were properly recorded. The regents voted as follows: Foster – yes, Fraga – yes, Nye – aye, Stallings – yes, Steen – yes, White – yes, Wilson – yes. Mr. Jones said he voted “yes.”

Effective March 1, 2009, Dr. Eleanor M. Green is hereby appointed Dean of Veterinary Medicine and Biomedical Sciences with tenure at Texas A&M University, at an initial salary of \$275,000.

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ADJOURNMENT

Mr. Jones said unless there was any new business to come before the Board, he would entertain a motion to adjourn. With a motion made by Mr. Nye, seconded by Mr. Fraga, and by a unanimous vote, the special telephonic meeting was adjourned at 11:49 am, the same day.

Vickie Burt Spillers
Executive Secretary to the Board
The Texas A&M University System

VBS:kdl