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MINUTES

BOARD OF TRUSTEES

THOMAS EDISON STATE COLLEGE

December 3, 2004

MEMBERS PRESENT George Pruitt, Nicholas Carnevale, George Fricke, Dick Arndt, Ida Hammond, Arthur Kern, Margaret Verzella, J. Stanley Justice, and Rosita Saez

MEMBERS ABSENT Marilyn Pearson, Harvey Myers, Fred Abbate

ALSO PRESENT Esther Paist, William Seaton, John Thurber, Ann Marie Senior, Mike Scheiring, Norma Blake, Aaron Appelstein, and Cindy MacMillan

MINUTES

The minutes of the September 17, 2004, meeting were presented by Mr. Carnevale for approval and adoption. Mr. Arndt made, and Ms. Hammond seconded, a motion to adopt the minutes. The motion carried unanimously.

SWEARING IN OF NEW TRUSTEE

Dr. Pruitt introduced Rosita Saez, noting her many achievements. Mr. Carnevale presided over the swearing in of Ms. Saez, who was welcomed enthusiastically by the Board.

PRESIDENT'S REPORT

Dr. Pruitt commented on the facts that acting Governor Codey is now in office and that we have submitted our annual budget request to the state. We are facing the prospect of another very difficult budget year, and the acting Governor is likely to give his budget message in February. The funds that we were granted through State appropriation have now been frozen: this is a \$900,000 matter for the College and a \$6 million matter for the Library. However, there is still hope that the funds will eventually be released. Regardless, we are well capitalized and well reserved, and we will end the year with an increase in our fund balance. Our new building will also go forward as planned, with construction beginning, we hope, in March. Also in March, we will be making a

presentation on our initiative to establish relationships with corporations that have a significant presence in New Jersey and that have programs for tuition reimbursement for their employees. Trustees will be asked to assist in this initiative to reach out to corporations. Our Commencement was also very successful, and the student speaker was especially effective and moving.

Cindy MacMillan, Director of Instructional Design and Development, and Aaron Appelstein, Instructional Designer, made a presentation on the College's Telly-Award-winning course module. The course was financed through a grant by the Martinson Family Foundation. William Seaton commented that this type of course development demonstrates the fact the College has taken distance-delivered education to the next level. Dr. Pruitt pointed out that course development is our first priority for foundation funding. We have a talented and competent course development staff and will leverage their skills to upgrade all courses and develop new ones. We also are looking for venture capital for new program development.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

George Fricke pointed out that at its November meeting the committee had an extensive review of the audit report and that the findings were very positive. He also said the auditors met privately with the committee and were very positive in their comments about the way the College conducts its business. The committee also reviewed the quarterly financial reports, both for the College and the Library. Bid waivers were also considered, as was the budget request at the committee meeting. The committee got an update on new facilities, as well.

CONSIDERATION OF FY2003 EXTERNAL AUDIT REPORT

Mr. Fricke presented the following resolution:

- WHEREAS:** It is the policy of the Board of Trustees to subject the College's finances and relevant administrative practices, and the finances and relevant administrative practices of its affiliate, the New Jersey State Library, to an independent audit; and
- WHEREAS:** It is the practice of the Board of Trustees to have said audit reviewed by the Administration and Finance Committee of the Board, acting as an audit committee and reporting its findings and conclusions to the Board; and
- WHEREAS:** In the presence of representatives of the external accounting firm that conducted the audit, the President has certified to the Board of Trustees that said audit contains no significant adverse findings; and

WHEREAS: The Board of Trustees adopted a resolution at the September 17, 2004, meeting provisionally accepting the audit for the fiscal year ending June 30, 2004, contingent upon the review of said audit by the Administration and Finance Committee of the Board; and

WHEREAS: The Administration and Finance Committee has reviewed the external audit and has affirmed the President's certification; now, therefore, be it

RESOLVED: That the Board of Trustees of Thomas Edison State College does hereby receive and accept the final audit report for the fiscal year ending June 30, 2004, as presented and incorporated herein by reference.

Mr. Fricke made, and Ms. Hammond, a motion to accept the external audit report. The motion carried unanimously.

CONSIDERATION OF BID WAIVERS

Mr. Fricke discussed and explained each bid waiver individually. He also requested that the tracking report make note of any items in which we have exceeded the threshold and asked that we list the individual consultants whose payouts have exceeded that threshold, as well. Dr. Pruitt explained the bid waiver process relative to State Statute for the benefit of the new Trustees. He pointed out that even with a waiver, we seek competitive bids and publicly disclose information about our choices of vendors, etc. Mr. Fricke then presented the following resolution:

WHEREAS: The "State College Contracts Law," Chapter 64 of Title 18A of the New Jersey Statutes requires that any purchase exceeding \$19,500 must be publicly advertised for sealed bids in the local newspapers; and

WHEREAS: Section 5a of the additional article to Chapter 64 Title 18A of the New Jersey Statutes states that the College may waive the bidding procedures by resolution of the Board of Trustees of the College; and

WHEREAS: The purchasing policies of Thomas Edison State College approved by the Board of Trustees on October 10, 1986, provide for the granting of categorical prior approval and post reporting to the Board of such purchases; and

WHEREAS: Background information on each bid waiver will always be provided in one attached document entitled “Bid Waiver Request”; and

WHEREAS: The College is requesting bid waivers to do the following:

- use the service of mentors and course-construction consultants for the College’s Distance and Independent Adult Learning and Graduate Studies programs at a cost that may well exceed the bid threshold of \$19,500;
- hold the 17th Annual Institute for the Assessment of Experiential Learning at the Doral Forestal Conference Center and Spa at an approximate cost of \$40,000;
- use a telemarketing firm to solicit gifts from alumni at an approximate cost of \$30,000;
- purchase software and training to manage the College’s fund-raising and development efforts at an approximate cost of \$80,000;
- use the services of the Becker-Jani advertising agency to continue the College’s image and enrollment advertising campaign at an approximate cost of \$500,000; and
- publish a 2005 Graduate Prospectus at an approximate cost of \$24,200 for 15,000 pieces

in accordance with the explanation and description of each project as set out in the attached “Bid Waiver Request”; now, therefore be it

RESOLVED: That the Board of Trustees does hereby authorize bid waivers for the College and its affiliate, the New Jersey State Library, to do the following: use the service of mentors and course-construction consultants for the College’s Distance and Independent Adult Learning and Graduate Studies programs at a cost that may well exceed the bid threshold of

\$19,500; hold the 17th Annual Institute for the Assessment of Experiential Learning at the Doral Forestal Conference Center and Spa at an approximate cost of \$40,000; use a telemarketing firm to solicit gifts from alumni at an approximate cost of \$30,000; purchase software and training to manage the College's fund-raising and development efforts at an approximate cost of \$80,000; use the services of the Becker-Jani advertising agency to continue the College's image and enrollment advertising campaign at an approximate cost of \$500,000; and publish a 2005 Graduate Prospectus at an approximate cost of \$24,200 for 15,000 pieces.

Mr. Fricke made, and Mr. Arndt seconded, a motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF INVESTMENT FIRM SELECTION

Mr. Fricke explained that the Administration and Finance Committee endorsed the selection of an investment firm to advise the College on the investment of its quasi-endowment funds, and he presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State College adopted a policy on investments at its April 10, 1986, meeting; and

WHEREAS: Upon recommendation by the College and approval by the Board's Administration and Finance Committee, a revision to the investment policy was approved by the Board of Trustees on December 5, 2003, that permits the College to invest endowment and quasi-endowment funds in financial instruments that seek long-term capital growth and appreciation of investments; and

WHEREAS: The College issued an RFP and evaluated the responses of nine financial investment firms; and

WHEREAS: College staff recommends that we proceed in investing the College's endowment and quasi-endowment funds, using the firm of Credit Suisse First Boston; now, therefore be it

RESOLVED: That the Board of Trustees hereby grant approval to the College to proceed in investing its endowment and quasi-endowment funds under the College's investment policy, using the firm of Credit Suisse First Boston.

Mr. Fricke made, and Ms. Hammond seconded, a motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF EFA SPENDING

Mr. Fricke presented the following resolution:

WHEREAS: The Board of Trustees of Thomas Edison State College (the "College") desires to approve a Project to acquire various equipment, furniture, and fixtures for a new College facility at 221 W. Hanover Street and to purchase capital equipment for its affiliate the New Jersey State Library; and

WHEREAS: The College has determined that the Project will benefit the College and Library and assist in serving their ongoing needs and operation; and

WHEREAS: The Board of Trustees of the College desires to approve an amount necessary to finance the Project, in an amount of one million, eight-hundred-thousand dollars (\$1,800,000); and

WHEREAS: The College has further determined that the financing of the Project and the related costs of issuance should be accomplished by a tax-exempt lease financing (the "Financing") through the New Jersey Educational Facilities Authority (the "Authority") pursuant to an Equipment Lease/Purchase Agreement (the "Agreement") and any other documents considered necessary to effectuate the financing (the "Other Financing Documents") and desires to authorize certain officers of the College to take all action necessary to accomplish the financing of the Project and the related costs of issuance; now, therefore be it

RESOLVED: That the Board of Trustees hereby do the following: approve the Project as presented and the financing of the Project through the Authority in an amount of

one million, eight-hundred-thousand dollars (\$1,800,000); approve the College's submission to the Legislature for the financing of a non-revenue-producing project; authorize any of the Authorized Officers, as defined herein, to finalize the structure and details of the Financing that will be considered the most advantageous structure to fit within the means of the budget of the College; authorize the entering into of the Agreement and Other Financing Documents to finance the Project and the related costs of issuance and to guarantee repayment of the tax-exempt lease funds borrowed through the Authority to finance the Project and the related costs of issuance; and approve the Agreement, in substantially the form to be provided, with such changes, omissions, insertions, and revisions as shall be approved by the Authority and the hereinafter Authorized Officers of the College are hereby approved; and be it further

RESOLVED: That the President and the Vice President of Administration and Finance (the "Authorized Officers") be authorized and directed to approve, execute, and deliver the Agreement and all Other Financing Documents in the name of and on behalf of the Board of Trustees of the College, in as many counterparts as may be necessary, and to affix or impress the official seal of the College thereon and to attest the same, with such execution and attestation to be conclusive evidence of the approval of the form and content of such Agreement and the Other Financing Documents necessary to effectuate the Project, the financing of the Project, and related costs of issuance by the Authority; and be it further

RESOLVED: That all resolutions, orders, and other actions of the Board of Trustees of the College in conflict with the provisions of this Resolution to the extent of such conflict be hereby superseded, repealed, or revoked; and this Resolution take effect immediately.

Mr. Fricke made, and Ms. Hammond seconded, a motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF ACADEMIC COUNCIL APPOINTMENTS

Mr. Seaton presented the following resolution:

The Board of Trustees of Thomas Edison State College does hereby appoint Lawrence J. Knapp, Professor of English, Essex County College, and Thomas G. Devine, Training & Development Consultant, Design, Assessment & Compliance, Public Service Electric & Gas to three-year terms on the Academic Council.

The action herein taken is pursuant to a recommendation by the President of the College, having been reviewed and endorsed by the Academic Council.

Mr. Carnevale made, and Rev. Justice seconded, a motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF CANDIDATES FOR DEGREE

Mr. Seaton pointed out that there are 456 candidates for consideration at this meeting. The candidates for the associate's, baccalaureate, and master's degrees as of December 3, 2004, are as follows: 28 candidates for Associate in Applied Science; 22 candidates for Associate in Arts; 4 candidates for Associate in Science in Applied Science and Technology; 3 candidates for Associate in Science in Management; 1 candidate for Associate in Science in Public and Social Services; 230 candidates for Bachelor of Arts; 99 candidates for Bachelor of Science in Applied Science and Technology; 47 candidates for Bachelor of Science in Business Administration; 13 candidates for Bachelor of Science in Human Services; 6 candidates for Bachelor of Science in Nursing; and 3 candidates for Master of Science in Management.

Mr. Seaton presented the following resolution:

The Board of Trustees of Thomas Edison State College does hereby approve the awarding of the appropriate degrees to those December 3, 2004, candidates indicated on the lists provided and incorporated herein by reference.

The action herein taken is pursuant to a certification by the President that the aforementioned candidates have satisfied all relevant degree requirements as recommended by the Academic Council and as established by the Board of Trustees.

Mr. Carnevale made, and Mr. Arndt seconded, a motion to adopt the resolution. The motion carried unanimously.

CONSIDERATION OF CONTRACT RENEWALS

Dr. Pruitt presented the following resolution for contract renewals:

The Board of Trustees of Thomas Edison State College does hereby approve the contract recommendations as indicated on the lists provided and incorporated herein by reference.

The action taken herein is pursuant to an evaluation of each employee's work performance and the recommendation of the President.

Ms. Hammond made, and Ms. Saez seconded, a motion to accept the resolution. The motion carried unanimously.

CONSIDERATION OF PERSONNEL ACTIONS

Dr. Pruitt presented the following resolution for personnel actions:

The Board of Trustees of Thomas Edison State College does hereby approve all appointments as indicated on the lists provided and incorporated herein by reference.

Ms. Hammond made, and Ms. Saez seconded, a motion to adopt the resolution. The motion carried unanimously.

NEW BUSINESS

Dr. Pruitt invited everyone to join the Foundation Board members for lunch at noon. Mr. Carnevale explained the role and status of the Foundation as a separate entity for the benefit of the new Trustees. He also encouraged the Trustees to participate at 100 percent as donors to the College.

ADJOURNMENT

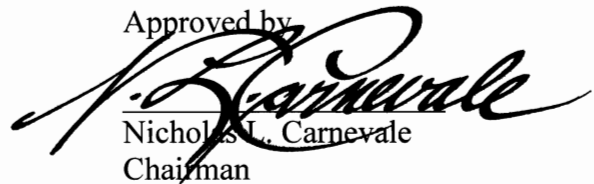
Mr. Fricke made a motion, seconded by Mr. Arndt, to adjourn the meeting at 11:30 a.m. The motion carried unanimously.

Submitted by,



George A. Pruitt
Secretary to the Board

Approved by,



Nicholas L. Carnevale
Chairman