The meeting was called to order by Chair Kuhlenschmidt at 3:33. A quorum was present. Absent without representation were Dwight Cline, Mary Cobb, Karen Egloff, Joe Glaser, Christopher Hamilton, Robert W. Otto, Randall Deere, and Alan Yungbluth. Richard Weigel substituted for Robert Dietle, Robert Panchyshyn for Robert A. Otto, and Blaine Ferrell for Rudy Prins.

Richard Weigel questioned whether Nancy Givins had made a statement in her Sept. 10th presentation that there were no non-university members of the Preston Center. Senator Shannon replied that she had said that there were a limited number of members who were not faculty or staff. The minutes of the September 10th meeting, and then of the September 22nd meeting, were approved as written.

Joe Rains, President of SGA, talked to the Senate about the Oct. 14th Frankfort rally. All the state colleges in Kentucky are joining together to get 3,000 students assembled in Frankfort to tell the governor higher education cannot survive another budget cut. He asked faculty to encourage students and to help make it possible for between 400 and 500 students to go to Frankfort to help emphasize our case. Students will receive proof-of-attendance slips.

Chair Kuhlenschmidt reported on an Executive Committee meeting with the President. He was planning to meet with other state university presidents and the governor to discuss budget cuts. He also said he had put a percentage cap on athletic spending. He also explained further why Hilltopper Athletic Foundation donations were tied in to the basketball ticket purchase. He said he would be working on getting computers into the offices of all faculty who would use computers.

Chair Kuhlenschmidt also attended a recent meeting of the Athletic Committee. Dr. Marciani explained a number of cost-management techniques that are being used. They started with zero-based budgeting. They have an equipment coordinator because a major loss is equipment that walks away. As of July, 1992, he said, they have "levelized" athletic budgets. They will receive only a steady percent of state appropriations, and they will have to raise any additional money themselves. That percent, however, does not include salaries. The rationale for requiring a contribution to HAF in order to purchase certain basketball tickets is that a membership is tax-deductible but an increase in ticket price is not. In being sensitive to the needs of long-term ticket holders, two sections of chair-back seats in less favored locations have been made available for people who do not wish to make a donation to the Hilltopper Athletic Foundation.

Jeff Jensen, Chair of By-Laws, Amendments, and Elections Committee, reminded Senators of the Regent's election on October 12th. University ID cards must be presented in order to vote. The candidates' forum went well even though there was a small turnout.

Barry Brunson, Chair of Academic Affairs Committee, said his committee is studying the extent and adequacy of recruitment of minority faculty and students. They are also looking at the question of the adequacy of a five-week summer session for learning the material in a three-hour course. Senators with opinions on these issues were invited to express them to committee members. Donation of services to this committee was also welcomed.

Under old business the first resolution from the last meeting was reintroduced:

The Faculty Senate of Western Kentucky University respectfully requests the Board of Regents to enact, with all haste, the
recommendations put forth by Arthur Andersen & Co. in the "Agreed-Upon Procedures Report," commonly known as the "audit." Bob Panchyshyn introduced an amendment in the form of a substitute motion. It was seconded by Senator Evans.

I move that the Faculty Senate recognize and endorse the recommendations made by Arthur Andersen Audit Firm and the additional recommendations made by President Meredith, thereby putting the matter of the audit behind us and moving forward to meet the responsibilities and challenges of the future.

Senator Evans, in speaking in favor of the amendment, said that the members of the Department of Teacher Education had been polled. Fifteen of the eighteen polled did not want further discussion of the Arthur Andersen report; three did.

In speaking against the amendment Charles Henrickson referred to "A Comparison of Recommendations," an eight-page document comparing the "Recommendations of Arthur Andersen & Co." and the "Institutional Response." He highlighted concerns regarding the annual allowance to the President, the employment contract, and Regent Strode's efforts to increase the annual allowance in 1989. He noted that the increase in the President's allowance made in 1989 by Regent Wendell Strode was made without the knowledge of the entire Finance Committee of the Board. Regent Patsy Judd, for example, claimed no knowledge of the action until October, 1991. His point was that it is illegal for any one member of the Board to increase the President's salary without an annual review by the entire Board. Senator Henrickson went on to question the legality of a public institution maintaining a private residence, the President's house.

Senator Vos asked the Faculty Regent if he had been aware of the change in the President's allowance at the time it occurred. He asked if it was an action taken by the Board or an action of one person. Regent Evans read from a letter written to Chair Joseph Iracane by the Chair of the Finance and Investments Committee, dated December 11, 1991. This response went to the media as well as to other members of the Board. Part of that letter follows, with comments by Regent Evans noted in brackets:

When the budget was being finalized ('89-'90) [I think that's an error. I think it must have been '90-'91.*] I was told by Dr. Paul Cook that typically the finance committee chairman made the recommendation for any salary adjustment for the President as part of the budget recommendation. I called you to discuss, and you instructed me to review with President Meredith. I talked with Meredith, and the salary increase for the University that year, in general, was going to be 5%. Dr. Meredith stated he did not want more than the rest of the University employees receiving. [I'm reading this as it is.] or the 5%.

I personally felt that Dr. Meredith had done an outstanding job during his first year and deserved more than 5%. I felt an appropriate way to address this was to increase discretionary expense allowance and was thinking a $500 per month increase.

Regent Ronnie Clark had been a friend of mine for many years and a person I looked upon as my mentor on the Board. During the course of telephoning other members of the Board of Regents [And, that did not include me. I received no such telephone call.] about this increase, I called Regent Clark, and he suggested that we increase it by $1,000 per month to $2,000. He felt it was well deserved, and the University was benefitting significantly from the presence of the Merediths in the
community and the different community events they attended and the entertaining the Meredith family was doing.

I think I also discussed with one other regent [and that makes three] who supported the increase to $2,000 per month. I then discussed it with you by phone, and you also voiced your support and said, "Get it done." I followed your direction and put it in place. When the budget was approved, we gave Dr. Meredith a 5% salary increase in open session. Afterwards I also made Dr. Cook aware of the discretionary expense increase and may have also discussed it with Dr. Cook and Harry Largen together. A few days later Dr. Cook called me and informed me that Mr. Largen wanted a letter authorizing the increase.

I felt to not discuss this in open session was the preferred method to address these type situations, that this procedure was acceptable with other Board members. This was also approved in approving the budget each year as a budgeted amount was approved for the President's home and office.

A couple of meetings later,* Regent Gene Evans stated, when we were again in one of our closed sessions, that he had heard there had been an increase and wanted to know the total compensation package for Dr. Meredith. I proceeded to inform every member of the Board, who was in that closed session of this increase. [He says a couple of meetings later and that would have made it August 24, 1990*; that was the second meeting after the budget, which was on May 30th*, that year.] Therefore I feel that every member of the Board was made aware and nobody disagreed or stated disapproval of this action as everyone, at that time, was extremely pleased of the job Dr. Meredith was doing and proud of the image the Merediths were projecting for the University.

*Regent Evans, after the meeting, corrected the dates to be:
April 27, 1989 - budget approval by Board
May 9, 1989 - letter authorizing budget
October 26, 1989 - "a couple of meetings later"

Regent Evans also provided a history of his knowledge of the monthly checks going to Mrs. Meredith for entertainment expenses. The amendment failed by a secret ballot vote of 16 in favor to 23 against. The original proposal passed by a written vote of 30 to 10. The second proposal was again brought to the floor:

Through this resolution the Faculty Senate of Western Kentucky University expresses its concern regarding the manner in which public and private funds have traditionally been administered and disbursed by the University.

Senator Weigel moved, seconded by Senator Dorman, to amend by substituting the following:

The Faculty Senate of Western Kentucky University expresses its concern and utter dismay regarding the manner in which University funds have been administered and disbursed by the current University administration as revealed in the Agreed-Upon Procedures Report prepared by Arthur Andersen & Co.

The amendment passed by a written-ballot vote of 19 to 17. Senator Caillouet questioned the presence of a quorem. It was shown that 34 members were still present.
Senator Caillouet, seconded by Bob Panchyshyn, moved that the motion be amended to remove the words "utter dismay."

Senator Brunson moved, and Susan James seconded the motion, to close debate. The motion to close debate carried. The motion to delete "utter dismay" failed by a vote of 15 to 17. The original motion then passed by a hand count of 20 to 11.

The third proposal was then reintroduced.

In the interest of fiscal integrity, the Faculty Senate of Western Kentucky University respectfully requests the Board of Regents to require the internal auditor of the University to report directly to the Board in addition to the Administration.

The motion passed by a voice vote. Dr. Kuhlenschmidt adjourned the meeting shortly after 5:00.

Respectfully submitted by Joan Krenzin