



**BOARD OF TRUSTEES
CLEVELAND STATE UNIVERSITY**

MINUTES OF THE MEETING

BOARD OF TRUSTEES MEETING

DATE: Monday, January 31, 2011, 8:30 a.m.
PLACE: The Wolstein Center, Gerald H. Gordon Conference Pavilion
4th Floor, Board Room

PRESENT: Chairman Ronald E. Weinberg, Vice Chairman Robert H. Rawson; Trustees Richard L. Bowen, Sally Florkiewicz, Morton Q. Levin, Rev. Dr. Marvin A. McMickle, Dan T. Moore III; Community Board Member Dr. Paul E. DiCorleto; Faculty Representatives Dr. Stephen F. Duffy and Dr. Mark Tebeau; Student Trustee Janet M. Pitchford; President Ronald M. Berkman and Sonali B. Wilson, Secretary to the Board of Trustees. Community Board Member Richard A. Barone called in and participated by telephone.

Chairman Ronald E. Weinberg called the meeting to order at 8:35 a.m. He called for a motion to approve the Minutes of the November 10, 2010 Board Meeting. Trustee McMickle moved and Trustee Bowen seconded the motion. The Minutes were approved.

REPORT OF THE CHAIRMAN

Board Officers Meetings

Chairman Weinberg reported that the Board Officers met on December 13, 2010 and January 19, 2011 regarding real estate matters and referred to the Minutes (**Attachments A and B**). There were no comments or questions. The following resolution was passed by the Board Officers at its meeting on December 13, 2010.

BOARD OFFICERS RESOLUTION 2010-09

**APPROVAL OF LEASE, SUBLEASE AND DEVELOPMENT AGREEMENT
IN RELATION TO THE MIDDOUGH BUILDING**

WHEREAS, on September 20, 2010, the University administration was given authority, pursuant to Board Resolution 2010-67, to proceed with discussions with the Playhouse Square Foundation and/or their related entity regarding the lease of the Middough Building and related matters to enhance the options for housing the University's art and theater programs; and

WHEREAS, pursuant to Resolution 2010-67, all required agreements arising from those discussions were to be subject to the final approval of the Officers of the University's Board of Trustees; and

WHEREAS, the University administration, with the advice and counsel of its special outside counsel, Tucker, Ellis & West, and General Counsel has negotiated the terms for the lease of the Middough Building from the 1901 East 13th LLC, the terms of a sublease of certain space in the Middough Building to Middough Inc., as well as the terms of a development agreement with 1901 East 13th LLC addressing certain improvements to the Middough Building;

NOW, THEREFORE BE IT RESOLVED that the Cleveland State University Board Officers hereby approve the following documents: Lease Agreement by and between 1901 East 13th LLC and Cleveland State University; Sublease by and between Cleveland State University, Sublessor, and Middough Inc., Sublessee,; and Development Agreement among Cleveland State University and 1901 East 13th LLC.

The following resolution was passed by the Board Officers at its meeting held on January 19, 2011.

BOARD OFFICERS RESOLUTION 2011-01

APPROVAL OF ASSIGNMENT OF DEVELOPMENT AGREEMENT WITH 1901 EAST 13TH LLC

WHEREAS, at their meeting of December 13, 2010, the Board Officers of the Cleveland State University Board of Trustees, by Board Officers Resolution 2010-09, approved the Development Agreement among Cleveland State University and 1901 East 13th LLC pursuant to which 1901 East 13th LLC is obligated to undertake and complete certain alterations and improvements to the interior and exterior of the building located at 1901 East 13th Street, Cleveland, Ohio 44115; and

WHEREAS, 1901 East 13th LLC now desires to assign all the right, title, interest in and to, and all of its obligations under, the Development Agreement to PS 1901 LLC pursuant to an Assignment of Development Agreement by and among 1901 East 13th LLC, PS 1901 LLC and Cleveland State University;

NOW, THEREFORE, BE IT RESOLVED that the Board Officers of the Cleveland State University Board of Trustees hereby approve the terms of the Assignment of Development Agreement, attached hereto, and direct the appropriate University officer to execute said Agreement.

Memorandum of Understanding

Chairman Weinberg reported that there has been an ongoing dialogue regarding the relationship between the University and the Cleveland State University Foundation. The relationship in the past was thin to non-existent. There has been a dramatic change over the past year, with increased collaborative activities, and a much firmer and involved relationship between the two entities.

Chairman Weinberg stated that Steve Minter led the important effort to prepare the Memorandum of Understanding (**Attachment C**). The CSU Foundation is very much a partner in the development and advancement of the University. The MOU establishes recognition of the CSU Foundation and its purposes, as well as that of the University's Board of Trustees, and their relationship.

Interim Vice President for University Advancement and Executive Director of the Cleveland State University Foundation Steven Minter endorsed the comments made by Board Chairman Weinberg. He reported that an ad hoc committee of the Foundation, which included Trustee Mort Levin, was formed to review the articles of incorporation, bylaws, and regulations. The MOU clarifies the role of the Foundation in supporting the fundraising priorities set by the Board of Trustees and in meeting donor intent. The Chairman of the Board of Trustees, President of the University, and President of the CSU Alumni Association serve as voting ex-officio members of the Cleveland State University Foundation Board of Directors. Mr. Minter commented that he was pleased with the outcome.

Trustee Levin moved and Trustee Moore seconded the motion to approve the Memorandum of Understanding between the Cleveland State University Foundation and the University. The following resolution was passed.

RESOLUTION 2011-1

**APPROVAL OF THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CLEVELAND STATE UNIVERSITY FOUNDATION
AND CLEVELAND STATE UNIVERSITY**

WHEREAS, The Cleveland State University Foundation was organized and incorporated on May 21, 1969, for the purpose of assisting in the development and advancement of Cleveland State University by raising and managing private resources that support the mission and priorities of the University, as well as by providing opportunities for students and a margin of institutional excellence unavailable with state funds; and

WHEREAS, The University and The Foundation wish to memorialize formally their relationship and the responsibilities of each arising from that relationship;

NOW, THEREFORE, BE IT RESOLVED that the Cleveland State University Board of Trustees hereby approves the Memorandum of Understanding (MOU) between The Cleveland State University Foundation and the University.

REPORT OF THE PRESIDENT

Accreditation

President Berkman announced that the final report of the site visit team was received. The next stage is the review by the accrediting commission and award of full accreditation to the University for the next decade. The process should be complete in mid-April, following the annual meeting of the North Central Association in Chicago.

U.S. Department of Education Audit

A routine audit of the University's financial aid programs will be conducted by the U. S. Department of Education on February 14. The comprehensive audit will be conducted over a three to four day period. There is no trustees' component to the site visit and audit.

NEOUCOM

The University is now entering a critical, but good phase, in the development of the Northeast Ohio Universities College of Medicine (NEOUCOM) collaborative initiative. A solid

foundation of participation has been established. Pursuant to the grant from The Cleveland Foundation, four letters of support were received from the Cleveland Clinic, University Hospitals, Metro, and St. Vincent. The University has been successful in receiving the \$250,000 planning grant from The Cleveland Foundation. Grant proposals are also being submitted to the St. Luke Foundation and Mt. Sinai Foundation.

It is anticipated that there will be language inserted in the budget bill formally creating a NEOUCOM campus at Cleveland State University. The caps on medical school enrollment are being lifted to allow NEOUCOM to admit more students and to accommodate CSU. The well-constructed process brought along all the medical schools. Several of the trustees may be asked to join Mayor Jackson in making calls to support the NEOUCOM budget language.

The first CSU NEOUCOM class will start in September. There will be 35 in each class for the first two years, 75% of the full complement in the third year, and reaching the maximum of 140 students in the fourth year. A coalition of clinicians is developing the curriculum. Instead of the typical BS/MD model, a 4+4 model is being used with a focus on urban primary care and training in community settings. Students would complete four years of undergraduate work at CSU before moving onto NEOUCOM. The University would reach into high schools and enter the students as a cohort at CSU. They would be guaranteed a seat in medical school if they meet the requisite MCATs.

The four-year medical program would be conducted between NEOUCOM in Rootstown and the CSU campus. It is not feasible for CSU to replicate some of the Rootstown facilities. A site for the CSU campus facility has not yet been identified; however, it should have a prominent identity along Euclid Avenue.

Fundraising

The University's fundraising efforts are doing relatively well with a 40% increase compared to the previous year at this juncture. The trustees were thanked for their year-end gifts.

The David and Inez Myers Foundation is providing four full 4-year scholarships for CSU NEOUCOM students. Other scholarship opportunities for these students will be pursued, as well, starting with \$100,000 in year one and adding to the operating dollars for scholarships. Providing scholarships in return for service would enable a diverse pool of students and primary care providers working in Cleveland.

Several \$500,000 gifts were noted, including a recent gift from alumnus and honorary degree recipient Robert Tomsich. His giving has totaled \$850,000. The president continues to cultivate Mr. Tomsich.

The Parker Hannifin Foundation is also recognized as a major donor, providing support for various scholarship funds, including the Parker Hannifin Engineering Endowment, support of the Allen Theatre project, and the Parker Hannifin Administration Center Endowment. Parker Hannifin has also been supportive of the chemical research conducted by Professor Michael Kalafatis. An initial gift of \$100,000 was contributed to help Dr. Kalafatis in his lab to secure a license for one of the compounds used in his research from Poland.

Mr. Minter and his team have been working very hard. Much of this is the result of their efforts. He has also been focused on attracting more dollars from the community.

There is an unusually good pool of fifty candidates for the position of Vice President for University Advancement. The work Steve Minter has done will make it possible to attract a high caliber individual.

President Berkman announced that a 10 to 12-page case statement for CSU was being developed through the consulting firm of Greg Browning in Columbus. It emerged as an idea from Trustee Moore to promote Cleveland State University and how it is different from the other universities in the state. The piece would include the cost of educating a student, as well as what the loss would be if the student leaves the state.

Enrollment

The University is 21% ahead of freshman admits compared to this time last year. We are also beginning to see a perceptual shift in the image of CSU. In cases where parents and individuals would not consider sending their family members or attending Cleveland State University themselves, there is now a higher regard for the University which is emerging all over the city.

Cleveland Schools Superintendent

President Berkman is playing a prominent role with Mayor Jackson in search of a new superintendent of the Cleveland Public Schools. It is one of the more significant appointments to be made in the community in the coming years.

ACADEMIC AFFAIRS

Committee Chair Rawson stated that the Academic Affairs Committee met ten days ago, and referred to the Minutes of the January 19, 2011 meeting (**Attachment D**). He stated that Provost Mearns reported on the status of the three dean searches for the colleges of law, education, and science. All three searches have been assisted by a national search firm and have produced an outstanding pool of diverse candidates. It is expected that the final candidates would be introduced soon, with most of the searches concluded in late spring, including the search for a Director of Athletics. The University has five significant searches underway.

The Academic Affairs Committee held an executive session to discuss a confidential student matter protected by the Family Educational Rights and Privacy Act (FERPA). The matter and recommendation to deny the student petition for readmission is now to be considered by the full board.

EXECUTIVE SESSION

Trustee Florkiewicz moved and Trustee Levin seconded the motion to adjourn into Executive Session for the purpose of discussing a student matter that is confidential and not subject to public disclosure pursuant to the Family Educational Rights and Privacy Act (FERPA), as amended. A roll call vote was taken by the Board Secretary and passed. The Chairman indicated that the President, Provost and Board Secretary should remain with the Trustees and Community Board Member in the Executive Session which began at 9:10 a.m.

Chairman Weinberg announced at 9:25 a.m. that the Board ended its Executive Session and was resuming its regular meeting. Trustee Rawson moved and Trustee Bowen seconded the motion to accept the recommendation of the Academic Affairs Committee to deny the student petition for readmission. The following resolution passed unanimously.

RESOLUTION 2011-2

BE IT RESOLVED, that the Board of Trustees accepts the recommendation of the Academic Affairs Committee and denies the student petition for readmission and that appropriate communication be sent to the student.

FINANCIAL AFFAIRS

In the absence of Financial Affairs Committee Chair McHenry, Chairman Weinberg reported that the Financial Affairs Committee met on January 19, 2011. He referred Board members to the Minutes of the Financial Affairs Committee meeting (**Attachment E**) and the Joint Meeting of the Academic Affairs and Financial Affairs Committee (**Attachment F**) also

held on January 19, 2011 to update Board members on the budget planning process and timeline in view of pending state budget cuts. There were no comments or questions.

EXECUTIVE SESSION

Trustee Florkiewicz moved and Trustee Levin seconded the motion to adjourn into Executive Session for the purpose of discussing personnel and real property matters. A roll call vote was taken by the Board Secretary and passed. Chairman Weinberg requested that the General Counsel and President remain with the voting Trustees and Community Board member for the first segment of the Executive Session, which began at 9:27 a.m. to discuss a personnel matter.

At 9:45 a.m., Vice President for Business Affairs and Finance Jack Boyle was invited to join the portion of the Executive Session pertaining to real property matters. Chairman Weinberg announced at 10:11 a.m. that the Board has completed its Executive Session and was returning to its regular meeting.

FACILITIES

The Minutes of the Facilities Committee Meeting held on January 19, 2011 are attached (**Attachment G**) for reference. Following the Executive Session, Trustee Rawson moved to table the Facilities Committee recommendation in order to permit the Board Officers and Chair of the Facilities Committee the opportunity to engage in discussions with the developers of the North Campus project to reach a firm agreement within the next thirty (30) days. Trustee McMickle seconded the motion. The motion passed.

CONSENT AGENDA

Proposed Meal Plan Rates for 2011-2012 (**Attachment H**), acceptance of the Gift Report for FY2011, 1st Quarter (**Attachment I**), and acceptance of the Gift Report for FY2011, 2nd

Quarter (**Attachment J**) were considered as part of the Consent Agenda. Trustee Florkiewicz moved and Trustee Levin seconded the motion to approve the consent agenda items. The following resolutions were passed.

RESOLUTION 2011-3

**APPROVING INCREASE IN FY 2011-2012
RESIDENTIAL MEAL PLAN RATES**

RESOLVED, that the Board of Trustees, upon the recommendation of the Financial Affairs Committee, approves the proposed fees for residential meal plans as specified below, effective beginning fall term, 2011.

2011-2012 Residential Meal Plan Rate Recommendations

Category	FY11	Proposed FY12
All Access - unlimited	\$3,800	\$4,200
Block 220	\$3,600	\$3,790
Block 180	\$3,350	\$3,450
Block 100 [a]	\$2,550	\$2,500
Traditional 19 Meals	\$3,500	\$3,390
Traditional 15 Meals	\$3,300	\$2,750
Traditional 8 Meals [a]	\$2,800	\$2,350
Meal Exchange (5/week): Block 220 or Traditional 19	Not Offered	Add \$75/semester
Meal Exchange (3/week): Block 180 or Traditional 15	Not Offered	Add \$45/semester
Meal Exchange (2/week): Block 100 or Traditional 8 [a]	Not Offered	Add \$30/semester

RESOLUTION 2011-4

**ACCEPTING GIFTS AND PLEDGE PAYMENTS
1st QUARTER, FY 2011
July 1, 2010 to September 30, 2010**

RESOLVED, that the gifts and pledge payments totaling \$1,260,821 received by the Cleveland State University Foundation during the period July 1, 2010 to September 30, 2010, are hereby accepted with thanks; and

BE IT FURTHER RESOLVED, that the President is hereby directed to use these gifts subject to their terms and conditions.

RESOLUTION 2011-5

**ACCEPTING GIFTS AND PLEDGE PAYMENTS
2nd QUARTER, FY 2011
October 1, 2010 to December 31, 2010**

RESOLVED, that the gifts and pledge payments totaling \$4,125,975 received by the Cleveland State University Foundation during the period October 1, 2010 to December 31, 2010, are hereby accepted with thanks; and

BE IT FURTHER RESOLVED that the President is hereby directed to use these gifts subject to their terms and conditions.

NEW BUSINESS

1836 Euclid Avenue Property

Vice President Boyle presented an opportunity for the University to centralize a number of student services scattered in various locations in an eight-story office building located at 1836 Euclid Avenue, across the street from the Law Building in an historical district (**Attachment K**). The building is currently vacant except for a few first floor tenants. The property is in the process of foreclosure by Liberty Bank.

Liberty Development, an affiliate of Liberty Bank holding the first mortgage, has received an Ohio historical tax credit and is eligible for federal historical tax credits. The University has commissioned a financial analysis of the property location and alternate locations and is seeking authority from the Board of Trustees to enter into a master lease discussion with Liberty Development. The Facilities Committee would review and rule on the financial analysis.

Trustee Moore urged the University to obtain a good picture of the surrounding real estate and costs. Vice President Boyle indicated that the study is to include alternatives internal and external to the campus.

Trustee McMickle moved and Trustee Moore seconded the motion to authorize the administration to enter into lease discussions for the property at 1836 Euclid Avenue. The following resolution was passed.

RESOLUTION 2011-6

**AUTHORITY TO ENTER INTO DISCUSSIONS
REGARDING THE 1836 EUCLID BUILDING**

WHEREAS, the University has explored options for relocating several support units of the University; and

WHEREAS, through its review, the University believes that the best option from both an academic programming standpoint and a cost standpoint would be to enter into an agreement with LDC Union LLC for the lease of the 1836 Euclid Building ; and

WHEREAS, the University administration requests the Board's authority to proceed with these discussions;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves entering into discussions with the LDC Union LLC and/ or their related entity regarding the lease of the 1836 Euclid Building, subject to the final approval of the financing plan by the Board's Facilities Committee and of all required agreements by the Officers of the Board.

There being no further business to discuss, Trustee Levin moved and Trustee Florkiewicz seconded the motion to adjourn the meeting. The meeting was adjourned at 10:25 a.m.

Respectfully submitted,

APPROVED ON MARCH 28, 2011

Sonali B. Wilson

Secretary to the Board of Trustees

APPROVED ON MARCH 28, 2011

Ronald E. Weinberg

Chairman, Board of Trustees