



## BOARD OF TRUSTEES

### CLEVELAND STATE UNIVERSITY

## MINUTES OF THE MEETING

### BOARD OF TRUSTEES MEETING

**DATE:** Wednesday, November 7, 2012, 1:30 p.m.  
**PLACE:** The Wolstein Center, Gerald H. Gordon Conference Pavilion  
Weinberg Board Room

**PRESENT:** Chairman Robert H. Rawson, Jr., Vice Chairman Dan T. Moore III, Treasurer Morton Q. Levin, Advancement Committee Chairman and Trustee Thomas W. Adler; Trustees Richard L. Bowen, David H. Gunning II, and Bernardo “Bernie” F. Moreno; Faculty Representative Dr. Joanne E. Goodell, President Ronald M. Berkman, and Secretary to the Board of Trustees William J. Napier.

Chairman Robert H. Rawson called the meeting to order at 1:30 p.m. A quorum was confirmed. Chairman Rawson called for a motion to approve the minutes of the September 20, 2012 Board meeting. Trustee Levin moved, and Trustee Moore seconded, the motion to approve the minutes. The minutes were approved by voice vote.

### REPORT OF THE CHAIRMAN

Chairman Rawson thanked the Board members for their participation at the Board Retreat held September 20 with the CSU Foundation Board of Directors. He reported that the *Radiance* scholarship fundraising event has a goal of \$750,000 this year (50% larger than last year), and that a letter was sent to the Board members from Radiance Co-Chairs Tom Adler and Tim Cosgrove, requesting assistance with finding and contacting new sponsors. He noted that the Homecoming held in October was another very successful event that was well-attended and

attracted and engaged alumni in a more vibrant, realistic campus. In closing, Chairman Rawson reported that no Executive Committee meetings were held since the last Board meeting.

### **REPORT OF THE PRESIDENT**

President Berkman reported on meetings, involving the presidents of the universities and community colleges with the Governor, and on a commission headed by OSU President Gordon Gee to develop a new funding formula, based on outcomes. He indicated that the commission was to complete its work by Thanksgiving in order for it to be included in the Governor's biennial budget recommendation to the General Assembly.

President Berkman reported that the formula discussions have been long and very complicated. He noted that student success measures and improved graduation rate are among the six primary outcomes the formula should achieve, as set by the Governor. The estimated impact of risk factors (i.e. age, number of students receiving PELL grants), built into the formula, is a loss of approximately \$2.5 million in state subsidy in the second year of the FY 2014-2015 biennium. This represents a 3.96% loss in state subsidy funding, and 1.15% of CSU's total operating budget.

The President stated that he and Bill Napier had been meeting with the Governor's chief policy administrator and the state budget director to keep them apprised of Cleveland State University's efforts to improve student success and graduation attainment. He conveyed that the Governor is willing to invest in higher education if he sees an actual paradigm change. The Ohio College Completion Task Force formed by the Governor and Chancellor of the Board of Regents finished its work and will present its report at the Chancellor's Statewide Trustees Conference on November 13.

In closing, President Berkman reported on the excitement and enthusiasm of the students and alumni who participated in the various Homecoming events in early October. He also indicated that site visits were being planned to see projects of the architectural firms selected as finalists for the Center for Innovation in Health Professions project, following the interviews and presentations on campus. Lastly, he encouraged the Board members to read the TIME magazine cover story, “Reinventing College, A Special Report on Higher Education” by Amanda Ripley, which presents a dramatic view between leaders and users of higher education.

### **REPORT OF THE CSU FOUNDATION CHAIR**

Vice President for University Advancement and Executive Director of the CSU Foundation Berinthia LeVine reported on behalf of CSU Foundation Chair Steven Minter. She noted that the 50-year, 25-year, and 5-year reunions held during Homecoming, as well as that the Distinguished Alumni Awards and John Flower dedication were well-attended. Officers of the CSU Foundation Board of Directors have been increasingly engaged as volunteers in serving on host committees and assisting with University events, such as the program at the Terrace Club at Progressive Field featuring Professor Rashidi and his wind turbine.

Vice President LeVine reported that the fifteen new directors elected to the Foundation have added a great dimension to the Board. She stated that the goal is to augment the CSU Foundation Board with five new directors from the corporate, foundation and business sectors.

The fundraising report for the 1<sup>st</sup> Quarter of FY 2013 was presented (**Attachment A**). Vice President LeVine noted a very successful quarter, ending September 30, 2012, and that the resolution accepting the gifts and pledge payments, totaling \$1.5 million for the quarter, was on the Consent Agenda.

Trustee Adler, *Radiance* Co-Chair, reported that \$105,000 toward the \$750,000 goals has been reached. The goal is fifty percent higher than the amount raised at this same time last year. He indicated that all members of the CSU Foundation Board of Directors and Board of Trustees are being asked to review a list of companies and to identify new sponsors, as well as those they are willing to contact for sponsorship.

### **CONSENT AGENDA**

Chairman Rawson stated that routine matters or those discussed previously are considered on the consent agenda, unless Board members request to remove items and discuss them individually. Chairman Rawson noted the addition of the resolution to accept the gifts and pledges for the 1<sup>st</sup> quarter of FY 2013 to the Consent Agenda, and moved that Item H. on New Employee Background Checks be tabled until the next meeting of the Board of Trustees. The motion to table New Employee Background Checks was seconded by Trustee Moore. The Board Secretary conducted a roll call vote. All voted in the affirmative to table Item H.

Chairman Rawson moved, and Trustee Moreno seconded, the motion that the Consent Agenda be approved as amended. The motion was approved by voice vote.

Trustee Moreno moved, and Trustee Levin seconded, the motion to approve the consent agenda items: Reduction in Non-Resident Undergraduate Student Surcharge (**Attachment B**), University Travel Policy Amendments (**Attachment C**), Tobacco-free Campus Policy (**Attachment D**), Demolition and Site Work Contract: Kinko's Building and Viking Hall (**Attachment E**), Administration of Bond-Financed Projects (**Attachment F**), Acceptance of Gifts and Pledge Payments for the period July 1-September 30, 2012 (**Attachment G**), and Report of Sponsored Programs and Acceptance of Funds for 4<sup>th</sup> Quarter, FY 2012 (April 1-June

30, 2012) and 1<sup>st</sup> Quarter, FY 2013 (July 1-September 30, 2012) (**Attachment H**) were considered as part of the Consent Agenda. The following resolutions were passed by voice vote:

### **RESOLUTION 2012-92**

#### **REDUCTION IN NON RESIDENT UNDERGRADUATE STUDENT SURCHARGE**

**WHEREAS**, in 2004 the Board of Trustees reduced the non-resident surcharge for non-resident undergraduate students with no transfer credit hours, or less than 30 transfer credit hours from 100% to 40%, but retained the 100% surcharge for non-resident undergraduate students with 30 or more transfer credit hours; and,

**WHEREAS**, the effort and expense of maintaining separate tuition schedules for two cohorts of non-resident undergraduate students is administratively burdensome; and,

**WHEREAS**, the lowering of the non-resident surcharge for non-resident undergraduate students with 30 or more credit hours from 100% to 40% will significantly aid the University's efforts in recruiting non-resident undergraduate students;

**NOW, THEREFORE, BE IT RESOLVED** that the out-of-state surcharge for non-resident undergraduate students with 30 or more transfer credit hours enrolling in the University for the first time in the fall 2013 semester be reduced to 40%.

### **RESOLUTION 2012-93**

#### **APPROVING THE AMENDMENTS TO THE UNIVERSITY TRAVEL POLICY**

**WHEREAS**, the Cleveland State University Travel Policy was approved in July 2001, and subsequently amended in July 2007; and

**WHEREAS**, since that time airline travel-related costs and programs have changed significantly, including charges for many different types of ancillary fees when a traveler purchases a ticket; and

**WHEREAS**, the University administration has reviewed the types of fees being charged and determined that certain fees should be reimbursable to the employee; and

**WHEREAS**, with the growing number of reward and incentive programs in the travel industry, University administration has determined that it is in the best interest of the University to specifically state that credits from these reward, incentive, and/or frequent flyer programs must be used toward future business travel; and

**WHEREAS**, the Financial Affairs Committee has recommended approval of the proposed amendments to the University's Travel Policy;

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby approves the proposed Amendments to the Cleveland State University Travel Policy, which include reimbursement for reasonable baggage and seat assignment charges, and the restriction that credits from reward, incentive, and/or frequent flyer programs be used toward future business travel only.

#### **RESOLUTION 2012-94**

##### **APPROVAL OF TOBACCO-FREE CAMPUS POLICY**

**WHEREAS**, in 1993, on the recommendation of the Faculty Senate, the Cleveland State University Board of Trustees adopted the University's Smoke-Free Environment Policy, which prohibits smoking inside all university buildings; and

**WHEREAS**, in 2006, the state of Ohio implemented the Smoke Free Work Place Act and the University took action in compliance with provisions of the Act, including the posting of "No Smoking" signs and banning smoking inside University buildings and within 20 feet of all University buildings; and

**WHEREAS**, on July 23, 2012, the Ohio Board of Regents voted unanimously to approve a resolution presented by Regents' Chairman James Tuschman recommending that each board of trustees of the University System of Ohio consider implementing its own policy to establish its campus as tobacco-free; and

**WHEREAS**, on September 13, 2012, the Board's Financial Affairs Committee recommended that the full Board approve adoption of a Tobacco-Free Campus policy; and

**WHEREAS**, on September 20, 2012, the Board passed a resolution directing the administration to develop a Tobacco-Free Campus policy for consideration and approval at the November 7, 2012 Board meeting;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board of Trustees hereby approves the attached Tobacco-Free Campus policy, and directs the administration to file such policy with the Ohio Legislative Services Commission, as well as to develop administrative guidelines and procedures to implement the policy no later than the fall semester 2013, which guidelines and procedures are subject to review of the Office of General Counsel.

#### **RESOLUTION 2012-95**

**APPROVAL OF BID AWARD TO B & B WRECKING, INC.  
IN CONNECTION WITH THE VIKING HALL AND KINKO'S DEMOLITION  
AND SITE WORK**

**THEREFORE, BE IT RESOLVED** that the Board of Trustees hereby approves the bid award to B & B WRECKING, INC. for building demolition and site work in connection with the Viking Hall and Kinko's Demolition project, and authorizes the University administration to execute the contract for said work in the amount of Seven Hundred Eighty Four Thousand Dollars and 00/100 Dollars (\$784,000.00), plus 30% contingency subject to the approval of the Ohio Attorney General.

**RESOLUTION 2012-96**

**ADMINISTRATION OF BOND-FINANCED PROJECTS**

**WHEREAS**, on June 25, 2012, the Board of Trustees, by Resolution 2012-35 approved the issuance of General Receipts Bonds not to exceed \$90,000,000, including costs of constructing, furnishing and equipping a new building on the University's Campus and for costs of rehabilitating and improving existing buildings on the University's campus; General Receipt Bonds amount not to exceed \$90,000,000 in for the construction, improvement, and/or renovation of Deferred Maintenance projects to be locally administered on the Cleveland State University campus as set forth therein, and said bond issue was subsequently approved by the Ohio Board of Regents; and

**WHEREAS**, \$45,000,000 of the bonds will be designated for the design, construction, furnishing and equipping of the Center for Innovation in Health Professions building to be locally administered on the University's campus as set forth therein, and said issue also was subsequently approved by the Ohio Board of Regents; and

**WHEREAS**, \$26,000,000 of the bonds will be designated for the design, construction, furnishing and equipping of the Deferred Maintenance projects to be locally administered on the University's campus as set forth therein, and said issue also was subsequently approved by the Ohio Board of Regents; and

**WHEREAS**, under existing Board policy, construction and consultant contracts in excess of \$500,000 require prior approval of the Board;

**NOW, THEREFORE, BE IT RESOLVED** that the Board establishes the following amounts as the maximum amount for construction and related expenses for each of the following projects:

Center for Innovation in Health Professions (CIHP)	\$45,000,000
Deferred Maintenance Projects	\$26,000,000

**BE IT FURTHER RESOLVED** that the President of the University is authorized to approve contracts for construction and related professional services up to a maximum of \$500,000, but not to exceed the above budget limits per project; and

**BE IT FURTHER RESOLVED** that a majority of the voting Officers of the Board are authorized to approve competitively bid construction contracts, with the exception of contracts for design professionals and construction managers, in excess of \$500,000 and that do not exceed the total budget for each project as specified above; and

**BE IT FURTHER RESOLVED** that the full Board shall be advised subsequently of the actions of the Officers in approving all such contracts; and

**BE IT FURTHER RESOLVED**, that the President shall comply with Chapters 123 and 153 of the Ohio Revised Code in the award of such contracts.

### **RESOLUTION 2012-97**

#### **ACCEPTING GIFTS AND PLEDGE PAYMENTS 1<sup>st</sup> QUARTER, FY 2013**

**RESOLVED** that the gifts and pledge payments totaling \$1,586,883 received by the Cleveland State University Foundation during the period July 1, 2012 to September 30, 2012 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 2012-98**

#### **ACCEPTING SPONSORED PROGRAMS FUNDS FOR 4<sup>th</sup> QUARTER, FY 2012 and 1<sup>st</sup> QUARTER, FY 2013**

**RESOLVED**, that the Sponsored Programs funds totaling \$3,831,884 received by the Cleveland State University during the period April 1, 2012 to June 30, 2012, are hereby accepted with thanks, and

**RESOLVED**, that the Sponsored Programs funds totaling \$3,016,578 received by the Cleveland State University during the period July 1, 2012 to September 30, 2012, are hereby accepted with thanks, and

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

### **FINANCIAL AFFAIRS**

#### **FY 2012 External Audit**

At the request of Chairman Levin, Vice President McHenry introduced the topic of the FY 2012 External Audit (**Attachment I**). She introduced Plante & Moran auditors, Robb Rose, Audit Partner; Jenny Kujawski, Audit Manager; and Brendan Pishnery, Audit-in Charge, and indicated that bids will be issued for the next auditing firm.

Mr. Rose reported that Plante & Moran is completing its fourth year of a five-year contract. He stated that a qualified opinion was issued for the FY 2012 Audit. Tests of compliance with certain provisions of laws, regulations, contracts and grant agreements were performed.

### **EXECUTIVE SESSION**

Trustee Bowen moved, and Trustee Moore seconded, the motion that the Board adjourn into Executive Session for the purpose of discussing the audit with the auditors; a personnel matter; and confidential, attorney-client privileged matters, including a discussion of imminent and pending litigation with general counsel. A roll call vote was taken by the Secretary to the Board; voting in the affirmative were Mr. Adler, Mr. Bowen, Mr. Gunning, Mr. Levin, Mr. Moore, Mr. Moreno, and Chairman Rawson.

Chairman Rawson excused everyone except all voting members of the Board. The Plante & Moran auditors, Director of External and Internal Audits, President Berkman, Interim Provost, Board Secretary, Vice President for Business Affairs and Finance, University General Counsel, Director of Athletics, and Assistant Vice President for Human Resources and Chief Negotiator were invited to participate in the appropriate segment of the Executive Session which began at 2:27 p.m.

Chairman Rawson announced at 3:30 p.m. that the Board had finished its business in Executive Session and was returning to its regular meeting.

### **ACADEMIC AFFAIRS**

Chairman Moreno reported that the Academic Affairs Committee met in the morning. The primary focus of the Committee and reports were on issues related to student success. The President and the administrative team were encouraged to move the University's strategic initiatives and retention and student success plan forward.

### **RECOGNITION COMMITTEE**

Chairman Rawson reported on behalf of Recognition Committee Chair June Taylor. He noted that the Recognition Committee met on October 23, 2012 (**Attachment J**) and has recommended Honorary Degree candidates for approval (**Attachment K**). Inasmuch as the candidates have not been notified, the Chairman requested that nothing be said or publicized until the candidates have been contacted. Included among the recommended candidates are Steven A. Minter and Albert B. Ratner, who will be awarded honorary degrees at the December 16, 2012 Commencement based upon the Board's approval and the candidates' acceptance.

Trustee Adler moved, and Trustee Gunning seconded, the motion to approve the recommended Honorary Degree candidates. The following resolution was passed by voice vote:

#### **RESOLUTION 2012-99**

##### **APPROVAL OF HONORARY DEGREE CANDIDATES**

**WHEREAS**, individuals who have made outstanding contributions to Cleveland State University, the Greater Cleveland area, and/or society have been nominated to receive an honorary degree from the University; and,

**WHEREAS**, the nominees have been reviewed and accepted by the Faculty Senate Committee on Graduation, Convocation and Assembly and are recommended by the Recognition Committee of the Board of Trustees;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees approves Nam-Wook Cho, Dianne McIntyre, Steven A. Minter, and Albert B. Ratner for honorary degrees from Cleveland State University, based upon their acceptance.

**UNFINISHED BUSINESS**

Trustee Levin moved, and Trustee Moore seconded, the motion to approve and accept the FY 2012 external audit performed by Plante & Moran. The following resolution was passed by voice vote:

**RESOLUTION 2012-100**

**APPROVAL AND ACCEPTANCE OF FY 2012 EXTERNAL AUDIT  
PERFORMED BY PLANTE & MORAN**

**WHEREAS**, the Vice President for Business Affairs & Finance, the Associate Vice President for Finance and Interim Controller, and the Director of the Department of Audits received the FY 2012 external audit reports from the University's external auditors Plante & Moran, as well as the SAS 114 Communication, NCAA Agreed Upon Procedures, Financial Statement Audit, Single Audit Report; and

**WHEREAS**, the external auditors discussed the audit reports with University Administration and the Board of Trustees at its November 7, 2012 meeting;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees hereby approves and accepts the audit reports mentioned above and dated November 7, 2012.

**NEW BUSINESS**

Trustee Bowen moved, and Trustee Adler seconded, the motion to approve the employment contract with men's head basketball coach Gary Waters. The following resolution was passed by voice vote:

**RESOLUTION 2012-101**

**APPROVAL OF MEN'S HEAD BASKETBALL COACH'S  
EMPLOYMENT AGREEMENT**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees hereby approves the Employment Agreement with the Men's Head Basketball Coach in the form substantially attached hereto.

There being no further business, the meeting was adjourned at 3:35 p.m.

Respectfully submitted,

**APPROVED ON JANUARY 16, 2013**

William J. Napier

Secretary to the Board of Trustees

**APPROVED ON JANUARY 16, 2013**

Robert H. Rawson, Jr.

Chairman, Board of Trustees