



**BOARD OF TRUSTEES
CLEVELAND STATE UNIVERSITY**

MINUTES OF THE MEETING

BOARD OF TRUSTEES MEETING

DATE: Monday, June 25, 2012, 8:30 a.m.
PLACE: The Wolstein Center, Gerald H. Gordon Conference Pavilion,
Weinberg Board Room

PRESENT: Chairman Robert H. Rawson, Jr., Treasurer Morton Q. Levin, Advancement Committee Chairman and Trustee Thomas W. Adler; Trustees Richard L. Bowen, Sally Florkiewicz, Bernardo “Bernie” F. Moreno, and Ronald E. Weinberg; Student Trustee Alexander S. Butler; Community Board Members Anand “Bill” Julka, and Steven A. Minter; Faculty Representatives Dr. Stephen F. Duffy and Dr. Joanne E. Goodell; President Ronald M. Berkman, and Secretary to the Board of Trustees William J. Napier.

Also in attendance were Katie Kleinfelder, Director, and Jon Moellenberg, Managing Director, RBC Capital Markets; Bethany Pugh, Managing Director, PFM; Bond Counsel Barbara Hawley, Partner, Squire Sanders; Underwriter’s Counsel Renee Richard, Partner, Roetzel & Andress; External auditors Robb Rose, Partner, and Jenny Kujawski, Audit Manager, Plante & Moran, PLLC.

Chairman Robert H. Rawson called the meeting to order at 8:30 a.m. A quorum was confirmed. Chairman Rawson called for a motion to approve the minutes of the April 11, 2012 Board meeting. Trustee Levin moved, and Trustee Florkiewicz seconded, the motion to approve the minutes. The minutes were approved by voice vote.

REPORT OF THE CHAIRMAN

Chairman Rawson reported that a meeting of the Executive Committee was held on April 24, 2012 (**Attachment A**). He noted that the Committee approved a ten-year agreement with Huntington Bank as the University’s banking services provider, a tiered rate parking structure

WHEREAS, the University uses technology employed by private companies to complete transactions, track usage and manage facilities; and,

WHEREAS, although the conversion of parking lots into buildings was always contemplated by the University’s Master Plan, and replacement parking has been constructed in accordance with that plan, students, faculty and staff currently perceive on-campus parking to be scarce; and,

WHEREAS, the University engaged in a parking master planning process with the assistance of Graelic & Associates in June 2011, in order to enhance customer service and ensure the continued financial viability of the University’s parking program; and,

WHEREAS, as a result of the master planning process, the University administration has determined the need for specific changes to the existing program, including revisions to the parking assignment process, and a tiered rate structure based upon proximity of the parking location to core campus buildings;

NOW, THEREFORE, BE IT RESOLVED that the Executive Committee of the Cleveland State University Board of Trustees authorizes the University administration to revise the current parking rate structure to incorporate a tiered rate structure based upon relative proximity to core campus buildings. It is understood the price for parking in proximity to the core campus buildings (PREMIUM LOCATIONS) will be more expensive than the price for parking in areas located further away from said core (STANDARD LOCATIONS). It is further understood that the public/visitor parking rate will be the most expensive price.

BE IT FURTHER RESOLVED that the University is authorized to implement the following rates for FY13. It is understood that the rates for summer session parking, Recreation Center garage and meters operated by CSU will be established as a function of the rates below.

	FY 12	FY 13
Option A Locations [a]		
Student – Semester	\$205.25	\$190.88
Faculty Staff – Annual	\$816.00	\$816.00
Faculty Staff – Semester	\$312.00	\$312.00
Scratch Off – Pre Paid Daily	\$6.00	\$6.00
Option B Locations [b]		
Student – Semester	\$205.25	\$225.78
Faculty Staff – Annual	\$816.00	\$856.80
Faculty Staff – Semester	\$312.00	\$343.20
Scratch Off – Pre Paid Daily	\$6.00	\$8.00
Student Surcharge for Overnight/Semester	\$51.00	\$25.00

WHEREAS, President Berkman led the effort to recruit an entering class in the fall of 2011 that had a class size of 1,250 first-time-in-college students, an historic high for Cleveland State, and also is the best academically-prepared class in the University's history, their average ACT score being higher than the national average; completed a new collective bargaining agreement with the faculty that has been approved overwhelmingly by the CSU faculty; had major successes in University advancement, nurturing three gifts of more than \$1,000,000 and recruited 20 new community leaders to serve on the University Foundation Board; jointly led the effort to raise more than \$500,000 for student scholarships at the 2012 Radiance event, successfully hired a new dean for the College of Engineering; continued development of, and outside funding for, the Center for Innovation in Engineering, including the refinement and expansion of co-op education opportunities for CSU students; put in place plans to clear the Viking Hall site to make way for a creative public-private partnership for reuse of the footprint; led development of a strategic plan for e-learning; led the opening of the Arts Campus and the Allen Theatre; achieved the CSU-Northeast Ohio Medical University partnership (including the recruitment of 13 students in the 2012 student cohort); conducted an extensive visit to India and China to develop relationships with universities in these nations that will encourage and expedite student recruitment; advanced the North Campus Development Project toward a fall, 2012 opening; provided leadership to the Horizon League by serving as Chair of the League's President's Council; and provided leadership to the State of Ohio by serving on the Board of Regents Chancellor's Task Force on Completion; and

WHEREAS, the Executive Committee has recommended to the full Board, that, in light of President Berkman's accomplishments in meeting his goals and objectives as required, he receive a performance bonus in an amount that is twenty-five percent (25%) of his annual base salary as in effect on the last

RESOLUTION 2012-22

ACCEPTING THE PRESIDENT'S 2012-2013 GOALS

WHEREAS, President Berkman's performance is evaluated annually, pursuant to Sections 3.2 and 4.5 of his employment agreement, based upon the execution of his duties and attainment of goals and objectives as agreed upon by the President and Board Executive Committee; and

WHEREAS, the Executive Committee has reviewed and commented upon the 2012-2013 goals submitted by President Berkman, and has recommended to the full Board the acceptance of the President's goals as stated and amended;

NOW, THEREFORE, BE IT RESOLVED that the Cleveland State University Board of Trustees accepts President Berkman's goals for 2012-2013 as amended.

On behalf of the Board of Trustees, Chairman Rawson applauded President Berkman for the goals he has achieved, noting the progress made and the plans moving forward on many fronts. He remarked that the President's performance bonus was well earned.

Chairman Rawson recognized Trustee Sally Florkiewicz as a long-serving member of the Board of Trustees and observed that this was her last meeting. He mentioned that a special luncheon in her honor was being held following the Board meeting. Chairman Rawson read and moved the following resolution in recognition of Trustee Florkiewicz. The resolution was passed unanimously, with applause.

RESOLUTION 2012-23

IN RECOGNITION OF SALLY D. FLORKIEWICZ FOR HER DISTINGUISHED SERVICE ON THE CLEVELAND STATE UNIVERSITY BOARD OF TRUSTEES

WHEREAS, Sally Florkiewicz was first appointed by Governor George V. Voinovich to the Cleveland State University Board of Trustees**WHEREAS**,

on academic, student and minority affairs, athletics, honorary degrees and recognition, and the Board Committee on Visiting Committees; and

WHEREAS, Ms. Florkiewicz has always placed the safety and success of Cleveland State University students first and foremost while considering University policies and issues; and

WHEREAS, Ms. Florkiewicz has also regarded the hiring of university presidents as one of the most important responsibilities as a member of the Board of Trustees, and has actively participated on the search committees, resulting in the hiring of the current and immediate past presidents of the university; and

WHEREAS, being a strong advocate of Cleveland State University and an avid Viking supporter, Ms. Florkiewicz initiated the Women's Athletics Fund in 1999 and has co-chaired its annual fundraising events, has chaired the Board's Athletics Committee, and has actively represented the Board of Trustees on the NCAA Recertification Steering Committee in 2004; and

WHEREAS, as a means of beautifying the urban campus and making it more user and visitor-friendly, Ms. Florkiewicz co-chaired the new Landscape Enhancement Committee of the University and initiated the campus bench program to enhance the campus and raise funds in recognition of and as a memorial to individuals; and

WHEREAS, Ms. Florkiewicz has always been truly "engaged" as a trustee of Cleveland State University at all levels, she has actively participated in convocations, commencements, campus events, led and served on committees, taken classes as a student, and represented the Board of Trustees as a member of the Ohio Board of Regents committee to improve communications among the trustees of the higher education system of Ohio and the Regents; and

WHEREAS, Ms. Florkiewicz is an educator, proprietor, philanthropist, civic activist, consummate volunteer and community leader, serving on and fulfilling the missions of many boards throughout Greater Cleveland with dedication and compassion;

NOW, THEREFORE, BE IT RESOLVED that the Cleveland State University Board of Trustees hereby acknowledges with sincere appreciation the dedication and significant contributions of Ms. Sally D. Florkiewicz to the State of Ohio, The Cleveland State University and the broader community, and notes that she will be truly missed as one of the Board's most dedicated members.

Trustee Florkiewicz expressed her appreciation to her fellow Board members and to President Berkman. She stated that it was a privilege to serve CSU on the Board of Trustees, and that she is honored to be able to continue to serve the University as a member of the Cleveland

State University Foundation Board of Directors. She exclaimed that she is proud to be a Viking fan.

Chairman Rawson thanked Community Board Members Dr. Paul DiCorleto and Bill Julka for their service and willingness to be reappointed (**Attachment C**). Trustee Adler moved, and Trustee Bowen seconded, the reappointment of Paul E. DiCorleto, Ph.D. and Bill Julka as Community Members of the Cleveland State University Board of Trustees, for terms ending June 30, 2014 and June 30, 2013 respectively. The following resolution was passed by voice vote:

RESOLUTION 2012-24

**REAPPOINTMENT OF COMMUNITY BOARD MEMBERS
PAUL E. DICORLETO, PH.D. AND ANAND "BILL" JULKA**

WHEREAS, the Bylaws of the Board of Trustees were amended on January 20, 2006 to expand the Board's membership and expertise with other faculty and community members to serve as non-voting members; and

WHEREAS, the Board of Trustees wishes to gain the expertise, knowledge, and perspective of additional community members on matters coming before the Board; and

WHEREAS, pursuant to Section 1.14 of the Bylaws of the Board of Trustees, the Chairman may appoint community members as non-voting advisors to serve a term as approved by the Board; and

WHEREAS, Paul E. DiCorleto, Ph.D. and Anand "Bill" Julka, as Community Board Members, have served on the Board of Trustees with dedication, and have provided valuable knowledge and expertise;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees approves the reappointments of Paul E. DiCorleto, Ph.D. and Anand "Bill" Julka as Community Members of the Cleveland State University Board of Trustees for terms ending June 30, 2014 and June 30, 2013 respectively.

REPORT OF THE PRESIDENT

President Berkman commented on several of the agenda items. He expressed his appreciation to the Board for its continued support and confidence, noting that the progress being

made is a team effort, including the Board of Trustees. He has not experienced a more committed and passionate Board than here at Cleveland State.

President Berkman noted that the major sponsors of the Radiance scholarship event are acknowledged in a full-page ad in today's *Plain Dealer*. The \$500,000 goal was exceeded, and progress is well underway towards meeting next year's goal of \$750,000. He also acknowledged the outstanding efforts of Steven A. Minter, Chair of the Cleveland State University Foundation Board of Directors, and Berinthia R. LeVine, Vice President for University Advancement and Executive Director of the Cleveland State University Foundation, for their outstanding efforts in revitalizing the Foundation Board.

Since the opening of the Campus International School in August 2010, President Berkman reported that it has been a huge success. Last year, four new kindergartens classes were added at the encouragement of the Cleveland Municipal School District, doubling the number of students. Original plans projected that the space leased from the First United Methodist Church at East 30th and Euclid Avenue would accommodate the growth of the school through fourth grade. Due to the added sections of kindergarten, a new location for the school will be required earlier than originally projected. The President noted that later on the agenda, the Board will be asked to consider a lease of the Cole Center for the relocation of the Campus International School, which would allow for expansion through the sixth, and possibly the seventh grade.

President Berkman announced the appointment of Dr. Antonie J. van den Bogert to fill the position of Parker Hannifin Endowed Chair in Human Motion and Control. He added that Dr. Bogert is highly qualified and is internationally recognized as a leader in the field, is well-published and holds three active patents. As part of the Consent Agenda, the Board is being

asked to approve the award of tenure at the rank of Professor in the Department of Mechanical Engineering to Dr. van den Bogert.

President Berkman also announced the appointment of Dr. Anette M. Karlsson as Dean of the Fenn College of Engineering, remarking on her incredible record of scholarship and research. He noted that she is among the few female college of engineering deans in the country; the Board is also being asked to approve the award of tenure at the rank of Professor in the Department of Mechanical Engineering to Dr. Karlsson.

In closing, President Berkman called the Board's attention to the 26% increase in the growth of research expenditures over the last year. He noted a more competitive research environment and the alignment of the research agenda with the strategic academic priorities of the University, a wonderful testament to the leadership team, deans and faculty.

REPORT OF THE CSU FOUNDATION CHAIR

Mr. Steven A. Minter, Chair of the CSU Foundation Board of Directors, reported that 15 new members were elected to the Foundation Board at its annual meeting on June 4, expanding the Board's size and diversity. The following members were awarded honorary or emeritus Foundation Board status:

- Charles Emrick as Honorary Director
- Judge Annette G. Butler as Emeritus Director
-

\$503,000 net was raised for student scholarships as a result of the *Radiance* scholarship event held May 11, exceeding the \$377,000 raised last year.

CONSENT AGENDA

Chairman Rawson noted that a sheet was distributed, providing the final prices for electric generation supply service as of June 22, 2012, as part

WHEREAS, the credentials of Dr. van den Bogert have been reviewed by the appropriate faculty peer review committee, the Interim Chair, the Interim Dean, the Provost and the President; and

WHEREAS, Dr. van den Bogert has fulfilled the requirements for tenure at the rank of Professor as set forth in Ar

WHEREAS, students oftentimes find it difficult to save money to pay for a commercial bar review course or choose not to take a course because of the cost; and

WHEREAS,

WHEREAS, the cost of this instrument will be covered by an Instrumentation grant received by Dr Sailen Barik, Director of GRHD, from the National Institutes of Health, with cost of extended service contract and technical support, covered by funds provided by the Office of the Vice Provost for Research;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby approves the request to purchase the confocal microscope, for use by NIH-funded, res

RESOLUTION 2012-32

**APPROVAL OF CAMPUS-WIDE POWER REQUIREMENTS
PURCHASE AGREEMENT**

WHEREAS, Cleveland State University issued an RFP seeking a campus wide electricity requirements provider for the next several years, pursuant to which RFP several wholesale electricity providers responded with competitive bids to service Cleveland State's electrical load; and

WHEREAS, Cleveland State University has examined each of the qualifying competitive bids and has determined that First Energy Solutions Corporation responded with the best overall proposal, including the lowest electricity price over the period of time set forth in the RFP; and

NOW, THEREFORE, BE IT RESOLVED that the Cleveland State University Board of Trustees hereby approves the execution of the Power Requirements Purchase Agreement with First Energy Solutions Corporation, in substantially the form attached hereto, and further, that the Administration is hereby authorized to take all steps necessary to complete negotiation for and execution of said Agreement.

RESOLUTION 2012-33

**RATIFICATION OF LEASE AGREEMENT FOR ART GALLERY SPACE IN
COWELL HUBBARD BUILDING AT 1309 EUCLID AVE.**

WHEREAS, Cleveland State University intends to establish an Art Gallery for its Art Program in the Cowell Hubbard Building at 1309 Euclid Avenue in Cleveland, Ohio; and

WHEREAS, the University has negotiated a lease with Playhouse Square, the owners and landlord of the Cowell Hubbard building; and

WHEREAS, the Board of Trustees Financial Affairs Committee has authorized the Administration to negotiate and execute the Lease with Playhouse Square in substantially the same form as presented, subject to any modifications deemed necessary or appropriate in the discretion of the Administration and the Office of General Counsel, and further subject to ratification of the full Board of Trustees;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby ratifies the attached executed Lease Agreement between Cleveland State University and Playhouse Square for Art Gallery space in the Cowell Hubbard Building at 1309 Euclid Ave.

RESOLUTION 2012-34

ACQUISITION OF CSU WIRELESS NETWORK EQUIPMENT

WHEREAS, the University's wireless network is essential to students, faculty and staff who have come to rely on wireless for access to the web, submitting assignments, accessing campus tools, e-learning, research and communications; and,

WHEREAS, a large portion of the existing wireless network was installed in 2002 and 2003 and is in need of a technology upgrade to accommodate an ever expanding number of wireless network devices; and,

WHEREAS, the University has received a quote for the required wireless infrastructure upgrade costing in the aggregate not more than \$726,710;

NOW, THEREFORE, BE IT RESOLVED that the Vice President for Business Affairs and Finance is hereby authorized to purchase the required wireless equipment for an aggregate cost not to exceed \$726,710.

ACADEMIC AFFAIRS

Chairman Rawson reported on the Academic Affairs Committee meeting held on April 24, 2012 (**Attachment O**). He noted that there were no decision items; however, several informative reports were presented. An enrollment report indicated a 13% increase in student headcount and a 15% increase in credit hours, and a median GPA of 3.2. Graduate and law enrollment were reported to remain relatively stable.

As examples of engaged faculty scholarship, Chairman Rawson reported that presentations were given by recognized international law expert, Professor Milena Sterio, regarding piracy off the coast of Somalia; and the creation of a mobile application for teaching history by Dr. Mark Tebeau. The Provost presented the web-based platform that increases the online visibility and global impact of the faculty's research and intellectual knowledge, noting that nearly all of the FY13 budget for library materials will be spent on electronic resources.

ATHLETICS

A summary of the Athletics Committee meeting held on June 11, 2012 (**Attachment P**) was presented by Chair Sally Florkiewicz. The overall success of the student athletes, both

scholastically and athletically, were noted with a second place finish in the Horizon League and a 2.976 grade point average for all teams in spring 2012, and a cumulative GPA of 3.096.

Suggestions were offered to increase athletic fund raising beyond the \$261,195 raised from 462 donors. Chair Florkiewicz reported that the last portion of the meeting was dedicated to a discussion of the potential for intercollegiate lacrosse at CSU. A "Sports Sponsorship" Committee would be formed to review and consider all sports.

In closing her report, Chair Florkiewicz, announced the "Night at the Races" to be held on Saturday, August 11, 2012, to benefit CSU Women's Athletics. She noted that registration for the Viking Derby would be opening soon.

FINANCIAL AFFAIRS

Chairman Levin reported that the Financial Affairs Committee met on April 26, 2012 (**Attachment Q**) regarding the University wireless network upgrade and electricity power purchase, both of which were acted upon as part of today's Consent Agenda. He also reported that tuition and the University budget for FY 2013, as well as a lengthy discussion pertaining to the bond issuance and funding of the Capital Plan were presented at the June 6 Financial Affairs Committee meeting

federal expenditures, and provide an opinion along with the financial statements to be submitted to the State by October 15, and presented to the Board at its November 2012 meeting.

Integrated Capital and Investment Plan: Bond Issuance

The background and financial analysis for an integrated capital plan to support critical facility deferred maintenance and master plan projects were presented for discussion (**Attachment T**). Vice President McHenry introduced the team of financial and legal professionals providing bond counsel, debt capacity and financial analysis, and underwriting services. Bethany Pugh, Managing Director of Public Financial Management (PFM) presented an overview of the strategic planning model and key assumptions used to evaluate the University's integrated capital plan relative to debt affordability, appropriate levels of debt capacity, impact on the University's credit ratings, and regulatory ratios of the State of Ohio (Senate Bill 6) and the Higher Learning Commission accreditation.

A market update was presented by Katie Kleinfelder, Director of RBC Capital Markets. She indicated that this was a better time for fixed rate debt issuance of 3.17 for three years on triple A bonds. The market is deluged with refinancing, rather than new money. An analysis was also presented of General Receipt Bond refunding and restructuring. There would not be any cost to restructure the \$5 million debt service over the life of the issue, and it would provide \$8.7 million in net savings and cash flow relief to the University.

The financing schedule entails a submission to the Ohio Board of Regents the end of June, following approval by the CSU Board of Trustees; receipt of ratings by July 20, following application and meetings in early July with rating agencies; bond pricing on August 7/8, and closing on August 21.

Bond counsel Barbara Hawley, Partner with Squire Sanders, reviewed the proposed Series 2012 Bond Resolution, authorizing the Administration to take the necessary steps within parameters to issue bonds for the first three years of the integrated five-year capital plan. The bonds will fund the costs of the new Center for Innovation in Health Professions and the rehabilitation of existing campus facilities to meet code, security and safety requirements. In addition to new money financing, bonds may be issued to refund outstanding debt.

Board members questioned and commented on the key assumptions, the amount of bond issuance, and debt refunding and restructuring. Following discussion, Trustee Levin moved to amend the proposed Series 2012 Resolution to authorize the issuance of General Receipts Bonds in an aggregate principal amount not to exceed \$90,000,000 with an interest rate of 4.75% per year to pay costs of University facilities and to refinance outstanding General Receipts Bonds. Trustee Bowen seconded the motion. The following amended resolution was passed by voice vote:

**RESOLUTION 2012-35
AMENDED SERIES 2012 RESOLUTION**

**Authorizing the issuance of General Receipts Bonds of the University to pay costs
of University facilities and to refinance outstanding General Receipts Bonds**

WHEREAS, the Board of Trustees of Cleveland State University, a state university of the State of Ohio (the "University"), is authorized by Sections 3345.11 and 3345.12 of the Revised Code, enacted by the General Assembly under authority of Section 2i of Article VIII of the Constitution of Ohio, to issue obligations to pay costs of University facilities and to refund obligations previously issued to pay costs of University facilities; and

WHEREAS, the Trust Agreement dated as of May 1, 1993 between the University and U.S. Bank National Association, as Trustee, provides for the issuance, from time to time, of General Receipts Bonds of the University, with each issue to be authorized by a Series Resolution adopted by this Board; and

WHEREAS, this Board has determined to finance the costs of the "Series 2012 Bonds Projects" (as defined in Section 1 of this Resolution) by the issuance of General Receipts Bonds in one or more Series in an aggregate principal amount not to exceed \$90,000,000, including costs of

constructing, furnishing and equipping a new building on the University's campus for curricula in the life sciences and costs of rehabilitating and improving existing buildings on the University's campus; and

WHEREAS, the new life sciences building will provide facilities for joint programs of the University and the Northeast Ohio Medical University, a state university of the state of Ohio, which has committed to contribute up to \$10,000,000 to the costs of the facilities; and

WHEREAS, this Board has further determined to authorize the issuance and sale of one or more series of General Receipts Bonds to refund one or more series of outstanding General Receipts Bonds, in whole or in part, as may be determined, from time to time, by the University's Fiscal Officer

as authorized by the General Bond Resolution, the Associate Vice President for Finance and Technology of the University.

“General Bond Resolution” means the resolution adopted by the Board on March 16, 1993, providing for the issuance from time to time of General Receipts Bonds of the University and constituting part of the Trust Agreement.

“Interest Payment Dates” means June 1 and December 1 of each year or, with respect to Series 2012 Bonds of any Series, such other dates provided in the Certificate of Award for that Series of Series 2012 Bonds.

“Original Purchaser” means RBC Capital Markets, LLC, Barclays Capital Inc., PNC Capital Markets LLC and Rice Financial Products Company or such other financial institutions as may be identified in the Certificate of Award as the purchasers of the Series 2012 Bonds.

“Outstanding Bonds” means any General Receipts Bonds issued and Outstanding under the Trust Agreement. As of the date of adoption of this Resolution, the following are General Receipts Bonds Outstanding under the Trust Agreement: General Receipts Bonds, Series 2003A currently outstanding in the principal amount of \$25,495,000; General Receipts Bonds, Series 2004 currently outstanding in the principal amount of \$52,340,000; General Receipts Bonds, Series 2007A, currently outstanding in the principal amount of \$39,650,000; General Receipts Bonds, Series 2008, currently outstanding in the principal amount of \$19,495,000; and General Receipts Bonds, Series 2011, currently outstanding in the principal amount of \$5,775,000.

auxiliary buildings to address life safety and other building code requirements, improve structural integrity and reliability, upgrade electrical and mechanical systems and improve security; acquisition and installation of electrical substations serving the campus; acquisition of emergency generators and electrical transformers to replace existing generators and transformers for various campus buildings; acquisition and installation of security cameras and other security systems improvements at various campus locations; replacement of windows; rehabilitation of pedestrian bridges and walkways on the campus; acquisition and installation of alarms, sprinklers, fume hoods and other suppression and alarm systems for fire safety; all as described in more detail in the applicable Supplemental Trust Agreement.

“Series 2012 Resolution” or “this Resolution” means this Resolution authorizing the issuance and sale of the Series 2012 Bonds in one or more Series, and including the applicable Certificate of Award for the Series.

“Supplemental Trust Agreement” means with respect to each Series of Series 2012 Bonds, the applicable Supplemental Trust Agreement between the University and the Trustee, authorized pursuant to Section 8 of this Resolution, including as part thereof this Resolution and the applicable Certificate of Award.

“Tax-Exempt Bonds” means any Series 2012 Bonds originally issued as obligations the interest on which is excluded from gross income under the Code and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code.

“Trust Agreement” means the Trust Agreement dated as of May 1, 1993 between the University and U.S. Bank National Association, as successor trustee.

“Trustee” means the bank or trust company at the time serving as trustee under the Trust Agreement, presently U.S. Bank National Association.

Unless the context otherwise indicates, words importing the singular number shall include the plural number, and vice versa, and the terms “hereof,” “herein,” “hereby,” “hereto,” “hereunder,” and similar terms, mean this Resolution and the applicable Supplemental Trust Agreement authorized by this Resolution. Words of any gender include, when the sense so indicates, correlative words of any other gender. References to sect

Bonds shall mature later than the remaining weighted average useful life of the facilities financed or refinanced by the applicable Series of Refunded Bonds.

(e) **Prior Redemption.**

(i) **Term Bonds--Mandatory Redemption.** If provided for in the Certificate of Award, Series 2012 Bonds maturing in a particular year may be consolidated with the principal amount of Series 2012 Bonds of the same Series maturing in one or more prior consecutive years to provide for bonds maturing in that later year in the aggregate principal amount of those consolidated maturities (a "Term Bond"). Any such Term Bonds shall be subject to mandatory redemption by the University pursuant to mandatory sinking fund requirements at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date of redemption, on the dates and in the principal amounts as determined by the Fiscal Officer in the Certificate of Award. The amounts required to be paid to the Bond Service Account shall include amounts sufficient to redeem (less the amount of any credit as provided in the Supplemental Trust Agreement for the related Series of Series 2012 Bonds) on each principal payment date in the respective principal amounts of any Term Bonds subject to mandatory sinking fund redemption.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date, the University may (i) deliver to the Trustee for cancellation Term Bonds, in any aggregate principal amount desired, or (ii) receive a credit in respect to the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the University for any Term Bonds of the same Series maturing in the same year as the Term Bonds so delivered to the Trustee, which prior to that date have been redeemed (other than through the operation of the mandatory sinking fund requirements provided for) or purchased for cancellation and cancelled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund requirement (and corresponding mandatory redemption obligation). Each Term Bond so delivered or previously redeemed or purchased for cancellation shall be credited by the Trustee at 100% of its principal amount against the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the University on that redemption date with respect to Term Bonds maturing in the same year as the Term Bonds so delivered or previously redeemed or purchased for cancellation.

provided in the Certificate of Award, the Fiscal Officer may determine that none of the maturities of Series 2012 Bonds of any Series will be subject to optional redemption prior to maturity or that certain maturities of Series 2012 Bonds of any Series will not be subject to optional redemption prior to maturity.

(iii) **Partial Redemption.** If fewer than all of the outstanding Series 2012 Bonds of any Series are to be called for optional redemption, the Series 2012 Bonds to be redeemed shall be selected by the University in any manner it may determine. If fewer than all of the outstanding Series 2012 Bonds of the same maturity and interest rate are to be called for redemption, the selection of the Bonds or portions of those Bonds (in denominations authorized in the applicable Supplemental Trust Agreement) of that maturity to be called for redemption shall be made in the manner provided in the Trust Agreement. If optional redemption of Series 2012 Bonds of any Series at a redemption price above 100% of the principal amount to be redeemed

Series 2012 Bonds from their date to their delivery date. The Fiscal Officer is authorized to sign one or more Certificates of Award and any Bond Purchase Agreements for the related Series of Series 2012 Bonds, in order to provide for the definitive terms and terms of sale and award to the Original Purchaser of the Series 2012 Bonds of each Series as provided in this Resolution, but not later than June 30, 2014. The Certificate of Award and any Bond Purchase Agreement for any Series of Series 2012 Bonds shall not be inconsistent with this Resolution, and shall be approved by the Fiscal Officer, her signing of the Bond Purchase Agreement to constitute conclusive approval, and a finding that the terms are not materially adverse to the University, on behalf of the University. The Certificate of Award for the related Series of Series 2012 Bonds shall be incorporated in and form a part of the related Supplemental Trust Agreement.

(b) **Official Statement.** The Fiscal Officer is authorized to prepare or authorize to be prepared, and to complete a preliminary official statement and final official statement relating to the original issuance of any Series of Series 2012 Bonds. If and to the extent applicable, the Fiscal Officer shall certify or otherwise represent, that the preliminary official statement, in original or revised form, is a “deemed final” official statement (except for permitted omissions) by the University as of a particular date and that a completed version is a “final” official statement for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (the Rule). The distribution and use of a preliminary official statement and final official statement by the University and the Original Purchaser is hereby authorized and approved with respect to Series 2012 Bonds of any Series.

The Fiscal Officer and any other appropriate officers of the University or the Board of Trustees are further authorized (i) to use and distribute, or authorize the use and distribution of, the preliminary and final official statements and supplements thereto in connection with the original issuance of Series 2012 Bonds of any Series as may in their judgment be necessary or appropriate, and (ii) to sign and deliver, on behalf of the University and in their official capacities, such certificates in connection with the accuracy of the preliminary and final offici

(i) to the Bond Service Account in the Bond Service Fund, any portion of the proceeds representing accrued interest;

(ii) to the provider of any Credit Support Instrument, if provided for in the Certificate of Award, the amount that Certificate provides to pay fees and expenses relating to that Instrument;

(iii) to the Series 2012 Bonds Projects Fund, the balance of the proceeds of any Series of Series 2012 Bonds issued to pay costs of the Series 2012 Bonds Projects;

(iv) to the Trustee, in its capacity as Escrow Trustee under an Escrow Agreement (as defined in Section 9) for the Refunded Bonds refunded by the Series 2012 Bonds of that Series, the amount set forth in the Certificate of Award as the amount needed to provide for the refunding of those Refunded Bonds; and

(v) in the event that a Series of Series 2012 Bonds is issued to refund Outstanding Bonds separately from a Series issued to pay costs of the Series 2012 Bonds Projects, to the Issuance Expenses Fund, the amount determined by the Fiscal Officer to be needed to pay costs of issuing the Series 2012 Bonds of that Series and refunding the Refunded Bonds to be refunded by that Series.

(b) **Series 2012 Bonds Projects Fund.** The Series 2012 Bonds Projects Fund shall be established for each Series of Series 2012 Bonds issued to pay costs of the Series 2012 Bonds Projects and shall be held by the University or by the Trustee in a separate deposit account or accounts (except when invested as provided below) set up in a bank or banks that are members of the Federal Deposit Insurance Corporation, and used and applied to pay “costs of facilities” as defined in Revised Code Section 3345.12, including the reimbursement to the University of moneys temporarily advanced for the purpose in anticipation of being reimbursed from the proceeds of the Series 2012 Bonds. Moneys on deposit in the Series 2012 Bonds Projects Fund may be invested by or at the direction of the Fiscal Officer in eligible investments described in the Supplemental Trust Agreement maturing or redeemable at the option of the holder prior to the time or times needed for the purposes of that fund. Those investments and the proceeds of their sale shall constitute part of, and earnings from any of those investments shall be credited to, that Fund. Those investments may be sold, exchanged or collected from time to time by or at the direction of the Fiscal Officer. Any amounts in the Series 2012 Bonds Projects Fund certified by the Fiscal Officer to be in excess of the amount needed to pay costs of the Series 2012 Bonds Projects may be used to pay principal of or interest on the Series 2012 Bonds of the Series that funded the Series 2012 Bonds Projects if that expenditure will not, in the opinion of bond counsel to the University, adversely affect the exclusion of interest on the Series 2012 Bonds from gross income for federal income tax purposes.

held in trust for and shall be used for the payment of the principal of and interest and any redemption premium on the applicable Refunded Bonds, all as provided in the related Escrow Agreement for those Refunded Bonds.

WHEREAS, the Cleveland Marshall College of Law proposes a combination of expense reductions and tuition increases to maintain a vital program of legal education in a national environment of declining demand for legal education;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby approves the attached proposed tuition schedule, effective Fall 2012.

University Budget for FY 2013

Essentially breakeven Operating, General Fee, and Auxiliaries budgets were proposed for FY 2013 (**Attachment W**). Based upon the recommendation of the Financial Affairs Committee, Trustee Adler moved, and Trustee Moreno seconded, the motion to approve a total University budget of \$265,572,851 for FY 2013. The following resolution was passed by voice vote:

RESOLUTION 2012-37

APPROVAL OF THE UNIVERSITY FY13 BUDGET

BE IT RESOLVED that the proposed University Budget for FY 2013 be adopted, as follows:

Operating Budget	\$	219,516,171
General Fee Budget		<u>22,092,488</u>
Total Educational & General Budget	\$	241,608,659
Auxiliary Enterprises Budget	\$	<u>23,964,192</u>
Total University Budget	\$	265,572,851

Campus International School Lease

The Campus International School has operated since August 2010 in space leased by the University from the First United Methodist Church at East 30th Street and Euclid Avenue. Due to the expansion of the School to include the fourth grade class in 2012-2013, a larger facility is required. The Administration has proposed the lease of the Cole Center (currently dormant) to the Cleveland Municipal School District for the operation of the Campus International School at Cleveland State University (**Attachment X**). The proposed lease is amortized to cover the cost of renovation of the space. The Cleveland Municipal School District would pay rent to the University to reimburse the cost of renovating the Cole Center for elementary school use.

In response to inquiries, University General Counsel Wilson explained that alternate uses (i.e. day care) of the converted space in the First United Methodist Church were being discussed. The Administration had not yet discussed the option of buying out the lease.

Trustee Moreno moved, and Trustee Adler seconded, the motion to approve the proposed lease of the Cole Center to the Clev

WHEREAS, the CSU Cole Center is not currently being utilized and has sufficient space to allow for expansion through at least the sixth and possibly through seventh grade, the Task Force determined that the Cole Center is an ideal expansion site, which would allow CIS to remain an integral part of the CSU campus due to its location; and

WHEREAS, the parties have negotiated a lease agreement that incorporates most of the operating terms originally negotiated in a Memorandum of Understanding prior to the initial opening of CIS, and each party retains essentially the same responsibilities that each party assumed in the document, in addition to the fact that CMSD will pay rent to CSU that will reimburse the cost of renovation necessary to convert the building for elementary school use;

NOW, THEREFORE, BE IT RESOLVED that the Cleveland State University Board of Trustees hereby approves the lease of the Cole Center to the Cleveland Municipal School District for the Campus International School, in the form substantially attached hereto, subject to any revisions deemed necessary by University General Counsel.

Center for Innovation in Health Professions

The planning process, project concept, schedule and budget for the design and construction of a Center for Innovation in Health Professions (**Attachment Y**) were presented by the University administration for authorization of the building project by the Board. The proposed new facility would bring together the medical programs and health-related disciplines, providing a permanent presence of the medical school on CSU's campus, as well as interdisciplinary collaboration with the University's health professions. A significant portion of the bond issuance in August 2012 would fund the anticipated \$45 million project cost, of which \$10 million will be provided by the Northeast Ohio Medical University. Board approval of the project is sought to strengthen support in the bond market.

Trustee Florkiewicz moved, and Trustee Bowen seconded, the motion that the Board of Trustees authorize the Administration to move forward with the Center for Innovation in Health Professions building project and present the full proposal to the Board for final project approval. The following resolution was passed by voice vote:

RESOLUTION 2012-39

CENTER FOR INNOVATION IN HEALTH PROFESSIONS

WHEREAS, Cleveland State University (CSU) is planning a new building called the Center for Innovation in Health Professions (CIHP); and

WHEREAS, the CIHP facility will bring together medical programs in one building to encourage collaboration across disciplines; and

WHEREAS, NEOMED is a key partner for the CIHP facility, and their permanent location in downtown Cleveland will enhance their urban health initiatives; and

WHEREAS, there is a robust planning process underway that includes CSU and NEOMED faculty and staff, and will be the basis for a Request for Proposals for developing the project; and

WHEREAS, the preliminary schedule projects completion by first quarter 2015; and

WHEREAS, the funding for the project is expected to be part of a CSU bond issuance in August 2012, a part of which will be repaid to CSU by NEOMED;

NOW, THEREFORE, BE IT RESOLVED that the CSU Board of Trustees authorizes the Administration to continue with planning the Center for Innovation in Health Professions, and will consider final project approval when a full proposal can be presented.

Department of Audits FY 2012 Annual Report

The Department of Audits Annual Report for FY 2012, as updated June 21, 2012, (**Attachment Z**) was presented by Director of Internal/External Audits Judith A. Richards to the Board of Trustees for acceptance. Trustee Moreno moved, and Trustee Bowen seconded, the motion to accept the Annual Report as updated. The following resolution was passed by voice vote:

RESOLUTION 2012-40

ACCEPTANCE OF THE FY 2012 DEPARTMENT OF AUDITS ANNUAL REPORT

WHEREAS, the University's Department of Internal and External Audits delivered and discussed the FY 2012 Department of Audits Annual Report with the Vice President of Business Affairs and Finance; and

WHEREAS, the Vice President of Business Affairs and Finance recommends that the full Board accept the Annual Report as submitted;

NOW, THEREFORE, BE IT RESOLVED that the Cleveland State University Board of Trustees hereby accepts the FY 2012 Department of Audits Annual Report as submitted.

Financial Affairs Investment Subcommittee

Chairman Levin reported on the June 6, 2012 meeting of the Financial Affairs Investment Subcommittee (**Attachment AA**). He noted that the Subcommittee approved the recommendation of the Legacy Strategic Asset Management investment advisors to rebalance the investment portfolio by moving \$1 million from Fixed Income and placing it in international equities (**Attachment BB**). Trustee Adler moved, and Trustee Bowen seconded, the motion to ratify the decision of the Financial Affairs Investment Subcommittee to rebalance the investment portfolio as recommended. The following resolution was passed by voice vote:

RESOLUTION 2012-41

INVESTMENT PORTFOLIO REBALANCING

WHEREAS, The Investment Policy for the Cleveland State University investment fund establishes asset and style parameters for the fixed income and equity portions of the fund; and,

WHEREAS, our allocation to international equities is below the preferred level stated in our Investment Policy by 3%; and,

WHEREAS, the fixed income portion of the portfolio was 2% above the preferred level; and,

WHEREAS, the CSU Investment Sub-Committee acted to rebalance the fund by moving \$1 million from the fixed income portfolio to the international portfolio at its meeting on June 6, 2012;

NOW, THEREFORE, BE IT RESOLVED that the CSU Board of Trustees ratifies the decision by the Investment Sub-Committee to rebalance the fund.

Investments Report as of March 31, 2012

A report on the investments for the period ending March 31, 2012 (**Attachment CC**) was provided to the Board for information.

ELECTION OF OFFICERS

Chairman Rawson noted a change in the agenda. He called upon Trustee Weinberg to present the recommendation of the Nominating Committee. The slate of officers were nominated for the 2012-2013 term: Trustee Robert H. Rawson, Jr. as Chairman, Trustee Dan T. Moore III as Vice Chairman, Trustee Morton Q. Levin as Treasurer, Trustee Thomas W. Adler as Chairman of the Advancement Committee, which will carry an officers' title and include serving on the Executive Committee; and William J. Napier as Secretary. Trustee Florckiewicz moved, and Trustee Bowen seconded, the motion to elect the slate of officers for the 2012-2013 term, effective July 1, 2012. The following resolution was passed by voice vote:

RESOLUTION 2012-42

ELECTION OF OFFICERS FOR THE 2012-2013 TERM

WHEREAS, Section 2.1 of the Bylaws of the Board of Trustees provides that the officers of the Board may include "such other officers of the University as the interest of the University requires", in addition to the Chairman, Vice Chairman, Treasurer and Secretary; and

WHEREAS, in recognition of the effort to solidify the cooperation and partnership between the Board of Trustees and the Cleveland State University Foundation Board, it is determined to be in the interest of the University to create the officer position of "Chairman of the Advancement Committee" for the 2011-2012 term, whose duties shall be assigned by the Board Chairman, and to continue that position for 2012-2013;

NOW, THEREFORE, BE IT RESOLVED that the Cleveland State University Board of Trustees hereby elects the following persons to serve as officers for the 2012-2013 term, effective July 1, 2012: Trustee Robert H. Rawson, Jr. as Chairman, Trustee Dan T. Moore III as Vice Chairman, Trustee Morton Q. Levin as Treasurer, Trustee Thomas W. Adler as Chairman of the Advancement Committee, which will carry an officers' title and serve as part of the Executive Committee; and William J. Napier as Secretary.

Chairman Rawson thanked the officers for their service. He indicated that committee assignments and meeting schedule would be forthcoming, and invited the Board members to inform him of their interests.

EXECUTIVE SESSION

Trustee Florkiewicz moved, and Trustee Levin seconded, the motion that the Board adjourn into Executive Session for the purpose of discussing imminent and pending litigation with University General Counsel and audit matters with the auditors. A roll call vote was taken by the Secretary to the Board; voting in the affirmative were Mr. Adler, Mr. Bowen, Ms. Florkiewicz, Mr. Levin, Mr. Moreno, Mr. Weinberg, and Chairman Rawson.

Chairman Rawson excused everyone except the voting and community trustees present, President Berkman, and University General Counsel for the beginning portion of the Executive Session which began at 11:26 a.m. The President and General Counsel were excused, and the Director of Audits was called into the Executive Session at 11:40 a.m.

Chairman Rawson announced that the Board had finished its business in Executive Session and was returning to its regular meeting. The meeting was adjourned at 11:50 a.m.

Respectfully submitted,

APPROVED ON SEPTEMBER 20, 2012

William J. Napier
Secretary to the Board of Trustees

APPROVED ON SEPTEMBER 20, 2012

Robert H. Rawson, Jr.
Chairman, Board of Trustees