



**BOARD OF TRUSTEES  
CLEVELAND STATE UNIVERSITY**

**MINUTES OF THE MEETING**

**BOARD OF TRUSTEES MEETING**

**DATE:** Tuesday, June 28, 2011, 8:30 a.m.  
**PLACE:** Student Center, Room 313/315

**PRESENT:** Chairman Ronald E. Weinberg, Vice Chairman Robert H. Rawson; Trustees Thomas W. Adler, Richard L. Bowen, Sally Florkiewicz, Rev. Dr. Marvin A. McMickle, Dan T. Moore III, and Bernardo “Bernie” F. Moreno; Community Board Member Steven A. Minter and designate Anand “Bill” Julka; Faculty Representatives Dr. Stephen F. Duffy and Dr. Mark Tebeau; President Ronald M. Berkman; and George E. Hamm, Jr., Associate General Counsel, representing Sonali B. Wilson, General Counsel and Secretary to the Board of Trustees.

Chairman Ronald E. Weinberg called the meeting to order at 8:35 a.m. He welcomed new trustee Bernie Moreno and invited him to say a few words about himself. Chairman Weinberg then called for a motion to approve the Minutes of the May 2, 2011 Board Meeting. Trustee Moore moved and Trustee Adler seconded the motion to accept the Minutes. The Minutes were approved.

**REPORT OF THE CHAIRMAN**

Chairman Weinberg stated that the Board Officers met on May 2 (**Attachment A**) and June 1, 2011 (**Attachment B**). He reported that real property and personnel matters were discussed in executive session. At the May 2 meeting, the Board Officers approved the termination of assignment and supplement amendment to the development agreement and approved the side letter of agreement regarding the Middough Project. Based on President Berkman’s outstanding performance, the Board Officers also recommended to the full Board that

he receive a performance bonus of 25% of his annual base salary. A Second Amendment to the President's Employment Agreement was also

amendment to the Development Agreement and a termination of the previous assignment of the Development Agreement;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board Officers hereby approve the Termination of Assignment and Supplement and Amendment to Development Agreement among Cleveland State University, 1901 East 13<sup>th</sup> LLC, PS 1901 LLC and Playhouse Square Foundation in substantially the form attached hereto subject to revisions deemed necessary by University General Counsel and special retained counsel;

**BE IT FURTHER RESOLVED** that the Cleveland State University Board Officers hereby approve the side letter Agreement, in substantially the form attached hereto, which was negotiated directly with Playhouse Square Foundation and 1901 East 13<sup>th</sup> LLC (the landowner entity) to further clarify the use of various funds in connection with the Allen Theater renovation, subject to any revisions deemed necessary by the University General Counsel and special retained counsel.

#### **BOARD OFFICERS' RESOLUTION 2011-04**

##### **APPROVAL OF PRESIDENTIAL PERFORMANCE BONUS**

**WHEREAS**, the Officers of the Board of Trustees, pursuant to Sections 3.2 and 4.5 of the President's Employment Agreement, have performed their annual evaluation of President Ronald M. Berkman and have found that he has done an outstanding job in executing his duties in his second year as University President, and that he has substantially met his goals and objectives as agreed upon by the President and Board Officers;

**WHEREAS**, President Berkman led the effort in successfully securing an unconditional accreditation for the full ten year cycle from the Higher Learning Commission; through the creation of a Budget Task Force, developed a financial contingency plan for the projected shortfall in the 2012 budget; has worked diligently to develop a new NEOUCOM/CSU Primary Care Program with an "Academic Campus" at Cleveland State and led efforts in successfully securing Governor Kasich's support for the program and an appropriation for it in the governor's budget; has exceeded last year's fundraising pace with major gifts currently totaling \$2.4 million and met the goal of expanding potential prospects for larger gifts by three individuals; was instrumental in the naming of five new appointments to the CSU Foundation and the implementation of its advancement plan; accomplished eight major hires within the period of one year; has initiated a new IT strategy, which includes the reorganization of IS & T and the creation of a University-wide users council; continued to drive efforts to improve enrollment, retention and graduation rates: and marshaled efforts to ensure that the elements needed to realize the vision of an Arts Campus in Playhouse Square are in place, and has pressed for the best arrangement for the University with respect to the North Campus Development Project, which is expected to be transformative for the University and the campus district;

**NOW, THEREFORE, BE IT RESOLVED** that the Board Officers recommend 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 of 25 percent (25%) of his annual base salary as in effect



America, and approved the direction and progress of the Project subject to approval of the Project plans and financing, including a commitment letter, by the Board Officers;

**WHEREAS**, as president and in retirement, Dr. Flower became one of the University's premier fundraisers and as a member of the Cleveland State University Foundation, helped direct advancement strategy; and

**WHEREAS**, following his CSU tenure, Dr. Flower served eight years as Executive Director of the Northeast Ohio Council on Higher Education; and

**WHEREAS**, Dr. Flower's distinguished career has been marked by intellect, talent, and passion for music and higher education;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees wishes to offer sincere and heartfelt appreciation to a man whose dedication and caring influence have made this world a better place and our University a better institution of higher education.

Chairman Weinberg introduced amendments to the Board of Trustees Bylaws (**Attachment C**). He commented that the proposed changes were to reflect statutory changes pertaining to the treasurer's bond and to establish an Executive Committee. Trustee McMickle moved and Trustee Adler seconded the motion to amend the Board's Bylaws as proposed. The following resolution was passed.

#### **RESOLUTION 2011-27**

##### **APPROVAL OF BOARD BYLAWS AMENDMENTS**

**WHEREAS**, in 2008, Ohio Revised Code Section 3344.02 was amended to provide that the treasurer of Cleveland State University could either provide a bond or insurance for the faithful performance of the treasurer's duties, and to further provide that the Board of Trustees may determine the amount of said bond or insurance, but the bond or insurance shall not be for a sum less than the estimated amount which may come into the treasurer's control at any time, less any reasonable deductible; and

**WHEREAS**, Ohio Revised Code Section 3344.02 was further amended to omit the requirement of bond approval by the Ohio Attorney General; and

**WHEREAS**, the current University Bylaws do not reflect the above mentioned changes with

**THEREFORE, BE IT RESOLVED** that Section 2.8 of the Cleveland State University Board Bylaws is hereby amended to read as follows:

The Treasurer of the Board shall, before entering upon the discharge of his/her duties, give bond to the State or insurance for the faithful performance of his/her duties and a proper accounting of all monies coming into the Treasurer's care. The amount of said bond or insurance shall be determined by the Board, but shall not be for a sum less than the estimated amount which may come into the Treasurer's control at any time, less any reasonable deductible.

**BE IT FURTHER RESOLVED** that Section 2.9 of the Cleveland State University Board Bylaws is hereby amended to read as follows:

Section 2.9 – Bonds and Insurance

Bonds or insurance shall be required from such officers of the board and of the University, in addition to the Treasurer, as the Board shall direct.

**BE IT FURTHER RESOLVED** that new Section 2.10 is hereby added to the Cleveland State University Board Bylaws to read as follows:

Section 2.10 – Executive Committee

The Executive Committee shall be comprised of the Board Chair, who shall serve as the Committee Chair, the Board Vice Chair, Board Treasurer and such other officers as may be elected from time to time. The Executive Committee shall consider and make recommendations to the Board on proposed policy and contract matters not assigned to another committee; shall orient and mentor new Board members; shall evaluate the performance of the President and make a recommendation to the full Board on the President's compensation and benefits package; and shall consider other matters as appropriate to an Executive Committee, or as assigned by the full Board. The Executive Committee shall also act on behalf of the Board on issues needing immediate attention and report such actions to the Board. To act on behalf of the Board, a quorum of the Executive Committee shall be present. The Executive Committee shall be required to report any actions taken on behalf of the Board into the record of the next regularly scheduled Board meeting. Any meeting of the Executive Committee at which binding action is taken shall adhere to all applicable provisions of Ohio Revised Code Section 121.22, the Open Meetings law.

Chairman Weinberg stated that the Bylaws were amended a few years ago to expand the membership of the Board of Trustees with Community Board Members (**Attachment D**). The Bylaws provide that the Chair of the Cleveland State University Foundation Board of Directors automatically serves as a non-voting advisor. As the new Chair of the Foundation Board, Steven A. Minter was welcomed as a community member of the Board of Trustees.

Chairman Weinberg noted that Dr. Paul E. DiCorleto continues to serve as a community board member through June 30, 2012. He stated that he would like to appoint Anand “Bill” Julka as a Community Board Member for a one-year term ending June 30, 2012, and is seeking the Board’s approval for the designated term. Trustee Florkiewicz moved and Trustee Rawson seconded the motion to do so. The following resolution was passed.

**RESOLUTION 2011-28**

**APPOINTMENT OF ANAND “BILL” JULKA  
AS A COMMUNITY BOARD MEMBER**

**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 advisors; 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**, Anand “Bill” Julka has over 30 years of experience in the information technology services industry and is currently the owner and president of Smart Solutions Inc.; and

**WHEREAS**, Bill Julka has an extensive commitment and involvement with the University as a 1974 graduate of the Fenn College of Engineering, a member of several college Visiting Committees, a member and officer of the CSU Foundation Board of Directors, and as a major donor, making a \$ 6 million pledge in support of scholarships for CSU students;

**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;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees approves the appointment of Anand “Bill” Julka as a Community Member of the Cleveland State University Board of Trustees for a one-year term ending June 30, 2012.



Chairman Weinberg introduced a revision to Section 13.5 of the Second Amendment of the President's Employment Agreement (**Attachment E**). He commented that the proposed revision clarifies the language pertaining to President Berkman's teaching load while serving as a University Professor. Trustee Bowen moved and Trustee Rawson seconded the motion to approve the revised Second Amendment of the President's Employment Agreement. The following resolution was passed.

### **RESOLUTION 2011-29**

#### **APPROVAL OF REVISION TO SECOND AMENDMENT TO PRESIDENT'S EMPLOYMENT AGREEMENT**

**BE IT THEREFORE RESOLVED** that the Cleveland State University Board of Trustees hereby approves the Revision to the Second Amendment to President's Employment Agreement effective immediately.

#### **REPORT OF THE PRESIDENT**

President Berkman noted that this was the last meeting that Ron Weinberg would be chairing. He acknowledged and thanked Chairman Weinberg for his exceptional leadership, mentorship, guidance, and introduction to the Cleveland community, as well as his personal friendship. He added that Chairman Weinberg had placed an enormous amount of time into his role, which exemplifies his commitment to Cleveland State University.

President Berkman remarked that President Emeritus John A. Flower was an exceptional person who will be dearly missed for his leadership in higher education, gentility and wisdom. He graciously opened his home for a welcoming reception and played an important role in his and Patsy's entry into the Cleveland community.

President Berkman announced that there are eight new members of the University's leadership team. The academic and administrative searches have concluded with a broad and deep consensus on each of the final candidates selected. He indicated that he would host the

Board of Trustees, Foundation Board and new leadership team when the leadership retreat is held.

The lottery for the Campus International School was held. There were only 60 openings and 310 applicants. Mayor Frank Jackson wished that all could have been accepted. A new kindergarten and 4<sup>th</sup> grade will be added next year. Each year, grades will be added until the K-12 educational program is fully implemented. The school is a pivot point in building a campus neighborhood.

The University's new medical program will be housed in the renovated Union Building at 1836 Euclid Avenue. The top three floors will be dedicated to instructional facilities and administrative offices for NEOMED (formerly NEOUCOM). The language and funding through the Northeast Ohio Medical University to include CSU was the only addition by the Governor to the higher education budget. Cleveland State University is expected to have its first full class in 2013.

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

Mr. Steven A. Minter, Chair of the CSU Foundation Board of Directors, stated that "Radiance" was a very successful event. He was pleased to announce that a net of \$270,000 is available for scholarships. The two co-chairs, Tom Adler and Tim Cosgrove, so enjoyed the event that they agreed to serve as co-chairs next year. A great deal of thanks is owed to Tom and Tim.

The Foundation Board of Directors held its annual meeting on June 9, 2011. Three new members were added to the Foundation Board:

- x Myles Gallagher, President of The Superlative Group, Inc.
- x Irene Rennillo, Rennillo Deposition & Discovery, who is a CSU law graduate and member of the Law College Visiting Committee
- x Steven A. Minter, elected as Chair

Mr. Minter introduced Berinthia R. LeVine as the new Vice President for University Advancement and Executive Director of the CSU Foundation, Inc., who comes to CSU from the Jewish Federation of Cleveland.

Mr. Minter indicated that the Gift Report for the Third Quarter of FY 2011 is included with the Board meeting materials as part of the Consent Agenda. A few more gifts are still to come by the close of the fiscal year on June 30.

### **CONSENT AGENDA**

Chairman Weinberg asked if there were any consent agenda items that Board members wished to remove and discuss separately. None were indicated.

The Faculty Tenure Recommendation for Dr. Sajit Zachariah (**Attachment F**), Revisions to the Faculty Personnel Policies and Bylaws (**Attachment G**), Senior Associate Athletic Director Employment Contract (**Attachment H**), Deferred Compensation Agreement for Vice President for Enrollment Services (**Attachment I**), University Advertising Purchases for FY 2012 (**Attachment J**), Lease of Space in Glickman-Miller Hall (**Attachment K**), and the Gift Report for FY 2011, 3<sup>rd</sup> Quarter (**Attachment L**) were considered as part of the Consent Agenda. Trustee Adler moved and Trustee Rawson seconded the motion to approve the consent agenda items. The following resolutions were passed.

### **RESOLUTION 2011-30**

#### **AWARD OF TENURE TO DR. SAJIT ZACHARIAH**

**WHEREAS**, an external search was conducted to fill the position of Dean, College of Education and Human Services; and

**WHEREAS**, the search attracted a substantial pool of well-qualified candidates, including Dr. Sajit Zachariah, Associate Dean and Professor, College of Education, The University of Akron; and

**WHEREAS**, the credentials of Dr. Zachariah have been reviewed by the appropriate faculty peer review committee in the Department of Curriculum and Foundations, the Chair, the Interim Dean, the Provost and the President; and

**WHEREAS**, Dr. Zachariah has fulfilled the requirements for tenure at the rank of Professor as set forth in Article 12.9 of the Faculty Collective Bargaining Agreement;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board of Trustees hereby approves the award of tenure at the rank of Professor to Dr. Sajit Zachariah in the Department of Curriculum and Foundations, effective the fi

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees hereby approves the employment agreement of Mrs. Virnette House-Browning for a term commencing August 1, 2011 through June 30, 2014.

**RESOLUTION 2011-33**

**APPROVAL OF DEFERRED COMPENSATION AGREEMENT FOR  
THE VICE PRESIDENT FOR ENROLLMENT SERVICES**

**WHEREAS**, President Berkman has offered and Carmen A. Brown has accepted the position of Vice President for Enrollment Services for the period of August 1, 2011 through June 30, 2012; and

**WHEREAS**, so long as Ms. Brown remains actively employed as Vice President for Enrollment Services, the University desires to make a one-time credit to a Section 457(f) Deferred Compensation Account under The Cleveland State University Section 457(f) Deferred Compensation Plan (the "Plan") in the amount of Twenty-Five Thousand Dollars (\$25,000), pursuant to the terms and conditions set forth in the Section 457(f) Deferred Compensation Agreement, attached;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees hereby approves the Section 457(f) Deferred Compensation Agreement, in substantially the form attached hereto, effective August 1, 2011, subject to any revisions deemed necessary by University General Counsel.

**RESOLUTION 2011-34**

**REQUESTING APPROVAL OF \$825,000 FOR FISCAL YEAR 2012  
FOR ADVERTISING PURCHASES**

**WHEREAS**, the University is involved in paid advertising campaigns to promote student recruitment, retention and institutional image; and

**WHEREAS**, the request for Fiscal Year 2012 funding of \$825,000 for the purchase of media is at or below the level of funding for paid University-level advertising for the last seven years;

**NOW, THEREFORE, BE IT RESOLVED** that the Boards of Trustees authorizes the purchase order in the amount of \$825,000 for advertising purchases for FY 2012.

**RESOLUTION 2011-35**

**APPROVAL OF FACILITIES USE AGREEMENT  
WITH THE CENTER FOR COMMUNITY SOLUTIONS  
FOR THE LEASE OF SPACE IN GLICKMAN-MILLER HALL**

**WHEREAS**, the Center for Community Solutions seeks to lease 1,168 square feet of space from the University in Glickman-Miller Hall at a rate of \$6.72 per square foot, or \$7,848.96 per year for the purpose of promoting educational, experiential and service opportunities to the University community; and

**WHEREAS**, the University has prepared a Facilities Use Agreement memorializing the parties' agreement and understanding regarding said use of space for a term commencing July 1, 2011 and ending July 31, 2013;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees hereby approves the Facilities Use Agreement with The Center for Community Solutions in substantially the form attached hereto, subject to any modifications deemed necessary by the University General Counsel.

#### **RESOLUTION 2011-36**

#### **ACCEPTING GIFTS AND PLEDGE PAYMENTS**

**3rd QUARTER, FY 2011**

**January 1, 2011 to March 31, 2011**

**RESOLVED**, that the gifts and pledge payments totaling \$1,059,301 received by the Cleveland State University Foundation during the period January 1, 2011 to March 31, 2011, 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.

#### **FINANCIAL AFFAIRS**

Chairman Weinberg turned the floor over to Financial Affairs Committee Chair McMickle. There were no questions or comments regarding the Minutes of the May 17, 2011 Financial Affairs Committee meeting (**Attachment M**). Committee Chair McMickle called on Vice President McHenry to report on the University Budget and other financial matters.

Vice President McHenry welcomed everyone to the new Student Center and stated that the \$8.00 per credit hour General Fee increase was implemented with Board approval upon

completion of the building to support student activities programming and debt service. An overview was presented of the University Budget for FY 2012.

The FY 2012 Budget is based on total projected revenue sources of \$261 million. Instructional tuition and fees represent 55% or \$142.9 million of the total revenue, while state support is 24% or \$62.2 million of the total revenue. An increased percentage of revenue from enrollment growth and tuition increases and diminishing support from the state is a national trend. The General Fee represents \$21.8 million or 8% of the FY 12 revenue.

The state funding environment is shifting. The State Share of Instruction (SSI) has decreased 15.3% or \$11.2 million from \$73.4 million to \$62.2 million. Outcome-based funding models continue to evolve. The absence of a capital funding bill has placed an additional burden on the University's budget to support or find alternative funding for \$24 million needed for critical building maintenance.

In view of the funding challenges, the University implemented a budget reduction plan over the next several fiscal years. Expenses are reduced by \$12.4 million for FY 12 and \$2 million in FY 13. University support bore the greatest percentage of reductions. Forty-eight positions or 3% of the personnel decreased in FY 11. The budget reduction plans eliminated an additional 59 vacant positions and 44 filled positions with layoffs and retirements. A total of 9% of the workforce has been reduced over two years while enrollment increased by 8%.

Enrollment has increased 20% over the last five years. The increased enrollment accounts for \$11.6 million in tuition revenue growth in FY 12. President Berkman commented that the ACT scores and GPA of the incoming class continue to rise. The University is maximizing two important factors: enrollment and quality.

Despite tuition and fee increases, the increases have been minimal to ensure continued access. The compounded annual growth in undergraduate instructional fees has been 2.6% since FY08. Based upon the proposed FY12 tuition, CSU's undergraduate tuition would be the second least expensive (only higher than YSU) among the northern Ohio public four-year institutions. Graduate tuition would be the second most expensive behind the University of Toledo. It is important to note that one-third of CSU's enrollment is comprised of graduate students. Cleveland State University has the largest number of graduate students among the six northern Ohio institutions.

Questions were raised pertaining to pricing and graduate school enrollment, as well as how CSU stacks up against the proprietary school market. Vice President McHenry indicated that the follow-up information would be provided in response to those questions.

Due to \$3 million in capital expenditures and \$3 million in debt service, a net operating deficit of \$4.2 million is projected as the worst case scenario for FY12. Reserves are recommended to cover the net operating deficit. Vice Chairman Rawson urged that serious thought and discussion be given to the use of reserves. President Berkman suggested that the Board have a detailed discussion about the \$270 million facilities obligations over the next ten years as reported in a system-wide study by Sightlines. He stated that it was important for the Board of Trustees to consider the University's capital needs and perhaps amend the existing Master Plan.

Chairman Weinberg commented that the Administration has done a terrific job of reducing the budget and finding resources. He noted that the critical capital needs is the largest factor contributing to the \$4.2 million net operating deficit. Vice President McHenry stated that other ways of supporting capital costs need to be found.



Dr. Stephen Duffy inquired if the budgets would be monitored throughout the year and the reserves used only if absolutely necessary. Vice President McHenry stated that the University would operate as normal to cover expenses and that quarterly reports would be provided. President Berkman added that the \$4 million 12<sup>th</sup> payment helped. The University is committed to keeping its reserves at the highest possible level.

The Auxiliaries or Campus Support Services budget is comprised of Dining, Bookstore, Parking, Child Care, and the Wolstein Center. All are expected to perform modestly with the Wolstein Center and its new management operating contracts having the greatest potential for increased revenue production at an estimated \$2.9 million. A slight loss is projected in dining this year that would break even next year.

The FY 2012 University Budget is proposed as follows:

|                         |                |
|-------------------------|----------------|
| Operating Budget        | \$220.7        |
| General Fee Budget      | <u>\$ 21.8</u> |
| Total Ed & General      | \$242.5        |
| Campus Support Services | <u>\$ 21.7</u> |
| Total University Budget | \$264.1        |

The following tuition increases are proposed effective fall 2011:

- x Undergraduate 5.74% (includes the \$8.00/credit hour General Fee)
- x Graduate 5.17%
- x Law 9.14%
- x Special Programs differentiated fees

No tuition cap is expected for Graduate and Law in the State biennial budget bill. Trustee Florkiewicz inquired about the impact on the students and if they had been notified of the tuition and fee increases. President Berkman responded that the students are aware of pending increases, but not definitively. The 5.74% increase is not insignificant for our undergraduate

students who will need help in finding ways to meet this increased obligation. Many students will also be impacted by the national threat to the Pell Grant both this year and next.

In the absence of a State Budget approved by the Legislature and signed into law by the Governor, the Board of Trustees was asked to approve FY 2011-2012 continuation budgets and tuition and fees as proposed. Chairman Weinberg noted that the resolution states the tuition and fee increases, if not authorized by the State budget bill, would be void. The final FY 2012 University Budget is to come to the Board of Trustees for consideration prior to September 30, 2011. Trustee McMickle moved and Trustee Moore seconded the motion to approve the continuation budgets and tuition rates (**Attachment N**), effective Fall Semester 2011, as proposed, and that the Administration submit the final FY 2012 University Budget to the Board of Trustees for consideration prior to September 30, 2011. The following resolution was passed.

**RESOLUTION 2011-37**

**APPROVING THE UNIVERSITY FY 2011-12 CONTINUATION BUDGETS  
AND TUITION AND FEES**

**WHEREAS** the state of Ohio's appropriation act for the FY 2012-13 biennium is not yet finalized; and

**WHEREAS** the level of State Share of Instruction (SSI) provided to the University as a result of the adoption of the appropriations act by the Ohio General Assembly and the Governor is vital to its operations; and

**WHEREAS** the likelihood is strong that the eventual bill passage will include language limiting the allowable increase in tuition and fees to 3.5% for undergraduate students; and

**WHEREAS** in order to continue operations of the University, the Administration requires spending authority through action of the Board of Trustees;

**NOW, THEREFORE, BE IT RESOLVED** that the Board authorizes the Administration to expend monies from its Current Unrestricted Fund and Auxiliary Fund for the period beginning July 1, 2011 and ending September 30, 2011, at levels consistent with those established by the Board for FY 2010-11; and

**BE IT FURTHER RESOLVED** that the recommendation of the Administration to increase all undergraduate tuition rates by 5.74%, which includes a previously approved \$8/credit hour fee

related to Student Center costs; and graduate tuition rates by 5.17%, effective Fall Semester 2011 and as reflected in the attached schedules, be approved; and

**BE IT FURTHER RESOLVED** that the recommendation of the Administration to increase the Law School tuition rates by 9.14%, effective Fall Semester 2011 and as reflected in the attached schedule, be approved; and

**BE IT FURTHER RESOLVED** that the recommendation of the Administration to increase the Special Programs tuition rates effective Fall Semester 2011 as reflected in the attached schedule, be approved; and

**BE IT FURTHER RESOLVED** that the Administration will submit the final FY 2011-12 General Fund and Auxiliary budgets for the University for consideration by the Board of Trustees at a duly noticed board of trustees meeting to be held prior to September 30, 2011.

**BE IT FURTHER RESOLVED** that in the event the Biennium Appropriations for FY 12 and FY 13 as enacted by the Ohio General Assembly and approved by the Governor do not permit the tuition and/or fee increases as provided in this Resolution, such increases which are not authorized by law shall be deemed void *ab initio*.

**Report on Investments and Revised Investment Policy**

The Report on Investments as of March 31, 2011 (**Attachment O**) was presented for information. Changes were proposed to the Investment Policy (**Attachment P**) to provide flexibility and even out returns during the period of turbulent fixed income and low interest rates.



The Trust Agreement dated as of May 13, 2011, between Cleveland State University and U.S. Bank National Association, as Trustee, provides for the issuance, from time to time, of Taxable General Receipts Bonds of the University, with each to be authorized by a Series Resolution adopted by this Board.

This Board has determined that it is necessary to issue Taxable General Receipts Bonds to finance the costs of the Public Improvements and described in that certain project Development Agreement – North Campus Neighborhood – Project Phase 1 dated June \_\_\_\_, 2011, by and between the University and CSU Housing, an Ohio limited liability company (the "Developer").

By this Resolution, this Board has determined to authorize the issuance and sale of not to exceed \$8,000,000 principal amount of Taxable General Receipts Bonds to provide funds to pay a portion of the costs of those improvements.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF CLEVELAND STATE UNIVERSITY, as follows:

Section 1. Definitions and Interpretations. Where used in this Resolution, the Supplemental Trust Agreement and the Certificate of Award, and in addition to words and terms defined in the Supplemental Trust Agreement and the Trust Agreement, the following terms shall have the following meanings:

"2011 Projects" means the actions, construction, furnishing and equipping of "facilities," as defined in the Act, including the Public Improvements, consisting of demolition of existing improvements located on the subject land; earthwork including without limitation soil improvements, rough grading and environmental remediation as needed; utility modifications; street modifications; public art; and related improvements, and each case, includes site improvements, utilities, machinery, furnishings and any separate or connected buildings, structures, improvements, sites or equipment to be used in, or in connection with, the operation of those facilities.

"Act" means Section 3345.11 and 3345.12 of the Revised Code, as the same may be amended from time to time, together with the provisions Sections 9.96 and 9.98 to 9.983 of the Revised Code and any act or resolution of the General Assembly authorizing or limiting the issuance of General Receipts Bonds of the University.

"Bond Placement Agreement" means any Bond Placement Agreement between the Placement Agent and the University relating to the placement of the Series 2011 Bonds.

"Book entry form" or "book entry system" means a form or system under which physical Bond certificates in fully registered form are sold to a Securities Depository or its nominee as registered owner, with the certificated Bonds held by and "immobilized" in the custody of the Securities Depository, and the book entry system, maintained by the Depository and the responsibility of others than the University or Trustee, is the record that identifies and records the transfer of the interests of, the owners of book entry interests in those Bonds.

"Certificate of Award" means the Certificate of Award authorized in Section 5 to be provided

by the Fiscal Officer to determine and approve the final terms of Series of Series 2011 Bonds.

"Credit Support Instrument" means an instrument, surety bond, letter of credit, standby bond purchase agreement or other credit enhancement or liquidity device provided pursuant to an agreement to which the University is a party used to enhance or provide for the security or liquidity of all or a portion of any Series of the Series 2011 Bonds.

"Fiscal Officer" means the Vice President for Business Affairs and Finance (being the "Fiscal Officer" as defined in the General Bond Resolution) also means, as an alternate as authorized by the General Bond Resolution, the Associate Vice President for Business Affairs and Finance and Controller of the University.

"Hedge Agreement" has the meaning given in Section 8.

"Interest Payment Dates" means the 1st day of month, beginning September 1, 2011 or such other dates provided in the applicable Certificate of Award for the Series 2011 Bonds.

"Original Purchaser" means the persons who purchased the Series 2011 Bonds upon their initial issuance and delivery.

"Outstanding Bonds" means any of the following Series of General Receipts Bonds issued and Outstanding under the Trust Agreement: General Receipts Bonds, Series 2003A, currently outstanding in the principal amount of \$26,900,000; General Receipts Bonds, Series 2004, currently outstanding in the principal amount of \$54,040,000; General Receipts Bonds, Series 2007A, currently outstanding in the principal amount of \$40,000; and General Receipts Bonds, Series 2008, currently outstanding in the principal amount of \$19,875,000.

"Placement Agent" means Fifth Third Cities and its successor, if any.

"Project Costs" means costs of 2011 Projects that constitute "costs of facilities" as defined in the Act.

"Register" means the books kept and maintained by the Trustee, as Bond Registrar, for the registration, exchange and transfer of Bonds pursuant to the Trust Agreement.

"Securities Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership and effect transfers of book entry interests in bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"Series 2011 Bonds" means the Taxable General Receipts Bonds authorized by this Resolution, which may be issued in one or more Series.

"Series Resolution" or "this Resolution" or "Series 2011 Resolution" means this Resolution and the related Certificate of Award for Series 2011 Bonds of each Series.

"Supplemental Trust Agreement" means the Supplemental Trust Agreement dated as

of July 1, 2011, between the University and the Trustee authorized in Section 7 for the Series 2011 Bonds of each Series.

"Trust Agreement" means the Trust Agreement entered into as of May 1, 1993, as amended by the Supplemental Trust Agreement, each between the University and the Trustee.

"Trustee" means U.S. Bank National Association, successor to Star Bank, N.A., as initial trustee under the Trust Agreement and its successor, if any.

Unless the context otherwise indicates, words using the singular number shall include the plural number, and vice versa. References to sections otherwise stated, are to sections of this Resolution.

Section 2. Authority. This Resolution is adopted pursuant to the Trust Agreement, including the General Bond Resolution adopted by the Board of Trustees of the University on March 16, 1993 and constituting part of the Trust Agreement, and the Act.

### Section 3. Authorization of Series 2011 Bonds.

It is declared to be necessary to, and the University shall, issue, sell and deliver Taxable General Receipts Bonds of the University, as provided and authorized in this Resolution and the applicable Supplemental Trust Agreement, the maximum principal amount not to exceed \$8,000,000 for the purpose of paying costs of 2011 Projects. The actual principal amount of Taxable General Receipts Bonds issued under this Resolution shall be as set forth in the Certificate of Award, determined on the basis of the Fiscal Officer's certification of the amount from Bond proceeds required to pay Project Costs.

The Series 2011 Bonds may be issued in one or more separate Series, each bearing a distinctive designation, provided that the Bonds of all Series satisfy the requirements of this Resolution. Separate Series of Series 2011 Bonds may be issued at the different times. If separate Series of Series 2011 Bonds are issued at different times, a separate Certificate of Award shall be signed and delivered for each Series.

In the event that the Fiscal Officer determines that the University's best interests will be served by causing all or a portion of the Series 2011 Bonds obligations bearing interest at variable interest rates, then the Fiscal Officer is authorized to specify in the applicable Certificate of Award. If the Fiscal Officer so determines, then the method and procedure by which the variable rate of interest to be borne by those Series 2011 Bonds shall be determined as provided in the applicable Supplemental Trust Agreement, whether by auction or by reference to a market index, by a remarketing agent or otherwise; provided that no Series 2011 Bonds shall bear interest at a rate in excess of twelve percent (12%) per year. Notwithstanding that limitation, Series 2011 Bonds held by a liquidity facility provider may bear interest at a rate not in excess of twenty-five percent (25%) per year as provided in the agreement for the liquidity facility. The Fiscal Officer may determine that the terms of variable rate Series 2011 Bonds may or may not permit the holder to tender their variable rate Series 2011 Bonds for purchase by the University; provided that holders are permitted to have the right of tender, tender rights shall be exercisable only at such times as a Credit Support Instrument is in place that provides for the payment of the purchase price payable to the tendering holder of a Series 2011

Bond. If the Fiscal Officer designates any Series 2011 Bonds as variable rate Bonds, and if the Holders of those Bonds are to be entitled to tender Bonds for purchase, then the Fiscal Officer shall also designate in the Certificate of Award for those variable rate Bonds the provider or providers for any Credit Support Instrument, the tender agent or agents and the remarketing agent or agents, which designations shall be based on the determination of the Fiscal Officer that the parties so designated possess the requisite resources and experience to provide the services required of them and that the terms on which the designated parties have agreed to provide such services are fair and commercially reasonable. The Fiscal Officer is authorized to enter into agreements in connection with the delivery of the Series 2011 Bonds, and from time to time thereafter so long as the Series 2011 Bonds are outstanding, with providers of Credit Support Instruments, tender agents (which may be the Trustee), remarketing agents and others as may be determined by the Fiscal Officer to be necessary or appropriate to provide for the method of determining variable interest rates, permitting holders the right of tender and providing for liquidity and support for the payment of variable rate Series 2011 Bonds upon tender for purchase or redemption.

The Fiscal Officer, in connection with the issuance of any Series 2011 Bonds, and regardless of whether those Bonds bear interest at a fixed or variable rate, is authorized to contract for one or more Credit Support Instruments, and to pay the costs thereof from proceeds of the Series 2011 Bonds, if he determines that such Credit Support Instrument will result in a savings in the cost of the financing to the University.

The appropriate officers of the University and the Board are each authorized and directed to sign any transcript certifying the contents of the meeting minutes.









pay Project Costs, including the reimbursement to the University of moneys temporarily advanced for the purpose in anticipation of being reimbursed from the proceeds of the Series 2011 Bonds. Moneys on deposit in each Project Fund may be invested by the direction of the Fiscal Officer in eligible investments described in the applicable 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 be 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 balance remaining in a Project Fund after the Fiscal Officer has certified that payment of Project Costs to be paid from that Series of Series 2011 Bonds has been made or provided to the satisfaction of the University, shall be expended for Project Costs of other "facilities" as defined in the Act to pay principal of or interest on the Series 2011 Bonds.

#### Section 7. Supplemental Trust Agreements.

In connection with the issuance of each Series of Series 2011 Bonds, the Chairman, Vice Chairman or Treasurer of the Board, President of the University, and the Fiscal Officer, or any

proceedings certified by such officers of the University may be appropriate of all proceedings had with reference to the issuance of the Series 2011 Bonds.

Section 10. Open Meeting It is found and determined that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken in an open meeting of this Board or committee, and all deliberations of this Board and of any of its committees that resulted in those formal actions were taken in meetings open to the public, in full compliance with applicable legal requirements including Section 121.22 of the Revised Code.

### **Environmental Health and Safety**

The annual report on Environmental Health and Safety Issues (**Attachment R**) was submitted to the Board as a matter of information.

### **Department of Audits Annual Report**

The FY 2011 Annual Report (**Attachment S**) was presented by the Department of Audits Director Judith A. Richards, CPA. The Report provides a summary of the audit activities performed by the Department of Audits during the year. The Audit Department works closely with the departments or units to identify controls as new projects are entered and partnerships are formed with the University.

### **EXECUTIVE SESSION**

Trustee Florkiewicz moved that the Board adjourn into Executive Session for the purpose of discussing the audit, collective bargaining and pending and imminent litigation. Trustee Adler seconded the motion. A roll call vote was taken by the acting Secretary to the Board. The motion passed.

Chairman Weinberg requested that President Berkman, Provost Mearns, Vice President for Business Affairs & Finance Stephanie McHenry, Director of Audits Judy Richards, and Associate General Counsel and Acting Board Secretary George Hamm remain for the Executive Session with the voting trustees and community Board members. The Executive Session began at 9:25 a.m.

Chairman Weinberg stated at 10:30 a.m. that the Board had completed its business in Executive Session and was resuming its regular meeting. Trustee Florkiewicz moved and Trustee Adler seconded the motion to accept the Department of Audits FY 2011 Annual Report. The following resolution was passed.

**RESOLUTION 2011-40**

**ACCEPTANCE OF THE  
FY 2011 DEPARTMENT OF AUDITS ANNUAL REPORT**

**WHEREAS**, the University's Department of Internal and External Audits delivered and discussed the FY 2011 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 2011 Department of Audits Annual Report as submitted.

**ELECTION OF OFFICERS**

Nominating Committee Chair Ron Weinberg stated that he and Trustees Sally Florkiewicz and Dan Moore comprised the Nominating Committee until Dan recused himself from the committee. The following slate of officers are nominated:

|                          |                                       |
|--------------------------|---------------------------------------|
| Robert H. Rawson, Jr.    | Chairman                              |
| Dan T. Moore III         | Vice Chairman                         |
| Morton Q. Levin          | Treasurer                             |
| Thomas W. Adler          | Chairman of the Advancement Committee |
| William J. Napier, Ph.D. | Secretary to the Board                |

Chairman Weinberg excused the nominees, as well as the general public in attendance, at 10:35 a.m. for a discussion with the remaining Board members. The Board Meeting resumed at 10:40 a.m. Trustee Florkiewicz moved and Trustee Bowen seconded the motion to approve the slate of officers nominated to serve for the 2011-2012 term. The following resolution was passed.

**RESOLUTION 2011-41**

### **ELECTION OF OFFICERS FOR THE 2011-2012 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 hereby 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;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board of Trustees hereby elects the following persons to serve as officers for the 2011-2012 term, effective July 1, 2011: 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.

President Berkman presented gifts to the outgoing and incoming Chairs. Chairman Weinberg remarked that he has had the privilege of serving on the Board of Trustees as an officer or chairman for eight or nine years. He stated that it has been wonderful to serve with two excellent presidents and to see the University grow and develop. He thanked the Board members for their support during his chairmanship, and said he is looking forward to continuing his service on the Board and working with them to further advance the University.

Chairman-elect Robert Rawson lightheartedly reminded everyone that Ron Weinberg was still Chair until the end of the week if there were any issues to bring forward. On a serious note, he expressed his appreciation to the members of the Board for their confidence in him. He stated that he was looking forward to the prospect of working with the Board members, President Berkman and the Administration, which form an excellent team. He is interested in making the University the best it can become, and acknowledged that there is a great platform upon which to build.

Chairman-elect Rawson added that he wished to celebrate the service of Ron Weinberg as Chairman and piggyback on the President's earlier comments. He said that the most important thing that the Board of Trustees does is to select and hire the CEO, and that Ron Weinberg did a terrific job as chair of the search committee. It took an extraordinary amount of time and effort to get the selection done and to find the right person --- and the right person was found in President Berkman. The "Radiance" event honored Ron Weinberg as he deserved to be honored, and it is a comfort that he will remain on the Board of Trustees as we move forward.

### **NEW BUSINESS**

#### **Physical Education Building Wall Repair Contract**

Vice President McHenry stated that among the list of critical capital projects is to repair external masonry of the Physical Education building. Although all four walls are in need of repair, the East wall is the most critical and in need of shoring. Funds for the project are included in the proposed FY 2012 University Budget. Anything costing over \$500,000 must come to the Board of Trustees for approval.

The project background, budget, contract and proposed resolution (**Attachment T**) were distributed. It was noted that the budget includes all four walls; however, the Administration is seeking the Board's approval now to execute a contract for the repair of the East wall only because of limited funding. Questions were raised and answered with regard to the bid process resulting in only one bidder, and whether or not there would be any savings if more than one wall were repaired at this time. Trustee Moore moved and Trustee Adler seconded the motion to authorize the proposed contract with H.M.H. Restoration, Ltd. in the amount of \$709,960 to repair the East wall masonry of the Physical Education building. The following resolution was passed.



**RESOLUTION 2011-42**

**APPROVING A CONTRACT FOR THE REPAIR OF THE  
PHYSICAL EDUCATION BUILDING EAST WALL MASONRY**

**WHEREAS**, at its May 17, 2011 meeting, the Financial Affairs Committee was presented with a list of critical capital projects to address safety and compliance issues; and

**WHEREAS**, one of the critical projects is to repair external masonry at the Physical Education building; and

**WHEREAS**, the basis for this project is a report by a building envelope specialist dated November 18, 2010, which found serious damage to the masonry causing a dangerous situation requiring repair within one year of the date of the report; and

**WHEREAS**, because of the limited funds only the east wall repair could be awarded;

**NOW, THEREFORE, BE IT RESOLVED** that the Board authorized the Administration to execute a contract with H.M.H. Restoration, Ltd., the only contractor to respond to the University's advertisement for bids, in the form attached and in the amount of Seven Hundred Nine Thousand Nine Hundred Sixty Dollars (\$709,960.00); and

**BE IT FURTHER RESOLVED** that the Board authorizes the Vice President for Business Affairs or her designee to take such further action as may be necessary to complete the project.

**Naming of the College of Business**

President Berkman stated that a city-wide and University-wide announcement was being made this morning, following the Board Meeting, to acknowledge the largest gift ever received in the history of Cleveland State University by CSU alumnus, successful entrepreneur and past chairman of the Board of Trustees, Monte Ahuja.

Trustee Rawson moved and Trustee Moreno seconded the motion to approve the naming of the College of Business in recognition of Mr. Ahuja's leadership and significant charitable gifts. The following resolution was passed with extreme gratitude.

**RESOLUTION 2011-43**

**APPROVAL OF NAMING OF THE  
COLLEGE OF BUSINESS**



**APPROVED ON SEPTEMBER 22, 2011**

Sonali B. Wilson

Secretary to the Board of Trustees

**APPROVED ON SEPTEMBER 22, 2011**

Ronald E. Weinberg

Chairman, Board of Trustees