



**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 recommended. The following Board Officers resolutions were passed.

**BOARD OFFICERS' RESOLUTION 2011-03**

**APPROVAL OF TERMINATION OF ASSIGNMENT AND SUPPLEMENT  
AMENDMENT TO DEVELOPMENT AGREEMENT AMONG CLEVELAND  
STATE UNIVERSITY AND 1901 EAST 13<sup>TH</sup> LLC AND PS 1901 LLC AND  
PLAYHOUSE SQUARE FOUNDATION AND  
APPROVAL OF SIDE LETTER AGREEMENT**

**WHEREAS**, at its meeting on September 20, 2010, the Board of Trustees authorized the University administration to enter into discussions with the Playhouse Square Foundation and/ or their related entity regarding the lease of the Middough Building and space in the Idea Center Building, and an agreement with the Playhouse Square Foundation to share the use of the Allen Theatre complex with The Cleveland Play House, subject to the final approval of all required agreements by the Officers of the Board; and

**WHEREAS**, on December 13, 2010 by Resolution 2010-09, the Board Officers approved the following documents related to the plan to develop an arts campus at Playhouse Square: Lease Agreement by and between 1901 East 13<sup>th</sup> LLC and Cleveland State University; Sublease by and between Cleveland State University, Sublessor, and Middough Inc., Sublessee; and Development Agreement Among Cleveland State University and 1901 East 13<sup>th</sup> LLC; and

**WHEREAS**, the Board Officers, by Resolution 2011-01, approved an Assignment of the Development Agreement pursuant to which 1901 East 13<sup>th</sup> LLC (Landlord of Middough) assigned all of its right, title, interest in and to, and all of its obligations under, the Development Agreement to PS 1901 LLC (subsidiary of Playhouse Square Foundation); and

**WHEREAS**, the Playhouse Square Foundation is working on closing a sale of New Markets Tax Credits and federal Historic Tax Credits in order to fund a portion of the Middough Building renovation cost; and

**WHEREAS**, the New Markets Tax Credit investor is requiring that the development obligations of PS 1901 LLC (a subsidiary of Playhouse Square Foundation) be transferred back to 1901 East 13<sup>th</sup> LLC, the Playhouse Square Foundation subsidiary that is the owner of the property, and are requiring that certain payments that are to be paid to Playhouse Square Foundation from certain funds be documented in a particular fashion to satisfy its investment criteria; and

**WHEREAS**, the lender for the initial renovation funds also requires that the landowner entity continue to be protected from various liabilities, and therefore the parties, in an effort to address the competing interests of the New Markets Tax Credit investor and lender, have prepared an

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

on the last day of the fiscal year, June 30, 2011, with respect to which his goals and objectives were measured.

**BOARD OFFICERS RESOLUTION 2011-05**

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

**BE IT THEREFORE RESOLVED** that the Cleveland State University Board Officers hereby recommend to the full Board approval of the Second Amendment to President's Employment Agreement.

Chairman Weinberg reported that at the June 1 meeting, the Board Officers approved the project development agreement and ground lease for Phase I of the North Campus Neighborhood Project. The following resolution was passed.

**BOARD OFFICERS RESOLUTION 2011-06**

**APPROVAL OF PROJECT DEVELOPMENT AGREEMENT AND GROUND  
LEASE FOR NORTH CAMPUS NEIGHBORHOOD PROJECT PHASE I**

**WHEREAS**, on April 8, 2010, the Cleveland State University Board of Trustees, by Amended Resolution 2010-24, delegated approval of the North Campus Neighborhood Ground Lease with the Polaris Team to the Board Officers subject to review of the Ground Lease by the Facilities Committee; and

**WHEREAS**, on October 4, 2010, the Board Officers met and approved the North Campus Project Development Agreement and Ground Lease with the Polaris team, at the time presented as one document, in principle, subject to further negotiation and resolution of outstanding issues; and

**WHEREAS**, on February 16, 2011, the Facilities Committee Chair, Board Vice Chairman and other University administrators met with the Polaris team and its new Partner, Buckingham Companies (collectively "Developers"), to review the Developers' proposal for the North Campus Project Phase I ("Project") and the University's expectations with respect to the Project; and

**WHEREAS**, at the conclusion of the February 16 meeting, the parties agreed that several required actions would be completed and subject to approval of the Facilities Committee at its meeting the week of March 22, 2011; and

**WHEREAS**, the Facilities Committee, at its March 23 meeting, acknowledged that all required actions had been completed, with the exception of the provision of a term sheet from Bank of

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;

**NOW, THEREFORE, BE IT RESOLVED** that the Board Officers have reviewed and hereby approve the Project plans and financing, and also hereby approve the Project Development Agreement and Ground Lease for North Campus Neighborhood Project Phase I (now two separate documents) in substantially the form attached hereto, subject to any revisions deemed necessary by General Counsel for the University, and working out the details of certain restrictions.

**BE IT FURTHER RESOLVED** that the University's Vice President for Business Affairs and Finance has full power and authority to execute the Project Development Agreement and Ground Lease, and to take all actions and give all approvals required under both documents.

Chairman Weinberg requested that Trustee McMickle read the memorial tribute to President Emeritus John A. Flower into the record. The following resolution was read, moved, and unanimously approved.

#### **RESOLUTION 2011-26**

##### **A MEMORIAL TRIBUTE TO PRESIDENT EMERITUS JOHN A. FLOWER**

**WHEREAS**, Cleveland State University and higher education in Northeast Ohio have long benefited from the passion, commitment and talent of President Emeritus and Professor Emeritus of Music Dr. John A. Flower; and

**WHEREAS**, a world-renowned pianist and music teacher for nearly half a century, Dr. Flower earned two master of music degrees, in piano and music theory, as well as a Ph.D. in musicology, all from the University of Michigan; and

**WHEREAS**, Dr. Flower joined Cleveland State in 1973 and spent the next twenty years playing a key role in shaping the breadth and scope of the University's academic mission — as Vice President for Academic Affairs, as the first Provost, or chief academic officer, and as the University's fourth president; and

**WHEREAS**, during his four-year tenure as President, Dr. Flower forged relationships with the Greater Cleveland community that continue to impact students and the educational process; and

**WHEREAS**, through his vision and foresight, the University launched the 17<sup>th</sup>/18<sup>th</sup> Street Block Project, its first attempt to depart from piecemeal construction to revitalize an entire city block, a process that continues today with the University's multi-million dollar campus master plan that is creating a residential neighborhood in the city's academic center; and

**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 respect to the Treasurer's duties; and

**WHEREAS**, the Board desires to delegate certain matters to its officers and to facilitate decisions and actions of an immediate, emergency nature by the creation of an Executive Committee;

**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:

- Myles Gallagher, President of The Superlative Group, Inc.
- Irene Rennillo, Rennillo Deposition & Discovery, who is a CSU law graduate and member of the Law College Visiting Committee
- 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 first day of full-time employment at Cleveland State University.

### **RESOLUTION 2011-31**

#### **FACULTY PERSONNEL POLICIES AND BYLAWS REVISIONS**

**WHEREAS**, revisions have been proposed to the Personnel Policies and Bylaws including Section 8.1.3 B) 2) Academic Freedom, Section 8.2.2 Article II. A) 1) Membership Categories, Section 8.2.3 Article III. D) Academic Steering Committee, and Section 8.4.8 Article VIII Administrative Responsibilities; and

**WHEREAS**, the Cleveland State University Faculty Senate has approved these revisions at its meeting of May 4, 2011;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board of Trustees approves these revisions to the Personnel Policies and Bylaws as indicated in the accompanying exhibits.

### **RESOLUTION 2011-32**

#### **APPROVAL OF MULTIPLE YEAR CONTRACT FOR THE SENIOR ASSOCIATE ATHLETIC DIRECTOR**

**WHEREAS**, Mrs. Virnette House-Browning has been appointed to serve as Senior Associate Athletic Director and Senior Woman Administrator for a three-year term, commencing August 1, 2011; and

**WHEREAS**, the current University Director of Athletics has determined that Mrs. House-Browning's hire will significantly increase the capability of the athletic administration; and

**WHEREAS**, pursuant to Section 3.3 of the Board Bylaws "No administrative or academic appointments shall be made for a term in excess of one fiscal year without the approval of the Board of Trustees";

**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:

- Undergraduate 5.74% (includes the \$8.00/credit hour General Fee)
- Graduate 5.17%
- Law 9.14%
- 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. Trustee Adler moved and Trustee Bowen seconded that the Investment Policy be amended as recommended by the Investment Committee. The following resolution was passed.

#### **RESOLUTION 2011-38**

#### **AMENDED INVESTMENT POLICY**

**WHEREAS**, in 2005 the Board of Trustees approved an investment policy for the University; and,

**WHEREAS**, the University's investment advisor has recommended certain changes to that policy to enable the University to reach its investment objectives better under the current economic conditions; and

**WHEREAS**, the University's Investment Committee reviewed the proposed changes on June 7, 2011;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees, based upon the recommendation of the University Investment Committee, hereby approves the Investment Policy as amended to permit a portion of the fixed income portfolio to be allocated to non-core fixed income management to allow the University to use managers with a broader mandate to help manage a portion of the fixed income in the current lower interest rate environment.

**Issuance of Bonds for North Campus Neighborhood Project**

Authorization was sought for the issuance of taxable general receipts bonds in a principal amount not to exceed \$8 million to finance costs of public improvements associated with the North Campus Neighborhood project (**Attachment Q**). Trustee Moore inquired what would happen if the developer can't get funds. Vice President McHenry stated that the University's operating revenue would become the secondary support. There is a ground lease and the property would remain with the University.

President Berkman stated that during the negotiations on the project, the Board's direction was taken regarding changes. A market study would be done to demonstrate need and available finances if additional housing projects were contemplated in the future. The University is working with FifthThird Bank as the investment banker. Prep work is on-going now. The closing date is towards the end of July, and construction will begin.

Trustee Adler moved and Trustee Rawson seconded the motion to authorize the issuance of taxable general receipts bonds of the University in a principal amount not to exceed \$8,000,000 to pay costs of public improvements associated with the North Campus Neighborhood project. The following resolution was passed.

**RESOLUTION 2011-39**

**SERIES 2011 RESOLUTION**

**Authorizing the issuance of Taxable General Receipts Bonds  
of the University in a principal amount not to exceed \$8,000,000  
to pay costs of Public Improvements.**

The Trust Agreement dated as of May 1, 1993 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 issue 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 identified 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, LLC, 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 in the Trust Agreement, the following terms shall have the following meanings:

"2011 Projects" means the acquisition, 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, in 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 of 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 issued only 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 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 Certificates of Award authorized in Section 5 to be provided

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

"Credit Support Instrument" means an insurance policy, surety bond, letter of credit, standby bond purchase agreement or other credit enhancement, support or liquidity device provided pursuant to an agreement to which the University is a party and 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), and 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 each 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 person or 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 \$26,910,000; 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 \$40,500,000; and General Receipts Bonds, Series 2008, currently outstanding in the principal amount of \$19,875,000.

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

"Project Costs" means costs of the 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 the Series 2011 Bonds of each Series.

"Supplemental Trust Agreement" means the Ninth 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 dated 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 importing the singular number shall include the plural number, and vice versa. References to sections, unless 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, in the maximum principal amount not to exceed \$8,000,000 for the purpose of paying costs of the 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 same or 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 to be obligations bearing interest at variable interest rates, then the Fiscal Officer is authorized to so 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, 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 Holders to tender their variable rate Series 2011 Bonds for purchase by the University; provided that if 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 those 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 the variable interest rates, permitting holders the right of tender and providing for liquidity or credit support for the payment of variable rate Series 2011 Bonds upon tender for purchase or redemption.

The Fiscal Officer, in connection with the original issuance of any Series 2011 Bonds, and regardless of whether those Bonds bear interest at variable or fixed rates, 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 the 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 certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Resolution and the applicable Supplemental Trust Agreement.

#### **Section 4. Terms and Provisions Applicable to the Series 2011 Bonds.**

(a) **Form and Numbering.** The Series 2011 Bonds shall be issued only as fully registered Bonds and substantially in the form set forth in the Supplemental Trust Agreement, and shall be numbered as determined by the Fiscal Officer. The Series 2011 Bonds may be issued to a Securities Depository for holding in a book entry system and: (i) those Bonds shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Securities Depository; and (ii) the Series 2011 Bonds as such shall not be transferable or exchangeable, except as provided in the applicable Supplemental Trust Agreement.

(b) **Denomination and Dates.** The Series, 2011 Bonds shall be issued in the denominations provided in the applicable Supplemental Trust Agreement. Series 2011 Bonds initially issued and those authenticated prior to the first Interest Payment Date shall be dated their date of issuance or as of another date as may be stated in the applicable Certificate of Award. Bonds subsequently authenticated shall be dated as to be provided in the applicable Supplemental Trust Agreement.

(c) **Interest.** The Series 2011 Bonds shall bear interest from their respective dates payable on the Interest Payment Dates at the respective rates per annum to be determined by the Fiscal Officer and set forth in the applicable Certificate of Award and Supplemental Trust Agreement. If the Series 2011 Bonds are issued initially as obligations bearing interest at fixed rates, the weighted average fixed



interest rate of Series 2011 Bonds of a Series shall not exceed six percent (6%) per year. If the Series 2011 Bonds are issued initially as obligations bearing interest at a variable rate or rates, those rates shall not exceed the maximum rates set forth in Section 3 and, upon any conversion of those variable rate Bonds to a fixed rate to maturity, the fixed rate shall be determined as provided in the Supplemental Trust Agreement.

**(d) Maturities.** The Series 2011 Bonds shall mature on the dates and in the amounts as the Fiscal Officer determines, provides and states in the Certificate of Award, provided that no Series 2011 Bonds shall mature later than July 31, 2031.

**(e) Prior Redemption.**

**(i) Term Bonds--Mandatory Redemption.** If provided for in the Certificate of Award, Series 2011 Bonds maturing in a particular year may be consolidated with the principal amount of Bonds maturing in one or more prior consecutive years to provide for Series 2011 Bonds maturing in that later year in the aggregate principal amount of those consolidated maturities ("Term Bonds"). 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 annual principal amounts set forth in the Certificate of Award.

The amounts required to be paid to the Bond Service Account shall include amounts sufficient to timely redeem (less the amount of any credit as provided below) the respective principal amounts of any Term Bonds subject to mandatory sinking fund redemption. For the purpose of effecting the mandatory redemption of any Term Bonds, the Trustee, on behalf of the University and without necessity for further action by the University, shall cause to be redeemed on each mandatory sinking fund redemption date, in the manner provided below, the aggregate principal amount of the Term Bonds as equals the Mandatory Sinking Fund Requirements, as provided in this Section and Certificate of Award.

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 maturing on the same date 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 on the same date and any credit in excess of that amount may be credited against future Mandatory Sinking Fund Requirements with respect to Term Bonds maturing on the same date. If the University intends to avail itself of the provisions of this paragraph, the University will on or before the 45th day next preceding the applicable redemption date furnish the Trustee with a certificate, signed by the Fiscal Officer, stating the extent to which the provisions of clauses (i) and (ii) above in this paragraph are to be availed of

with respect to such Mandatory Sinking Fund Requirement (and corresponding mandatory redemption obligation). Unless that certificate is so timely furnished by the University, the Mandatory Sinking Fund Requirement (and corresponding mandatory redemption obligation) for that date shall not be reduced.

**(ii) Optional Redemption.** Series 2011 Bonds of one or more maturities may, as determined in the Certificate of Award, be subject to redemption at the option of the University prior to their stated maturities, in whole or in part (as directed by the University), from moneys other than those deposited in accordance with any Mandatory Sinking Fund Requirements as provided above, on the dates and at the redemption prices set forth in the Certificate of Award. With respect to any Series 2011 Bonds that are subject to optional redemption, the first redemption date shall be not later than 10 years from the first Interest Payment Date and the highest redemption price shall not exceed 103% of the principal amount redeemed, plus interest accrued to the redemption date. If determined to provide lower interest costs and to be in the best interest of the University, as may be provided in the Certificate of Award, the Fiscal Officer may determine that none of the maturities of Series 2011 Bonds will be subject to optional redemption prior to maturity or that certain maturities of Series 2011 Bonds will not be subject to optional redemption prior to maturity.

**(iii) Purchase in Lieu of Redemption.** Series 2011 Bonds may be subject to purchase by the University in lieu of optional redemption if and to the extent provided in the Certificate of Award and applicable Supplemental Trust Agreement.

**(iv) Partial Redemption.** If fewer than all of the outstanding Series 2011 Bonds of one maturity, if at the time not registered in the name of a Securities Depository or its nominee, are to be called for redemption or purchase in lieu of redemption, the selection of the Bonds or portions of those Bonds (in whole multiples of \$5,000) of that maturity to be called for redemption or purchase shall be made by lot in the manner provided in the Trust Agreement. If optional redemption or purchase of Series 2011 Bonds at a redemption or purchase price above 100% of the principal amount is to take place on any applicable mandatory sinking fund redemption date, the Bonds to be optionally redeemed or purchased shall be selected prior to the selection of the Term Bonds to be redeemed by mandatory sinking fund redemption.

**(v) Notice.** Notice of call for redemption of Series 2011 Bonds, setting forth information, identifying the Series 2011 Bonds or portions of those Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon redemption are payable, shall be given by mail by the Trustee on behalf of the University, mailed not less than 30 days prior to the redemption date to the registered owners of those Bonds to be redeemed in whole or in part at their addresses appearing on the Register. Notice by publication shall not be required. Failure to receive notice by mailing, or any defect in that notice, as to any Series 2011 Bond shall not affect the validity of the proceedings for the redemption of any other Series 2011 Bond.

**(f) Places and Manner of Payment.** The Series 2011 Bonds shall be payable at the places and in the manner provided in the applicable Supplemental Trust Agreement.

**(g) Execution and Authentication.** The Series 2011 Bonds shall be executed and authenticated in the manner provided in the Trust Agreement.

**Section 5. Sale of Series 2011 Bonds.**

(a) **General; Certificate of Award.** The Series 2011 Bonds shall be sold to the Original Purchaser not later than August 31, 2011 in accordance with this Resolution and on such further terms authorized by or not inconsistent with this Resolution and as are provided for in the Certificate of Award. The purchase price may not be less than (i) 98% of the principal amount of the Series 2011 Bonds or, if the Series 2011 Bonds are sold at net original issue discount, 98% of the amount resulting from the subtraction of the aggregate net original issue discount from the principal amount of the Series 2011 Bonds, plus (ii) any interest accrued on the Series 2011 Bonds from the date of the Bonds to their delivery date. The Fiscal Officer is authorized and directed to sign each Certificate of Award for each Series of Series 2011 Bonds. The Fiscal Officer may enter into a Bond Placement Agreement with the Placement Agent for each Series of Series 2011 Bonds in order to further provide for the terms of sale to the Original Purchaser of the Series 2011 Bonds as provided in this Resolution. The Certificate of Award and any Bond Placement Agreement for each Series of Series 2011 Bonds shall not be inconsistent with this Resolution, and shall not be materially adverse to the University as approved by the Fiscal Officer, his signing to constitute conclusive approval on behalf of the University. Each Certificate of Award shall be incorporated in and form a part of the applicable Supplemental Trust Agreement.

(b) **Closing Documents.** The University by its appropriate officers shall furnish to the Original Purchaser and the Placement Agent a true certified transcript of all proceedings had with reference to the authorization, sale and issuance of the Series 2011 Bonds along with other information as is necessary or proper with respect to those Bonds.

**Section 6. Allocation of Proceeds of Series 2001 Bonds.**

(a) **Allocation.** The proceeds from the sale of the Series 2011 Bonds of each Series shall be allocated, deposited and credited as follows:

(i) To the applicable Bond Service Account in the Bond Service Fund, any portion of the proceeds representing accrued interest.

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

(iii) To the applicable Project Fund, the proceeds of the Series 2011 Bonds to be used to pay Project Costs, including an amount determined by the Fiscal Officer to be in the best interest of the University to pay all or a portion of the interest on the Series 2011 Bonds during construction of the Project and for a reasonable period of time thereafter and to pay costs of issuing the Series 2011 Bonds.

(b) **2011 Project Funds.** A separate Project Fund shall be established for each separate Series of Series 2011 Bonds (each referred to as a "Project Fund"). Each shall be held by the University 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 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 or at 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 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 balance remaining in a Project Fund after the Fiscal Officer has certified that payment of all Project Costs to be paid from that Series of Series 2011 Bonds has been made or provided for to the satisfaction of the University, shall be expended for Project Costs of other "facilities" as defined in the Act or 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 the Series 2011 Bonds, the Chairman, Vice Chairman or Treasurer of the Board, the President of the University, and the Fiscal Officer, or any two or more of them, are authorized and directed to sign and deliver to the Trustee, in the name of and on behalf of the University, and the Secretary to the Board is authorized to attest, a Supplemental Trust Agreement pursuant to the Trust Agreement, in form and substance not substantially adverse to the University and as may be permitted by the Act, the Trust Agreement and this Resolution and approved by the officers signing it on behalf of the University. The approval of each Supplemental Trust Agreement and that it is not substantially adverse to the University, shall be conclusively evidenced by the signing of the Supplemental Trust Agreement by those officers.

**Section 8. Hedge Arrangements.** The University is authorized, from time to time, to enter into one or more Hedge Agreements with respect to the Series 2011 Bonds or any Outstanding Bonds by which either (i) the different interest costs or receipts at, between, or among fixed or floating interest rates, including at different floating interest rates, are exchanged on notional amounts, or (ii) a party will pay interest costs in excess of an agreed limitation. The obligations of the University to the counterparties to any such Hedge Agreements may be secured by a pledge of the General Receipts, subject to the Trust Agreement, and such conditions and restrictions as may be specified therein and in the Act. The Fiscal Officer is authorized, on behalf of the University, to sign and deliver one or more Hedge Agreements that he determines will reduce the net debt service payable on the Series 2011 Bonds or hedge the exposure of the University against fluctuations in interest rates or otherwise adjust the timing and amount of the payments thereof for the University's purposes to an extent that justifies the cost of the University's entering into such Agreements. The Fiscal Officer is further authorized to contract for Credit Support Instruments to secure the payment obligations of the University to a counterparty under any Hedge Agreement.

**Section 9. Other documents.** The President of the University, the Fiscal Officer, and the Chair and Vice-Chair of the Board, or any two or more of them, are authorized and directed to furnish, sign and deliver such other documents, certificates and instruments as may be necessary or appropriate to issue the Series 2011 Bonds and to consummate the transactions contemplated in this Resolution, each Supplemental Trust Agreement, each Bond Placement Agreement, any Credit Support Instrument, and any Hedge Agreement. The Secretary to the Board or other appropriate officials of the University shall furnish the Original Purchaser and the Placement Agent a true transcript of

proceedings certified by such officers of the University as 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 that 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**

**WHEREAS**, Mr. Monte Ahuja served Cleveland State University with distinction as a member of its Board of Trustees from 1991 to 2000, and as Chairman of the Board for six consecutive terms from 1992 to 1998; and

**WHEREAS**, in addition to providing great leadership and inspiration through his dedicated efforts, Mr. Ahuja has been a generous benefactor over the years by funding endowments, scholarships and programs in support of the University and its College of Business; and

**WHEREAS**, Mr. Ahuja has recently made significant charitable gift commitments for the benefit of the University and its College of Business that meet the naming guidelines established by the University's Board of Trustees; and

**WHEREAS**, the Board of Trustees would now like to recognize and acknowledge Mr. Ahuja's leadership, engagement and extraordinary philanthropic acts in a very public and prominent manner;

**NOW, THEREFORE, BE IT RESOLVED** that the Cleveland State University Board of Trustees gratefully accepts these recent gift commitments with its deep thanks and accepts President Berkman's recommendation that effective immediately, the College of Business will be known as the *Monte Ahuja College of Business*, and further, that the *Monte Ahuja College of Business* will be identified on the building associated with the College with appropriate signage.

Athletic Committee Chair and Trustee Sally Florkiewicz wanted to make special mention and give recognition to CSU basketball player Norris Cole as the MVP and best defensive player in the Horizon League. He was the 28<sup>th</sup> pick in the 2011 NBA Draft. It was a successful year not only for the CSU's men's basketball team, but the women's basketball team as well.

Congratulations are extended to all the players and their coaches.

There being no further business to discuss, Trustee Rawson moved and Trustee Moreno seconded the motion to adjourn the meeting. The meeting was adjourned at 10:50 a.m.

Respectfully submitted,

**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