

Board of Trustees February 10, 2014 Minutes

Board of Trustees

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Minutes

**The University of Toledo
60th Meeting of the Board of Trustees
Monday, February 10, 2014
Driscoll Alumni Center, Schmakel Room
1:00 p.m.**

The sixtieth meeting of The University of Toledo Board of Trustees was held on Monday, February 10, 2014, on the Main Campus in the Schmakel Room, Driscoll Alumni Center. Chair Joseph H. Zerbey, IV called the meeting to order at 1:00 p.m. Ms. Joan Stasa, Secretary to the Board, recorded the minutes.

CALL TO ORDER

The following Board of Trustees members were in attendance:

Brittney M. Brown, Student Trustee
Laura E. Halpin, Student Trustee
S. Amjad Hussain
Linda N. Mansour
Susan Palmer
Sharon Speyer
John S. Szuch
Joseph H. Zerbey, IV

ATTENDANCE

The following Board of Trustees member was absent:
Gary P. Thieman

A quorum of the Board was constituted.

The following individuals were also in attendance:

Anne Balazs, 2013-2014 ACE Fellow
John Barrett, Vice Provost Faculty Relations and Accreditation
Frank Calzonetti, VP Government Relations/Chief of Staff
Cameron Cruickshank, VP Enrollment and Online Education
Meghan Cunningham, Media Relations Specialist
David Cutri, Director Internal Audit and Chief Compliance Officer
Samuel Derkin, Reporter for the Independent Collegian
Tim Gaspar, Dean College of Nursing
Lloyd Jacobs, University of Toledo President
Lauren Jencen, Student Government Vice President
Mary Humphrys, Associate Professor Business Technology
Patricia Komuniecki, Vice Provost Graduate Affairs/Dean College of Graduate Studies
Brenda Lee, President UT Foundation
Chuck Lehnert, VP Corporate Relations
Ronald McGinnis, Interim Dean College of Medicine
William S. Messer, VP of Research
David R. Morlock, Executive VP Finance and Administration
Nagi Naganathan, Dean College of Engineering
Michael O'Brien, VP and Director of Athletics
Peter Papadimos, VP and General Counsel

Kaye Patten Wallace, VP for the Student Experience
Matthew Purdue, UT Student
Nolan Rosenkrans, Reporter for *The Blade*
Linda Rouillard, Associate Professor/Faculty Senate President
Scott Scarborough, Provost and Executive VP Academic Affairs
Matthew Schroeder, VP Real Estate and Business Development
Vern Snyder, VP Institutional Advancement
Joan Stasa, Secretary Board of Trustees
Jon Strunk, Sr. Director University Communications
Kevin West, Sr. Director Faculty Labor Relations/Inclusion Officer

Chair Zerbey requested a motion to waive the reading of the minutes from the November 18, 2013 Board meeting and accept them as written. A motion was received from Trustee Hussain and seconded by Trustee Palmer. The meeting minutes were approved by the Board members present.

**APPROVAL OF
MEETING
MINUTES**

Chair Zerbey requested a motion for approval of all items on the Consent Agenda and made clear that item e) on the Consent Agenda should be 2014 and not 2013. A motion was received by Trustee Speyer, seconded by Trustee Szuch, and approved by the Board with correction noted.

**APPROVAL OF
CONSENT
AGENDA**

Dr. Lloyd Jacobs mentioned the article in the *Amplify* publication from the Council on Competitiveness. He specifically discussed Dialogue 2: Bridge, which talks about UT hosting an event on June 20, 2013. The American Energy and Manufacturing Competitiveness (AEMC) Partnership convened 40 regional and national clean energy manufacturing stakeholders from industry, academia, national laboratories, non-profit organizations, and the public sector on the UT campus. “The content development for this regionally-focused, nationally cultivated conversation followed directly from key themes strategically culled from the inaugural dialogue and leveraged the deep industrial history embedded in the Toledo region.”

**PRESIDENT’S
REPORT**

The Board was informed about the HSC Department of Laboratory Animal Resources accreditation visit. Representatives from the Association for the Assessment and Accreditation of Laboratory Animal Care (AAALAC) visited UT in November 2013. The visitors met with UT administrators in an exit briefing and informed UT that they were very pleased with the continued high program standard achieved by researchers, staff and faculty at UT and would be recommending full, continued accreditation to the AAALAC Council.

The University of Toledo will host the first two rounds of the 2014 NCAA Division I Women’s Basketball Tournament in March for the first time. Dr. Jacobs urged all to attend.

President Jacobs provided information to the Trustees about an article that appeared in the Vascular Specialist Newsletter about Dr. Christopher Cooper who is Chief of Cardiology and Chief of the Department at UTMC. Dr. Jacobs expressed his accolades to Dr. Cooper for the great work he is doing in this area of medicine.

Dr. Jacobs’ report also included an update about the proposed smoking ban for the entire University. He indicated that although there is great support for this ban, there are others who would like to comment. An invitation was extended to Ms. Lauren Jencen, VP

Student Government, to provide a few remarks. Ms. Jencen stated that Student Government did pass a resolution in favor of the smoking ban and mentioned it is a great step forward to improve student health and wellness on the UT campuses. Dr. Jacobs reported that this is not an easy decision and announced that at the March 11 Academic and Student Affairs Committee meeting there will be an opportunity to hear both sides of the issue from students, faculty and staff.

Board Chair Zerbey echoed Dr. Jacobs' remarks about the proposed smoking ban and indicated that the trustees look forward to comments from both sides at next month's meeting.

Dr. William Messer was asked by President Jacobs to provide the Board with information about the status of the UT Strategic Plan: Goal 3 – Research and Technology Transfer. The overarching goal is to enhance UT's standing as a major metropolitan research university with internationally recognized areas of research, scholarship and creative activity. Dr. Jacobs indicated that Dr. Messer is relatively new in this role due to the retirement of Mr. Jim Trempe. Dr. Messer mentioned Mr. Stephen Snider, Associate VP of Technology Transfer, who he works closely with. Sub-goals and metrics as well as the progress for each goal were reviewed. A bar chart was displayed showing funding history for research from 2009 through 2013. The largest source of support is from corporations and foundations, as well as clinical trial funding. Dr. Messer reported that thus far in FY 2014, UT has entered into 16 licenses/options. As new ventures are concerned, technology has been transferred to four start-up companies. Discussion also included UT's strong record for attracting seed funds.

Committee Chair Palmer requested Mr. David Morlock present the Personnel Action Reports for February 10, 2014. After discussion of the reports, Mr. Zerbey requested a motion to approve the Personnel Action Reports. A motion was received by Trustee Hussain, seconded by Trustee Palmer and the Personnel Action Reports were approved by the Board.

Dr. Scott Scarborough was invited to present information about sabbatical recommendations for 2014-2015. He reported that tenured faculty are eligible for a sabbatical leave after six years of full-time service and eligible again every seventh year. The purpose of a sabbatical is for research, scholarship and creative work with a report due upon completion. For 2014-2015, 27 applications were received with 12 recommended. Dr. Scarborough displayed a bar chart showing the number of Main Campus sabbaticals awarded by year from 2002 to those proposed for 2014. A pie chart showed which colleges received recommendations for 2014-2015 awards. Dr. Scarborough also provided a list of examples of the purposes and topics of the sabbatical work proposed. Chair Zerbey requested a motion for approval of the 12 sabbatical applicants as recommended. A motion was received by Trustee Hussain, seconded by Trustee Palmer and approved by the Board.

Dr. Scott Scarborough was invited to provide the Trustees with an update about UT accreditation activities. He reported that there are three types of academic accreditation: University Level – Regional, Program Level – Required, and Program Level – Voluntary. He shared several names of accrediting bodies and stated that there are 50 accrediting bodies that visit UT regularly. There are many UT individuals involved with preparation for each visit -- Mr. John Barrett with a staff of two has primary responsibility in this area. Dr. Scarborough reviewed the 12 visits from accrediting bodies within the last six months.

**CHAIRMAN'S
REPORT**

**UT STRATEGIC
PLAN UPDATE**

**ACADEMIC
AND STUDENT
AFFAIRS
COMMITTEE**

All, but one area, have received positive reports. The Ph.D. in Clinical Psychology Program was issued a “show cause letter,” which means possible probation due to internal faculty disputes affecting student learning. The response to the Site Team Report is due next week with an action plan implemented. Dr. Scarborough distributed copies of several articles to the Trustees about changes in accreditation processes and explained UT’s continuous improvement plan for learning assessment.

Trustee Palmer requested the following search committee updates.

- VP Institutional Advancement – Ms. Brenda Lee reported that the search for the VP Institutional Advancement is underway. The committee is working with Mr. Dennis Barden from the Witt/Kieffer search firm, and 11 committee members. A position specification has been completed and was distributed to the members of the Board. The committee is on track to bring the process to a successful conclusion by the end of April and to have someone in place by July 1.
- Dean College of Medicine and Life Sciences – Dr. Nagi Naganathan spoke on behalf of himself and co-chair Dr. Robert Mrak who was not able to attend the meeting. He reported that there are 17 members of the search committee with broad representation. They have been working with Dr. Warren Ross of Korn/Ferry International search firm. The search committee is scheduled to review candidates in March.
- Associate VP Human Resources and Talent Development – Mr. David Morlock reported that a search firm has been retained for this recruitment and a broad-based, well represented committee has been formed. Currently, the search firm is sourcing and vetting candidates placing a strong emphasis on diversity. The committee is scheduled to meet on February 28 to review and select candidates for interviews, which will take place mid-March. The committee plans to recommend finalists by the end of March with on-campus interviews scheduled for April. The plan is to have a decision on a finalist by the end of April with a person in place by May 1.
- Associate VP Finance – Mr. Morlock focused on internal candidates including UT Foundation applicants for this position. Six candidates were interviewed. He is working on finalizing the details with a candidate and plans to have someone in place by March 15.

Clinical Affairs Committee Vice Chair Linda Mansour presented the meeting minutes for November 2013, December 2013 and January 2014 to the Board. Trustee Zerbey requested a motion to accept the meeting minutes as presented. A motion was received from Trustee Hussain, seconded by Trustee Szuch and approved by all Trustees.

**CLINICAL
AFFAIRS
COMMITTEE**

Mr. David Morlock reported that resolution has been reached with ProMedica regarding the finances for the St. Luke’s Family Medicine Residency Program and Geriatric Fellowship. UT will become sponsor for a Family Medicine Residency Program and Geriatric Fellowship as of July 1, 2014. ProMedica entered “the match” at the end of January as part of the agreement. A letter will be sent to the Residency Review Committee this week. ProMedica will cover the costs of the residents, fellows and faculty preceptor sponsorship for the first year of the UT Family Medicine Program. UT will assume responsibility for operation of the clinic on July 1, 2014 and will lease current space from ProMedica. The clinic will physically move on or before July 1, 2015 -- options for the location are currently being explored. Capital costs are estimated to be about \$3.5 million with a 9-12 month completion timeframe. UT will be responsible for the full costs of the UT Family Medicine Residency Program and Geriatrics Fellowship as of July 1, 2015, which will cost \$1.4 million. The downstream ancillaries and admissions

that UT will capture once we move the clinic to the UT site is expected to offset the cost of both the clinic and the program. Mr. Morlock added that plans are to present a proposal to the Board's Finance and Audit Committee next month about where to house the Geriatrics and Family Practice residencies.

A budget update was presented by Mr. David Morlock. He reported that FY 2014 is progressing well, and UT is on pace to meet budget. All is progressing nicely for FY 2015 budget planning. The plan is to target an \$18 million financial improvement plan, consisting of \$8 million cash shortfall and \$10 million of depreciation/deferred maintenance. Budget meetings for the administrative areas should be finished by February 21, academic areas done by March 7 and the hospital complete by March 15. Meetings will be held with the University Council and its Finance Sub-Committee before presentation to Dr. Jacobs. The President's Recommended Budget for FY 2015 will then go before the Board of Trustees' Finance and Audit Committee with presentation to the full Board for final approval before or at their June 16 Board meeting.

Mr. Matt Schroeder was asked to bring the Trustees up to speed about plans for the potential Academic Village housing project. Mr. Schroeder displayed a campus map and showed that the Academic Village will be located where the former Dowd-Nash-White (DNW) Student Residence Halls once stood. He reminded the Trustees of the phased approach to continue modernization of our student housing portfolio and the public-private partnership model with UT as the lessor, Collegiate Housing Foundation as the lessee, and American Campus Communities as the developer/manager. The Academic Village target audience is planned for honors and undergraduate students. Housing will include 153 units featuring 492 beds; the units will be fully furnished, include shared amenities and a fitness center. Rental rates are in line with existing on-campus pricing. This is replacement housing for DNW and Carter East/West. Several renderings of the outside of the building were displayed as well as the internal suite configurations. Academic Village housing will be recognized as (i) on-campus housing, (ii) part of UT's housing portfolio/housing stock made available to all students, and (iii) will be included in all University marketing materials (print and electronically). The services for this housing will mirror those offered on campus and will be restricted to UT students or designated affiliates. This project will be considered during future planning for on and off campus housing. The financing structure will be project-based financing and the ground lease to mirror term of the bonds. Mr. Schroeder reviewed the following milestones:

- November 2013 – UT Board approval
- February 2014 – Rating agencies visit campus
- April 2014 – Bond pricing and closing
- May 2014 – Break ground
- August 2015 – Honors housing opens, Carter East/West closes

Resolution No. 14-02-01: "Foundation Endowment Trustee Appointment" was presented to the Committee by Mr. Pete Papadimos. This resolution was presented to appoint Mr. Nicholas C. Conrad as a Trustee of the Foundation Endowment Fund due to the untimely death of Mr. Hank Herschel. Trustee Zerbey requested a motion to approve the Resolution which was received by Trustee Szuch, seconded by Trustee Hussain and approved by the Board.

Resolution No. 14-02-02: "Transfer of The University of Toledo Endowment Fund Assets to The University of Toledo Foundation" was also presented by Mr. Papadimos.

**FINANCE
AND AUDIT
COMMITTEE**

**TRUSTEESHIP
AND
GOVERNANCE
COMMITTEE**

This Resolution will transfer the assets of the Endowment Fund currently handled by Key Bank to the UT Foundation. Trustee Zerbey requested a motion for approval, which was received by Trustees Hussain, seconded by Trustee Szuch and approved by the Board.

Resolution No. 14-02-03: “The University of Toledo Endowment Fund” was inadvertently included as material that needed approval at this meeting from the UT Board. After further investigation, the UT Legal Department indicated that it will require the approval from the Endowment Fund Trustees.

Mr. Vern Snyder provided an update to the Board about the status of the Capital Campaign. Mr. Snyder reported that the Campaign total as of February 1, 2014 is at \$55.5 million mainly because of the commitment of Dr. Jacobs to meet with, cultivate and solicit major donors. This approach will be continued as it works very effectively to discuss concerns of donors. A pie chart was displayed and discussed by Mr. Snyder indicating the areas where funds have been designated. Mr. Snyder indicated that the Board of Trustees giving to the Campaign is essential and meetings will be scheduled with each Board member for this discussion. Trustees requested that at each meeting they receive a list of recent giving so that they may write a note of thanks to the donors. Mr. Mr. Snyder indicated he would be happy to provide this information.

An Ohio Ethics Law Memoranda for Trustees of Public Colleges and Universities was provided with the Board materials to each Trustee. Dr. Jacobs stated that we live in a world of increasing attention to these issues and recommended that this information be reviewed and adhered to.

There was no need for an Executive Session.

Resolution No. 14-02-04: “Administrative Officials as the Appointing Authority” was presented by Dr. Jacobs. The content of this Resolution is the same as the one approved in September 2013. The only change is Dr. Jeffrey Gold’s title has been removed and replaced with Dr. Ronald McGinnis’ title. Trustee Zerbey requested a motion for approval of the Resolution. A motion was received by Trustee Palmer, seconded by Trustee Mansour and approved by the Board.

With no further business before the Board, Trustee Zerbey adjourned the meeting at 2:30 p.m.

**EXECUTIVE
SESSION**

**OTHER
BUSINESS**

ADJOURNMENT