

Board of Trustees March 11, 2013 Minutes

Board of Trustees

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Minutes

**The University of Toledo
55th Meeting of the Board of Trustees
Monday, March 11, 2013
Driscoll Alumni Center Schmakel Room
1:00 p.m.**

The fifty-fifth meeting of The University of Toledo Board of Trustees was held on Monday, March 11, 2013, on the Main Campus in the Schmakel Room, Driscoll Alumni Center. Chair William C. Koester 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 Trustee members were in attendance:

Joshua R. Beekman, Student Trustee
William C. Koester
Linda N. Mansour
Susan Palmer
John J. Perez
Sharon Speyer
John S. Szuch
Gary P. Thieman
Joseph H. Zerbey, IV

ATTENDANCE

The following Board of Trustee members were absent:

Brittney M. Brown, Student Trustee
Susan E. Gilmore
S. Amjad Hussain

A quorum of the Board was constituted.

The following individuals were also in attendance:

John Barrett, Vice Provost/Associate Professor
Jeffrey Bowman, University Treasurer
Lawrence Burns, VP External Affairs
Frank Calzonetti, VP Government Relations
Cameron Cruickshank, Interim Vice Provost for Enrollment
Meghan Cunningham, Media Relations Specialist
David Cutri, Director Internal Audit and Chief Compliance Officer
David Dabney, CFO and VP Finance
William Davis, Chair Department of Chemistry
Michael Dowd, Associate Professor/Chair Department of Economics
Esther Fabian, Associate VP Branding/Creative Services
Marcie Ferguson, Assistant to VP Administration Special Projects
Timothy Gaspar, Dean College of Nursing

Jeffrey Gold, Chancellor and Executive VP Biosciences and Health Affairs/
Dean of the College of Medicine and Life Sciences
Shanda Gore, Associate VP Equity, Diversity and Community Engagement
Lloyd Jacobs, University President
Patricia Komuniecki, Vice Provost Graduate Affairs/Dean College of Graduate
Studies
Brenda Lee, President UT Foundation
Chuck Lehnert, VP Administration
Michael O'Brien, VP and Director of Athletics
Kaye Patten Wallace, VP for the Student Experience
Barbara Tartaglia-Poure, Associate VP Development
Lakeesha Ransom, Dean Jesup Scott Honors College
Nolan Rosenkrans, *Blade* Staff Writer
Linda Rouillard, Associate Professor
Scott Scarborough, Provost and Executive VP Academic Affairs
Matt Schroeder, VP Real Estate and Business Development
Joan Stasa, Secretary to the Board of Trustees
Dan Steinbock, Dean College of Law
James Trempe, Professor and VP for Research
Kathy Vasquez, Associate VP Government Relations
Kevin West, Sr. Human Resources Officer

Chair Koester requested a motion to waive the reading of the minutes from the January 14, 2013 Board meeting and accept them as written. A motion was received from Trustee Palmer and seconded by Trustee Speyer. The meeting minutes were approved by the Board members present.

**APPROVAL OF
MEETING
MINUTES**

Chair Koester requested a motion to approve the Consent Agenda items as listed on the agenda. A motion for approval of all Consent Agenda items was received by Trustee Zerbey, seconded by Trustee Palmer, and approved by the Board members.

**APPROVAL OF
CONSENT
AGENDA**

Trustee Koester announced that he has selected the following Trustees as members of the Board of Trustees Nominating Committee: Trustee John Szuch as Chairman of the Committee, Trustees Linda Mansour and John Perez as Committee members. Their recommendations for FY 2014 Board Officers will be presented to the Board at the May or June Board meeting.

**CHAIRMAN'S
REPORT**

Chairman Koester mentioned that he spoke to the Faculty Senate at their meeting a few weeks ago. He reported that he appreciated the invitation to hear their concerns and the opportunity to express his opinions.

Dr. Jacobs announced that the "The BIG Event" scheduled for March 23 is the date when UT Students will volunteer one day of service to the local community. Last year over 1,000 students participated; planning is underway for 2,000 students this year. Student Government is still looking for volunteer opportunities and sponsors. The Blade has been very supportive of this event.

**PRESIDENT'S
REPORT**

Dr. Jacobs announced that for the first time in the College of Pharmacy's history, they have been ranked by U.S. News and World Report. Dr. Jacobs and the Trustees expressed congratulations to Dr. Johnnie Early, Dean of the College of Pharmacy, to his faculty and staff, and requested that the minutes of the meeting reflect this good news.

The latest information regarding continued success from UT student athletes in the classroom for the fall semester was provided to the Board. Some of the highlights included:

- Department GPA for 373 student athletes was 3.131
- Of the 373 students, 231 earned a 3.00 or higher GPA, which accounts for 61% of the total
- This is the 18th consecutive semester in which over half of our student athletes have achieved over a 3.0 GPA
- 26 student athletes had a perfect 4.0 GPA
- 131 student athletes, or over one-third, secured spots on the Dean's List with a 3.5 or higher GPA
- 12 of 16 teams earned at least a 3.0 GPA
- The football team (105 student athletes) achieved a best ever GPA of 2.999

The Women's Soccer Team took top honors with the highest semester team GPA of 3.616, the Women's Swimming team was a close second with a 3.555 GPA, and the Volleyball program finished next with a 3.549 team GPA.

Congratulations were extended by President Jacobs and the Trustees to the student athletes, Michel O'Brien, and the Student Athletics Academic Services staff for their continued adherence to academic standards.

The Board was made aware of two articles of interest in the Winter 2013 issue of *Toledo Medicine* – The Journal of The Academy of Medicine of Toledo & Lucas County (Volume 104/Number 1). The first article: "Renal Transplant at The University of Toledo," by Gerald W. Marsa, M.D. reported that The Academy of Medicine commends UTMC and its leadership for the way it handled the kidney incident in August 2012 and for being proactive and transparent. The second article: "Understanding Human Error: Tenerife Revisited" was written by Dr. Jeffrey Gold. Dr. Jacobs commented that Dr. Gold's article is the most balanced view that has found its way into print about this incident.

Dr. Jacobs shared a copy of the 2012 Clean Energy Jobs Year-in-Review and Fourth Quarter Report with the Trustees. From page 9 he read, "In 2009, solar panel maker Isofoton started searching for a U.S. manufacturing base. After interviewing more than 20 states, Northwest Ohio quickly emerged as an ideal location with a history in advanced glass manufacturing, a skilled workforce, companies known for solar innovation and efficiency, and home to The University of Toledo's (UT) cutting-edge solar R&D and commercialization programs and local suppliers who can source parts." "It's a natural progression for our region to move into some of these high tech industries, says Rick Stansley, Jr., co-director of UT's Center for Photovoltaic Innovation and Commercialization."

Mr. Lawrence Burns was invited to provide the Trustees with an update about Goal 6 of the UT Strategic Plan: *Directions 2011* on Outreach and Global Engagement. Mr. Burns reviewed the goal as follows: *We will be distinguished for our community outreach and global engagement. We will be a key driver in the revitalization of the region's economy and quality of life.* He reported that in one week, a new program called "Intern in Ohio" will begin. UT will spearhead a statewide "matchmaking service" for students and businesses with internship opportunities. This program is supported across the Division of External Affairs and will help employers across the state of Ohio find qualified employees. Approximately 30 internship opportunities have been posted thus far. Mr. Burns also provided information to the Trustees about outreach and global engagement in the following areas:

- The Minority Business Development Center
- The Eberly Center for Women
- Military and Media Liaison
- International Outreach Programs, Conferences, Ads and Webinars
- Center for Creative Instruction
- Marketing and Communications Initiatives

Committee Chair Zerbey requested Mr. Chuck Lehnert present the Personnel Action Reports for March 11. After discussion and presentation of the reports, Mr. Zerbey requested a motion to approve the Personnel Action Reports. A motion was received by Trustee Mansour, seconded by Trustee Thieman and the Personnel Action Reports were approved by the Board.

Dr. Scott Scarborough gave the Board members a report on the progress of the Main Campus Strategic Plan: *Imagine 2017*. He shared an outline of the first year timeline and highlighted what has been accomplished within the last five months. The following bullet points were displayed and discussed about the Communication Plan:

- New Staff Meeting with Faculty Senate President
- New Provost Book Club
- New Provost Friday Faculty Lunch
- New Academic Leadership Team
- New University Council
- New Student Leadership Luncheon
- Faculty Senate and Executive Committee

The Provost's Corner videos were described as a way to highlight some of the new activities and changes underway. Dr. Scarborough displayed an organization chart of the Provost's area showing the functions under new leadership. He identified ten areas that need attention and possible solutions to help these areas showing areas of early focus as follows:

- Strategy 1 – Honors College
- Strategy 2 – Experiential Learning (Digerati)
- Strategy 3 – UTXnet World Campus

**UT STRATEGIC
PLAN:
PROGRESS
UPDATE**

**ACADEMIC
AND STUDENT
AFFAIRS
COMMITTEE**

- Strategy 6/7 – Pricing/Aid and Advising
- Strategy 9 – FY 2014 Operating Budget
- Strategy10 – New Colleges and Partnerships

Dr. Lakeesha Ransom was introduced to the Board as the new dean for the Honors College. Dr. Ransom spoke briefly about her background and initiatives for the UT Honors College. Dr. Scarborough identified and discussed six Honors College projects currently underway and discussed proposed Honors College General Education course offerings.

Dr. Cameron Cruickshank was also introduced to the Board as the interim Vice Provost for Enrollment. Mr. Cruickshank spoke briefly about his education and previous employment before talking about a new program called “Intern In Ohio” sponsored by UT. Dr. Scarborough commented that this program is a classroom to career online pilot that will match and connect job seekers with employers looking for employees with specific qualifications.

Experiential learning initiatives were identified as follows:

- Internships/Coops
- Service Learning Assignments
- Study Abroad
- Undergraduate Research Projects
- Student Employment with Learning Component
- Clinical Rotations, Practicums, Field Experiences
- Advanced Simulation

YouCollege powered by UTXnet was discussed with the Board. Dr. Scarborough reported that many high school graduates are underprepared for college. YouCollege will be a portal for prepared and underprepared students teamed with UTXnet to cost-effectively improve student success rates.

Dr. Scarborough discussed funding issues and a new advising proposal that is being rolled out to colleges. New faculty workload guidelines were discussed and Dr. Scarborough indicated that UT academic structures are not optimally designed to respond to changing conditions in the external environment, thus causing low morale. Possible solutions to these issues were also provided. Dr. Scarborough stated that it is important to chart the progress that has been made and mentioned that they are also looking at the academic programs on the Health Science Campus.

Dr. Jeffrey Gold brought the Board up to speed with what has been occurring with the Health Sciences Academic Program Accreditation for 2013. He discussed the accreditation process and reviewed each unit’s accrediting organizations, dates and outcomes. The College of Medicine and Life Sciences next accreditation date with the LCME for the MD Degree Program is set for April 28, 2013 (an eight year accreditation). Dr. Gold provided the Board with

information about the College of Medicine’s full survey timeline from April 2011 through the LCME accreditation decision of October 2013. An Institutional Self-Study Summary was handed to each Trustee for their review, as well an LCME Commitment to Excellence Program Personal Attestation form for each Trustee to complete and return after review of the Self-Study Summary and prior to the LCME April visit.

Trustee Thieman, Chair of the Clinical Affairs Committee, presented the Committee report by requesting the Board’s acceptance of the January and February Committee meetings’ minutes. A motion was provided by Trustee Zerbey, seconded by Trustee Speyer and approved by the Board.

**CLINICAL
AFFAIRS
COMMITTEE**

External Affairs Committee Chair Dr. Amjad Hussain was absent. Trustee Linda Mansour, Committee Vice Chair, conducted the meeting in Dr. Hussain’s absence. The Capital Campaign topic on the agenda will be held for a future meeting due to the absence of Mr. Vern Snyder, VP Institutional Advancement.

**EXTERNAL
AFFAIRS
COMMITTEE**

Mr. Matt Schroeder presented Resolution No. 13-03-02: “Gift of Real Property – 4042 Corey Road, Toledo, Ohio.” Mr. Schroeder reported that the UT Foundation closed on this property shortly after the first of the year. After a short discussion, Chairman Koester requested a motion for approval of the Resolution as presented. A motion was received from Trustee Palmer, seconded by Trustee Szuch and approved by the Board.

Ms. Barbara Tartaglia-Poure was invited to present Resolution No. 13-03-03: “Naming Opportunity for The Crossings Student Residence.” This Resolution requests that The Crossing Student Residence be renamed Presidents Hall and the four interior halls of the residence be named after four former UT Presidents: Dowd, White, Nash and Johnson. Chairman Koester requested a motion for approval of the Resolution which was received by Trustee Zerbey, seconded by Trustee Palmer and approved by the Board.

Finance and Audit Committee Chair Ms. Susan Palmer requested Mr. Chuck Lehnert provided the Trustees with information about Capital Renewal Projects Reinvestment Allocation. Mr. Lehnert briefed the Board that S.A.M. is a Strategic Assessment Model used to evaluate educational facilities for continuous improvement. He provided a list of current information needed for evaluating facilities. Cause and effect of maintenance expenditures was explained and discussed. Mr. Lehnert reported that UT has spent more in space renewal and safety/codes over eight years than its peers. Pie charts were displayed showing the mix of spending compared to the FY 2009 mix for both the Main Campus and the Health Science Campus. A remedy suggested would be to increase budgets to account for inflation, use of space (normal wear and tear) and annual depreciation. In reality, budget challenges will affect deferred maintenance which will likely increase, and operating funds would be used to offset capital needs. Cause and effect of operating budget was explained/ discussed indicating that a decrease in capital expenditures will have an unplanned consequence on the

**FINANCE
AND AUDIT
COMMITTEE**

operating budget. Thus, maintenance will increase the capital need and unplanned maintenance events will impact the operating budget. The Facilities Condition Analysis provides a source for identifying the existing physical condition and functional performance of the buildings and infrastructure, as well as maintenance deficiencies. This provided information determines deferred maintenance, current replacement value, and is also used to compute Facilities Condition Index and Capital Renewal Index. Mr. Lehnert discussed deferred maintenance in more detail and displayed a graph from years FY 2002 through FY 2013 which showed the trend prior to and after the merger. He also discussed the FCI and CRI in more detail as it relates to UT facilities.

A preliminary view of the Health Science Campus portfolio enlargement was presented by Dr. Gold as it relates to an In-patient Rehabilitation Facility. This HSC enlargement connects to Goal V – Health Care Access and Delivery of the UT Strategic Plan: *Directions 2011*, as well as Goal VI – Outreach and Global Engagement. Dr. Gold reviewed the vision to reach the “Club of 100” Academic Health Science Centers. Ernest Health, Inc. (EHI) has proposed to build and operate a 40 bed rehabilitation hospital on or near the UTMC Campus as their first relationship with an Academic Health Center. They proposed a joint venture with UTMC as an equity model and a non-equity model. Dr. Gold reported that EHI owns and operates 16 long term care and rehab hospitals in nine states. EHI reports that their hospitals provide comprehensive post-acute services to patients with functional deficits resulting from injury or illness as well as chronic and complex medical conditions. The benefits to both organizations were reviewed by Dr. Gold and next steps for this preliminary project were outlined.

An additional enlargement to the HSC portfolio, Dr. Gold spoke to the Trustees about the possibility of creating a UT College of Dentistry. Creation of such a College connects to Goal II of the UT Strategic Plan – Graduate and Professional Academic Programs. A chart showing the distribution of all professionally active dentists and new professionally active dentists by region for 2009 was displayed and discussed by Dr. Gold. He indicated that the American Dental Association estimates that the national supply of dental services will increase due to a significant increase in dental productivity. Also, dental productivity is expected to increase through increased employment of allied dental professionals. A map of the nation was provided showing health professional shortage areas in dental health. Dr. Gold shared a national distribution of public and private U.S. Dental Schools 2012, and new schools enrolling 2013 entering classes. An executive summary of the access to dental care in Ohio and Ohio’s dental care access problem was explained by Dr. Gold. He reported that Dentistry tops U.S. News & World Report’s list of 100 jobs in greatest demand. Potential synergy and benefits for creation of a UT College of Dentistry were outlined for the Trustees. Dr. Gold stressed that this possibility is still in the “what if” stages and more info would be provided if necessary at a later date.

Mr. David Dabney was asked to provide information to the Board about bond refinancing. This discussion item was not on the agenda. Mr. Dabney reported

that the UT Board of Trustees approved Resolution No. 11-04-08 on May 16, 2011 which authorized refunding existing bonds if:

- net present value debt service savings of not less than 3%, or
- variable rate obligations, mitigation of undesirable fluctuations in rates of interest, or
- elimination or modification of unduly restrictive covenants, or
- a more favorable debt service structure.

Sequestration cuts include mandatory reductions in the amounts scheduled to be paid by the Federal Government to issuers of Build America Bonds. UT has the ability to refund at par if, as a result of a change in law, the refundable credits to be made to the University by the U.S. Treasury in the amount of 35% of the interest payable on the Series 2009B Bonds on any interest payment date are reduced or eliminated. Mr. Dabney stated and he and the institution's treasurer have monitored the situation and determined that at this time refunding the \$37.4 million Series 2009B would provide a NPV savings of \$5.9 million at 3%. In addition, UT has \$10.2 million in the 2004 Series that would produce an NPV savings of \$0.6 million at 3% if refunded. At this time, the President and CFO recommend moving forward on refunding the 2009B and 2004 Series bonds. The University's indenture requires all bond issues to be signed by the President and VP Finance, as well as the Chair and Secretary of the Board of Trustees.

Committee Chair Speyer indicated that the Trusteeship and Governance Committee did not have a report.

Mr. Koester requested a motion to enter Executive Session to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of public employees. A motion was received by Trustee Mansour and seconded by Trustee Palmer. A roll call vote of the Trustees was taken by Ms. Stasa: Mr. Koester, yes; Ms. Mansour, yes; Ms. Palmer, yes; Mr. Perez, yes; Ms. Speyer, yes; Mr. Szuch, yes; Mr. Thieman, yes; and Mr. Zerbey, yes. After discussions, the Board voted to exit Executive Session with no action taken.

With no further business before the Board, Trustee Koester adjourned the meeting at 4:10 p.m.

**TRUSTEESHIP
AND
GOVERNANCE
COMMITTEE**

**EXECUTIVE
SESSION**

ADJOURNMENT