

UNIVERSITY OF CINCINNATI

Official Proceedings of the

Two Hundred and Ninety-Ninth Meeting of the Board of Trustees

(A Regular Meeting)

June 22, 2010

The Two Hundred and Ninety-Ninth Session of the Board of Trustees of the University of Cincinnati was opened at 10:50 a.m. on Tuesday, June 22, 2010, in the Russell C. Myers Alumni Center of the University of Cincinnati. Notice of this meeting was given in accordance with Section 121.22 of the Ohio Revised Code. The proceedings of the Board, when not otherwise provided for by its bylaws, are governed by *Robert's Rules of Order*.

Sandra W. Heimann, Chairperson of the Board of Trustees, presided. Mrs. Heimann asked that roll be called.

BOARD MEMBERS PRESENT:

C. Francis Barrett, Margaret E. Buchanan, Thomas D. Cassady, Stanley M. Chesley, Gary Heiman, Sandra W. Heimann, Thomas H. Humes, and Robert E. Richardson, Jr.

BOARD MEMBERS ABSENT:

H.C. Buck Niehoff

ALSO PRESENT:

Gregory H. Williams, President;
Robert H. Ambach, Sr. Vice President for
Administration and Finance;
Anthony J. Perzigian, Senior Vice President
for Academic Affairs and Provost;
Michael W. Carroll, Vice President for
Development and Alumni Affairs;
Sandra J. Degen, Vice President for
Research;

Mitchel D. Livingston, Vice President for
Student Affairs and Chief Diversity
Officer;
Mitchell D. McCrate, General Counsel;
Carlo Montemagno, Chair for Council of
Deans;
James D. Plummer, Vice President for
Finance;
Fred Reynolds, Executive Vice President;
Michael J. Thomas, Director of Athletics;
Gregory J. Vehr, Vice President for
Governmental Relations and
University Communications;
Greg Hand, University of Cincinnati
Spokesperson;
Steve Simendinger, Alumni Representative;
Marla Hall, Faculty Representative;
Makram Suidan, Faculty Representative
B. J. Zirger, Faculty Representative;
Portia Watkins, Graduate Student Trustee;
Kyle Quinn, Undergraduate Student Trustee;
Drew Smith, Student Representative;
Susan Stringer, Executive Assistant to the
Board of Trustees and Sr. Vice
President for Administration and
Finance;
and the public

(Prior to the Board Committee Meeting and the Regular Board Meeting,
Chairman Heimann began the proceedings at approximately 8:32 a.m.)

Mrs. Heimann:

Good morning everyone. I'd like to note that Buck Niehoff will not be with us
today.

We have a new face at the board table this morning. I'd like to welcome Russell
C. Myers – Rusty. Mr. Myers is the President-Elect of the Alumni Association Board of
Directors and will be their new President as of July 1, 2010. He is president of Cincinnati

Capital Properties, Inc. in Cincinnati. He has served on the Board of Executive Advisors for UC's Real Estate Program and past chair of UC's Real Estate Advisory Council, as well as the Clermont County Chamber of Commerce Board of Trustees. Let's give a warm welcome to Rusty.

And Dr. Perzigian, would you please introduce our newest dean from the College of Business?

Dr. Perzigian:

I'd be very happy to. I'm pleased to introduce Dr. David Szymanski who becomes the dean of the College of Business on August 1st. He comes to us from Texas A&M University where he is a professor of marketing. During his twenty-three year distinguished career at A&M he received numerous awards for outstanding teaching and research. He held a J C Penney Chair of Retailing Studies and served as director of the Center for Retailing Studies from 2000 to 2006. Dr. Szymanski has consulted widely for companies in the retailing industry. He recently completed his tenure on the board of directors of the Zale Corporation and currently serves on the board of Office Max where he chairs its Compensation Committee.

The Search Committee chaired by Dean Montemagno was impressed with Dr. Szymanski's academic accomplishment, his wide-ranging professional experiences and his leadership qualities. I'm confident that we've identified an outstanding new leader for the College of Business – a leader with the necessary energy and vision to advance the college's standing in business education and research and service to the business community. I'm pleased to introduce Dr. David Szymanski. David? *(Applause)*

Dr. Szymanski:

I guess I wouldn't be an academic if I didn't say a few words. I appreciate the opportunity and I'm really excited about being here. My family is excited about being here. We looked at Cincinnati and we looked at the university and it's just a business school that is full of potential. There are pockets of greatness and we're going to make it all great. So we are not looking to be very good, we're looking to be extremely good and we are looking to be an excellent institution. So I look forward to working with the Board of Trustees and I look forward to working with the people at the Foundation and other administrators within the administration. We're ready to go and I'm ready to start. Thank you very much for taking the time to listen to my two words, but I'm really excited to be here and I thank President Williams for his support and I thank Provost Perzigian for his support and I thank all the deans who also have been supportive. Thank you very much. (*Applause*)

Mrs. Heiman:

And, welcome from the Board of Trustees. President Williams, I will turn the floor over to you to introduce the successful candidate for the Senior Vice President for Academic Affairs and Provost's position.

President Williams:

Thank you, Madame Chairman. I'm submitting Dr. Santa Jeremy Ono for approval by the Board of Trustees for the position of Senior Vice President and Provost. Dr. Ono is currently the Senior Vice Provost for Undergraduate Education and Academic Affairs at Emory University. His impressive records in research, fundraising, and promotion of academic quality and student success positioned him well for immediate engagement with the University of Cincinnati's goals. Through the intensive search process that we had that led to his selection, Dr. Ono was able to communicate his commitment to UC status as a world-class teaching research institution. Most important, he was able to communicate his abilities and his vision to a diverse array of audiences from faculty to staff to students to donors, supporters and trustees. In addition to his

administrative post at Emory, Dr. Ono is a full professor of Ophthalmology, Medicine, Pediatrics and Biology. He was educated at McGill, Harvard, and the University of Chicago and has held academic and administrative posts at Johns Hopkins, Harvard, and University College in London. His research focused on gene regulation in the immune system and its role in inflammation of the eye and age related macular degeneration. He has authored over 110 scholarly publications and he has lectured globally.

The identification and recruitment of Dr. Ono was made possible by a dedicated Provostal Search Committee chaired by UC Dean Larry Johnson and I want to thank him so much. He was assisted by Karen Faaborg our Senior Associate Vice President and Chief Human Resources Officer. I'm grateful also for the assistance of Tony Perzigian during this process. With your permission, Madame Chairman, I would invite Dr. Ono to come to the microphone to say a few words. (*Applause*)

Dr. Ono:

President Williams, Sandy, it's an incredible singular honor for me to be here and to join the University of Cincinnati community. This is a stunning institution. It has been a pleasure to meeting many of you during the search process. I can't wait to get here, to be working with the deans, the faculty and the students and to cheer the Bearcats on in the stadium. It is really fantastic and I cannot wait to join this community. Thank you so much for the warm welcome that you've extended to myself and my family who is currently here in Mariemont. Once again – a singular honor – thank you again Dr. Williams. (*Applause*)

Mrs. Heimann:

As always, it's a bit sad when we have to say goodbye to our fellow board members, but I'd like to recognize three of them today who have served very faithfully and effectively during their terms. I'd like to thank Marla Hall, Steve Simendinger and

Makram Suidan for their outstanding service to the board. If each of you would come forward, I'd like to present you with a small token of our appreciation for your efforts on behalf of the University and on behalf of the Board of Trustees. *(Applause)*

I'd like to add that both Marla and Steve were very dedicated in spent a great deal of time on the Search Committee for President Williams. Thank you for that as well.

I've had the pleasure of working with Tony Perzigian for a number of years now. Tony, who has nearly four decades of service with UC, is stepping down from his current role as Senior Vice President for Academic Affairs and Provost after nearly thirteen years of service as Provost and Interim Provost. Tony, if you would come forward, we would like to present you with some gifts as well as a commendation from the board. *(Applause)*

The Board of Trustees of the University of Cincinnati commends Anthony J. Perzigian for his outstanding leadership of the University of Cincinnati as Senior Vice President for Academic Affairs and Provost.

WHEREAS, without counting two prior terms as Interim, Anthony J. Perzigian, has served for 10 years as the Chief Academic Officer for the University, providing leadership on all aspects of the institution's mission in the areas of teaching, research, scholarship, creative work, and service, and

WHEREAS, the University of Cincinnati has, under his leadership, successfully launched several strategic initiatives, among them being a broad-based effort to better serve our veterans, transformation of the first-year experience for our students, Collegiate Restructuring, Semester Conversion, two rounds of accreditation by the Higher Learning Commission, major improvements in faculty development for the

improvement of teaching and learning, identification of the university's statewide Centers of Excellence, alignment with the University System of Ohio, and significant progress on STEMM initiatives, and

WHEREAS, in all endeavors he has exemplified the highest ideals of the University of Cincinnati by assisting faculty and students to achieve their full potential as learners, scholars and servants to society.

NOW, THEREFORE, be it resolved that the Board of Trustees of the University of Cincinnati, a state university organized under Chapter 3361 of the Ohio Revised Code, commends and expresses its appreciation to Anthony J. Perzigian for his dedication and leadership and wishes him well as he returns to the teaching and research which have been at the center of his remarkable career.

BE IT FURTHER RESOLVED that this resolution be spread upon the minutes of said board and that a certified copy be presented to Anthony J. Perzigian.

(Sustained Applause)

Mrs. Heimann:

Tony, we thank you for your service to the university and to the Board. As a token of our appreciation, we would like to present you with a gift from the board, which is a framed presidential seal signed by all of the trustees on the easel beside us. Also, President Williams has a gift for you as well.

President Williams:

Tony, I really want to thank you so much for your long and dedicated service to the University of Cincinnati. All of us have benefitted from your insight, your wisdom, and the hard work that you've undertaken during your time as Provost. We're certainly going to miss you, but we wish you well as you face new challenges and we hope that we can continue to draw on your insight, your wisdom and your assistance. So, I have a small token of appreciation (*President Williams presented Dr. Perzigian with crystal bookends engraved with the Presidential Seal.*) Make sure you hold it underneath, it is a heavy thing. Congratulations Tony. Thank you so much.

Dr. Perzigian:

I'll open it later. Thank you. (*Applause and standing ovation*)

Mrs. Heimann:

Well deserved. We have a full agenda, so without delay I would like to call on President Williams for his report.

President's Report

President Williams:

As Madam Chairman Heimann noted, we have a lots of hellos and good-byes this morning.

In addition to thanking Tony Perzigian for his diligence and service as Provost, I want to add my thanks to out-going Alumni Association President Steve Simendinger – thank you so much Steve, it's been a pleasure to work with you; Faculty Chair Marla Hall – Marla, thank you for all your hard work and assistance; and Faculty Representative Makram Suidan – Makram, I appreciate all your help and assistance and we will certainly miss you. It has been a pleasure to work with all of you in my first year here at the University of Cincinnati.

I also look forward to working with the new guy at the table, Rusty Myers as the new Alumni President. It is fitting actually that we are meeting in a room that bears his family's name. It is named after his father, Russell C. Myers. Rusty, thank you for carrying on the Bearcat traditions.

Our new College of Business Dean, David Szymansky, will be a great addition to the University. Welcome, David. And I also want to thank Ralph Katerberg for his leadership as interim dean. Ralph worked very hard and I know that I see a smile of relief on Ralph's face. *(Laughter)*

One of the reasons we have so many hellos and good-byes is that we just ended another academic year. I want to thank the Board of Trustees, in particular, Chairman Heimann, for their attendance at our Doctoral Hooding and Master's Recognition ceremony and our Commencement ceremonies on June 11th and 12th respectively. The number of UC students applying for June 2010 Commencement was at the highest level in 20 years. UC's Office of Institutional Research reports that 4,728 degrees were awarded during Commencement Weekend activities, including associates, baccalaureate, masters, and doctoral and professional degrees and I had the great opportunity to shake everyone's hand. *(Laughter)*

Our Class of 2010 class included Mostafa Ibrahim, an engineering major and Darwin Turner/Cincinnati scholarship recipient who some of you may remember was featured in a *Time* Magazine cover story in 2006 as to why he came to Cincinnati when he had so many opportunities at Ivy Leagues schools. He would not change one thing. His experience at UC has been tremendous and he heads off to Yale Medical School this fall.

Someone who will be joining our table at the next Board meeting is here with us today, Richard Harknett. Professor Harknett was recently honored at the Ohio Statehouse winning a Faculty Innovator award. This award recognizes Richard's efforts to cut

textbook costs for his students by using technology to replace costly books. He is one of eleven educators from across the state so honored and we are delighted that Richard is going to be here. I saw him earlier here.

One last item I could like to mention before I turn to our presentations relates to some great news concerning our standing with international students. In a recent annual survey of students at 123 universities around the world, UC ranked among the best in the eyes of international students. The broad-ranging survey showed that UC ranks in the top 10 in 32 different categories and that is certainly something we're very proud of.

And now, what I would like to do is to introduce Steve Wilson for the Foundation Report.

(Steve Wilson, Chairman of the UC Foundation Board, gave the following report)

Mr. Wilson:

President Williams, and Madame Chairman Heimann and Board of Trustees, it's my pleasure this morning to stand in for *Proudly Cincinnati* Convening Co-Chair Otto Budig who is unable to be with us this morning to report on the progress of the campaign. We are, at this time, about one week away from starting our sixth year in the campaign of the eight that are scheduled and things are going well.

We're still a few days away from closing the books on Fiscal Year 2010 and it will most likely be our second best year of fundraising since the *Proudly Cincinnati* campaign began in 2005 – and the third best fundraising year we have ever had at the University of Cincinnati. Through May 31st, the total for fiscal year 2010 private support stands at \$91.2 million – which includes more than \$74 million in gifts and pledges and \$17 million in non-governmental research funding. This puts us \$9.3 million ahead of last year's total through May. In addition, our donor count stands at 32,343 donors, an increase of 1,236 donors over last year.

Through May, total private support committed to *Proudly Cincinnati* stands at \$669.7 million. As reported last month, we project being between \$675-\$680 million for the fiscal year 2010. This means we will need to raise approximately \$107 to \$109 million per year to complete the campaign and reach our one billion dollar goal. We're excited about the campaign progress and optimistic that we will reach our goal, but there is still a lot of work ahead of us. The remaining \$320 million will rely heavily on new donors and especially on our regional campaign and regional committees and their pursuits.

In addition to frequent events in Cincinnati, we've been very active outside the immediate Cincinnati area. Already this year we continue to reach out and hold events in New York, Chicago and Cleveland. Coming up shortly in July, the New York Committee has scheduled a golf outing (and I might add at a US Open venue) followed by a meet and greet session. The first neighborhood networking event takes place next week on June 30th in Washington, DC, hosted by committee member Bob Hynes. In August the Columbus Committee will hold its first neighborhood networking event at the home of Columbus regional chairman Mark Inzetta.

It's been five months since Tim Lolli and his colleagues first shared their plan to raise one billion pennies through Proudly Pennies. Our students have made great progress in raising funds and attracting volunteers to their cause. In our last report, we told you about the first campus-wide Penny Wars, a fun competition between UC's colleges to see who can raise the most pennies over a 10 day period; and the Shiny Penny Car Wash event that took place at four Jeff Wyler Automotive Family dealerships on May 23rd. A little plug for Jeff and I'm sure he'll appreciate that. (*Laughter*) Both events were extremely successful, bringing in more than 250 new donors.

After all the pennies were counted, Clermont College won the Penny War, with 121,558 pennies, followed by the College of Medicine with 100,661 pennies, and the College of Business came in third with 25,010 pennies. The students were aided by several generous donors who agreed to match their college's Penny Wars total –

including Clermont Dean Mick McLaughlin and Dean Emeritus Jim McDonough; Cora Ogle, who matched the College of Medicine's total, and Dean Larry Johnson, who matched CECH's total.

Bolstered by these events, students have now raised 8,114,732 pennies, or more than \$81,000, through May 31st. Student leadership is taking advantage of the summer months to work on new ideas for the Fall quarter events and outreach, as well as the continued recruitment of student volunteers. More important than the absolute value of pennies raised, I believe through Proudly Pennies we are cultivating the next generation of workers and donors who will deliver the needed private funds to drive excellence at the University of Cincinnati in years to come.

Finally, I'm pleased to share even more good news with you regarding the 2010 Faculty/Staff campaign. This year's campaign has already shattered a record for total donors by 264 donors with 3,029 current and retired faculty and staff making gifts to the university. We now stand at more than 31% of faculty and staff participation, and have received \$4.32 million in gifts through June 18th and we still have more than a week to go before this campaign wraps up.

We have worked very hard as a Foundation over the last year. Many things have happened and I think we reported some of the changes that have gone on in the Foundation's operations. We've worked to make the Foundation as efficient as possible. We've brought on some significant new talent to our trustee board and we are very bullish that this campaign will end very successfully and go on to continue private funding at a high level beyond that.

I'd like to thank you to share the campaign's progress and all of us at the University of Cincinnati Foundation and all of those working on the *Proudly Cincinnati* campaign are proud to be involved and we are most *Proudly Cincinnati*.

(Applause)

President Williams:

Thank you, Steve, for your report and your hard work. Congratulations to the Foundation and all the staff there.

I'd like Caroline Miller, Associate Vice President for Enrollment, to come forward and give us an enrollment update. Caroline?

(Caroline Miller, Ph.D., Associate Vice President for Enrollment Management, gave the following enrollment update information.)

Dr. Miller:

Good morning. The June meeting is always the hardest to determine what to report to the Board. We value this forum as a way to keep you involved and interested, but it is not exactly a timeframe for definitive reporting for the enrollment board.

But, new student orientation starts next week. Our student leader team is exceptionally strong this year (I know I say that every year) but when I did my training session with them last week, I got the best questions ever from the team – my measure of competence. The strength of our Orientation Experience makes a huge difference in the assimilation of the class and in assuring appropriate placement and course registration occurs. Our Orientation registrations support our confirmation pace, good in terms of melt, as do our housing registrations that went over 100% last week. If things hold, this will be our first class in documented history to exceed 80% of our new students in residence. Good for retention, good for involvement and good for Important for institutional finances. Thank you, Chairman Heimann, for recognizing the work of Orientation leaders and advisors in your commencement remarks. I know they appreciated it.

Summer school started yesterday with enrollments approximately 1100 or 7% ahead of last year's pace. We actually had more students enrolled yesterday than we did at the end of summer last year. Summer looks quite healthy.

On the strength of graduate school confirmations, distance learners and enhanced retention across the last four classes fall enrollment, Lee Mortimer and I predict that enrollment will exceed 40,000 in the fall. On the subject of retention, if the current registration patterns hold, the first year retention rate will exceed 86%. It makes me nervous when you put these numbers in the minutes Susan. But, these projections are based on registrations 98 days before the start of the quarter, which was last Wednesday, generally a very good benchmark for us in terms of retention. We've also "peeked" at graduation rates, although we do not "cut" those until the end of summer quarter. As you remember the first "Academic Success Criteria Class" were those students who entered in Autumn 2006. Commencement marked their four year anniversary. And while the traditional graduation measure these days, are on the 6 year rate, we see a four percentage point increase in those completing in 4 years. That's a significant jump and portends a significant jump two years hence. And yes we have miles to go before we sleep.

As has been our tradition, we try to leave you with something real world, with which to connect this enrollment stuff – and so today I would like to connect our retention success with Malcolm Gladwell's *Outliers*. You might know him better by *The Tipping Point* or *Blink*, but *Outliers* is his success story. Within it he states "Success is not a random act. It arises out of a predictable and powerful set of circumstances and opportunities." That exactly describes the way we see our retention work – always remembering that retention is an outcome and not a goal.

It is this philosophy that undergirds our most successful retention initiatives:

- Orientation (think Sols)
- First Year Experience and Learning Communities (think peer mentors and advisors)
- E3 (an incredible opportunity of support structure)

- Turner Scholars (much the same)
- Cincinnati Pride Program (Mo Smith and the ASA staff and the support they provide those students to make their retention rates now equal to that of our average student body)
- Gen 1 House (think Make a Difference awardee, Judy Mause)
- Not to mention wonderful faculty and staff mentors in terms of undergraduate research.

The list goes on and these efforts are the foundation of student success – and I think and hope that we can protect them in these economic times to continue assuring the success of our students.

Unlike most campuses UC is a bit of an Outlier. It has not grown retention success not only through increased admissions standards, but most of our ground breaking work came before that decision – actions taken by faculty and staff who knew to make a difference by shining a light on a path and seeing the hidden talents and possibilities of our students. It is who we are, it is what matters, and it deserves all of our support. Thank you.

(Applause)

President Williams:

Thank you, Caroline. I really appreciate that report. It is certainly very impressive when you think about that retention rate of 86% and realize that everyone contributed to that – the students, the faculty, and the staff. It's really a significant step moving forward so I want to congratulate your office and everyone who was involved in that – so thank you very much.

Our major presentation today is on the budget and I will ask Senior Vice President for Administration and Finance, Bob Ambach, to tell us how 2010 fiscal year ended and look ahead at Fiscal Year 2011. Some of this, of course, will sound familiar as we

discussed much of this when the tuition increase was approved. The university community – from the deans and vice presidents to the President’s Budget Advisory Committee – has been working hard for the past several months planning the Fiscal Year 2011 budget. Bob will give us the latest outlook on that. Bob?

(Robert F. Ambach, Senior Vice President for Administration and Finance, gave the following June 2010-11 Finance and Budget Presentation, using PowerPoint slides. A copy of the presentation is on file in the Office of the Board of Trustees.)

Mr Ambach:

Thank you, President Williams. Good morning. As is custom at the June board meeting, I will present today a look at the FY 2010 close and a proposed budget for FY 2011.

Although these are very challenging times, there’s some good news as we look at the close end of the current fiscal year and look ahead to next year. We believe that the University of Cincinnati is in a strong position to manage its way through these difficult economic times. The steps we’ve taken in recent years to transform our budget process, to pursue academic and fiscal efficiencies, and to deal with fiscal issues has put us in a better position today. We continue to build on our efforts to create a financial planning process that is continuous, efficient and effective.

What I will be presenting this morning are:

- An overview of the FY 2010 Close from an Operating and Capital Budget Perspective
- A summary of the FY 2011 Budget as presented in the Budget Books at your place.

Let’s begin by reviewing the projections for the current fiscal year. In a moment you will see a series of schedules of FY 2010 year-end projections, but in a nutshell the schedules tell a simple story. That is that we expect to have a strong year-end results; we

will conclude ahead of budget; our revenue forecast is holding; and capital budgets are on time and on budget.

Fiscal Year 2010 was our first year of using Performance Based Budgeting. As you will recall, Performance Based Budgeting is an allocation system for assigning financial performance requirements. In Fiscal Year 2010, all units – both academic and administrative – were assigned mandatory financial targets. This is a snapshot of how we did. The revenue supporters, administrative units and libraries, since they have no way generating general funds revenue meet their thresholds through expense reductions. Academic units meet theirs through a combination of expense reductions and revenue growth. As you can see, Performance Based Budgeting demonstrated that we have some growth potential since 82% of the thresholds were addressed through growth and revenue. In many cases, that growth was the result of additional distance learning offerings as well as the improved retention rates.

Now let's run through the year-end projection schedules that cover the various funds of the university:

The Uptown General Funds Campus budget is projected to have a strong year-end bottom line. The projected \$8 million net margin includes \$3 million of additional tuition revenue generated (above budget); \$4 million in the unspent Federal stimulus money that we budgeted for this year; and an additional \$1 million from a combination of other funds.

Both of the Regional Campuses also project healthy finishes. Raymond Walters College is projected to realize a \$209,000 positive balance due to enrollment growth. And, as you can see, enrollment growth has also resulted in a healthy financial condition from Clermont with almost a \$1.2 million net surplus. They plan to use this money to help fund the expansion of their physical infrastructure to meet that demand.

Under the competent leadership of Steve Sayers and his team, Campus Services, which now includes Parking, has outperformed its original budget for a second year in a row. They accomplished this through a variety of means including increased revenue in housing and food services related to the enrollment growth and significant operational efficiencies. Campus Services also plans to place funds into a repair and replacement account in preparation for future capital needs.

Athletics continues to aggressively attack its operating deficit through improved fiscal management, cost savings, and increasing revenues. As this year's projection illustrates, Athletics operating budget is down significantly from the original deficit of \$3.5 million.

As you know, the Designated Funds are those funds that are internally restricted by the board of trustees. Some examples of these funds include the Service Centers, Utilities, and UCIT. Several funds that are part of the structural deficit are also included in these funds such as Central Fringe Benefits, Claims and Operations, and the Research Program. The \$10.45 million projected positive line is due to the increased revenue over budget.

Restricted Funds are funds restricted for the purposes by donors and organizations providing the funds through gifts, grants and contracts. The projected revenue increase of approximately \$15 million over FY 2009 revenues is due in large part to the increased activity within our grants and contract arena.

Our final look at 2010 is on Capital Projects. This table is fairly hard to read from the back of the room, but the key point is that the capital budget projects currently in construction are both on time and on budget.

We can now turn to building the 2011 Budget. Building our 2011 budget was once again a collective effort that included budget hearings, presentations, and

discussions as the budget was vetted through the university's governance and decision-making process.

The assumptions that makes up the 2011 budget include:

- We assume that state subsidy and enrollment will remain flat – as Caroline just reported that's changed – but, we did in a flat enrollment for the budget we are presenting to you today.
- The budget assumes a 7% increase in tuition and fees for resident graduate and undergraduate students. Non-resident undergraduate students will see the same 7% increase, but we did not increase the non-resident surcharge. Tuition for graduates and students will increase 4% except that Medicine and Law will see a 5% increase in their tuition and fees.
- Following your approval of the tuition increase at the March Board of Trustee's meeting, we went back to the budget draft and further tweaked the incremental expenditures for accuracy and appropriateness with the aim of getting the overall budget reduction in the 8% range, which equates to about \$19.9 million.

Now this slide may look familiar. It was part of the presentation that I made in March. I thought that it was important to reiterate that while we had to increase tuition and fees we worked hard to ease the burden on students as much as possible. So our budget plans include an increase \$900,000 in Need Based Scholarships and it allocates an additional \$1.35 million in the Student Life budget. We also plan to increase funding for Graduate Student Health Insurance to try to ease the burden of those costs to graduate students. We also have proposed to hold Student Life, Library Collections, University Graduate Scholarships and University Graduate Stipends budgets harmless from the 8% budget reduction.

As we discussed in March the Incremental Expense Projections fall into three major categories:

1. Compensation and Contractual Obligations

2. Mandatory or Essential Expenses
3. Strategic Expenses

The total for Compensation and Contractual Obligations is \$5.6 million. It includes increases called for by Labor Contracts and we are also proposing a 3% increase for unrepresented staff and student workers. This employee group has not seen a salary increase in 2 of the last 4 years and yet they've been asked to take on more and more work as we reduced operating budgets.

The next category is the Mandatory and Essentials which include Semester Conversion, Student Life, Debt Service payments, payments on the Structural Deficit, and Roof Replacement, Renovations, and Preventative Maintenance programs.

The last category for Strategic Initiatives totals \$7.2 million and includes funds for institutional strategic priorities, academic priorities within baccalaureate and graduate education research and it also includes some initial funding for a new student information system. As I shared with you in March, the current student information system is at the end of its useful life and we think it's prudent to begin planning for a new system and the funding that would accompany that system. Strategic Items also include funding for the new College of Law Building as well as establishment of a research institute.

This slide is another eye strainer, but it does show the history of our work on the FY 2011 budget as we consider the effects of no tuition increase and the need to prepare for replacement of stimulus money in 2012. If you recall, we began the budget process in the fall with an anticipated deficit of \$48.5 million. Through the budget process we have worked the budget down to the projected \$19.9 million by confirming the assumption of flat state support, the tuition fee increase, as well as scrubbing the incremental expenses to make sure they were absolutely necessary.

So here is where we landed. Factoring in projected tuition revenue growth and backing out the \$900,000 in need based scholarships, we have projected incremental

revenue growth of \$15.6 million. The deficit, after adding expenses and transfers of \$6.7 million and adding the \$13 million in federal stimulus reserve funds, brings our budget deficit to \$19.9 million or the 8% budget reduction that I mentioned earlier.

I now want to quickly review the way in which the colleges and the units will actually take this 8% budget reductions.

- Administration and Finance plans to take differential reductions in order to protect critical areas and functions such as Public Safety, Internal Audit and the Budget Office. The division's reduction totals \$3.6 million and units assigned a reduction will meet it by reducing staff and operating budgets.
- Student Affairs will manage their reduction by offloading or filling positions at lower salary levels and further reducing their operating expenditures.
- Government Relations and University Communications will reduce staff and discontinue airport advertising to manage their cut.
- Research will do some reorganization which will result in salary savings and will also take a reduction in the allocation of research incentive funds to the units.
- Within the academic arena, baccalaureate and graduate education is also protecting certain units in areas including scholarship funds for undergraduate and graduate students, library collections, and the small offices that support Student Newspapers, Army, ROTC, and continuing education. Some areas and units will offload salaries and other expenses to other funds such as endowment funds.
- The revenue generators, i.e., the colleges, plan to meet much of their threshold through revenue growth and improved retention – two strategies that have had significant success this year.
- Within the Academic Health Center and the College of Medicine, I think I've shared with you before that's a very highly leveraged departmental

operating budget. Their strategies include a mix of growth, reduction and offloading expense to other funds.

The next two slides are now familiar pie charts (they look more like eggs this morning) but are the operating budget from two perspectives. This one shows resources by source. Tuition and Fees leads at 31% with Grants and Contracts not far behind at 25%. State subsidy trails in our revenue sources at 19%. For the current year – Fiscal 2010 – Tuition and Fees were only 29% of our revenue sources vs. 31% and State Appropriations were 21% now down to an estimated 19% of our budget. This just further demonstrates that we are truly becoming more dependent on tuition and fees and other sources of revenue such as Grants and Contracts and Endowment Income.

This chart illustrates by function, the Expense Budget. As you can see, 50% are aimed at our core missions of Teaching, Learning and Research. This is up slightly from 48% in our current operating budget.

This schedule, which is on page 15 of your budget books, summarizes all of the budget schedules and expenditures. As you can see, the FY 2011 budget calls for a net increase in total fund balance of just under \$1 million. For FY 2010 we've projected a decrease in fund balance of just around \$500,000. So that is a marked improvement in one year.

This table summarizes all budgeted resources and expenditures except it's broken down by fund group. The general funds for uptown and the branches are balanced and represent the information that we've just reviewed.

I'd like to touch on two other funds the Auxiliary Fund category in a little more detail, specifically, Campus Services and Athletics. Campus Services which includes Housing and Food Services, Kingsgate, University Conferencing, Campus Recreation Center and now Parking is budgeted for another strong year in FY 2011. With next years enrollment projected to track with this years and with Campus Services continuing to

reduce costs, we can expect another strong year for these auxiliaries. Occupancy rates, as Caroline also reported, continue to be very strong and the report we received just yesterday was over 100% occupancy rate for the fall. As discussed last month, the new ten-year contract with Aramark allowed us to keep housing and food rates flat for 2011 and has brought in significant savings while maintaining quality and food presentation. A new five-year contract with PNC Bank provides guaranteed total revenue of \$1.75 million as well as additional services such as virtual wallets, free mobile banking, and unlimited ATM transactions for the university community.

Athletics continues to make progress on their financials as their performance improves. As you may recall, we put together an All-University Task Force to pursue some persistent questions about Athletics' deficits. Based on the work of that task force, and with funding support from the students, we have proposed an increase to Athletics funding of \$1.5 million in FY 2011. This increase, along with increased game revenue and reductions in expenditures, brings the budgeted operating deficit for FY 2011 to \$969,000. The additional \$1.5 million dollars comes from three sources: 1) \$800,000 from the Campus Life Fee; 2) \$500,000 which was allocated by the students from the General Fee; and 3) an additional \$200,000 from our licensing program. We will continue to work with Athletics to find ways to close the remaining operating gap as well as addressing its overall structural deficit.

Today we also seek your approval for next years Capital Budget. Unlike years of significant construction as we worked to transform the campus, the Capital Budget only contains two projects. The first addresses the DAAP Façade Renovations, Roof Replacements, and replacement of the original single pane glazing on the Wolfson South Elevation Stairway. This project will correct current problems and facilitate the long term maintenance of this important building. The other project request is a combination of existing buildings and systems in our Energy Master Plan. These projects will increase cost effectiveness and provide annual energy savings. Some examples of these energy saving projects includes replacing old air handlers, replacing air valves and reducing the amount of air changes, and replacing old exterior lighting on buildings with

newer, energy efficient lighting. The total of these projects is \$24.5 million and will be proposed to be funded through local debt authority.

I'd be happy to answer questions now, but first want to thank the entire campus and the members of the many committees for their participation in developing the budget. I was alone today making this presentation, but I would be remiss if I did not thank my colleagues on the PBAC and all the other people that work on this each year, all year, developing the budget schedules. I'd also like to thank the Budget Office and their staff that pull all of this information together for us. I'd be happy to take questions. Makram?

Dr. Suidan:

One of the budget items was Kingsgate which shows an \$88,000 deficit. How come we're still in the negative on that?

Mr. Ambach:

I don't know the details behind that that, but my colleague Steve Sayers is here and could address that specifically.

Mr. Sayers:

Well while we are projecting a surplus for this year, next year we have a new competitor that opens in October and that plus the economy in general – which has been pretty tough relative to the hospitality industry – we're being conservative in our estimates relative to the impact on Kingsgate. We'll be doing our very best to make sure that doesn't end up that way, but given the economy and the new competition that is the budget we do forecast.

Mr. Ambach:

You're also doing a refreshing?

Mr. Sayers:

We're also doing a complete room renovation of the entire hotel.

Mr. Cassady:

But the big problem is that the revenue on Kingsgate is going from a \$1.8 to a \$1.3.

Mr. Sayers:

That's correct.

Mr. Cassady:

So you're really expecting lower occupancy?

Mr. Sayers:

With the opening up of new competition right across the street we anticipate the impact on the revenue side, correct.

Mr. Ambach:

For those that are not aware, that's the Hampton Inn that's going to be opening across the street in October.

Mr. Heiman:

I think that there are three factors. One is just the total industry is down. Two is the competition you are experiencing. But, probably more important than anything else is that what is referred to in the industry as RevPar or the revenue they receive per room per night is down significantly. You could look at a given facility and they could actually have shown that their occupancy rates are up, but their actual revenue and bottom line is down. That is due to RevPar.

Mr. Sayers:

That's correct. Our occupancy has actually been pretty stable but our RevPar has probably dropped 20%.

Mr. Humes:

Mr. Ambach? A question on the very significant change on the façade cost at DAAP. It seems like it was just a few months ago that we were told the number we thought was going to be \$5.5 million and obviously that number has quadrupled. Why is that and are there any alternatives to that and any alternatives to taking on more debt to deal with that situation under the current circumstance.

Mr. Ambach:

I think the change in the budget is not the same project is probably the biggest factor. It was just the façade project and trying to address the leakage into the building. Now it includes the façade, the roof as well as the changing out a re-glazing of those windows. There is not a defined project yet in that there is still investigations being done around the entire project. So, I think, the scope has been increased as well as trying to really define just fixing the leak vs. putting a new façade on that will make it more durable for a twenty-year period. It's sort of the preventive maintenance or putting your finger in the hole vs. actually just patching the dam. So, I think, it's just the scope that has made the cost. It isn't the same scope that went from \$5.5 to \$20 million.

Mr. Humes:

I know we have some great people that are working on this and analyzing this, but it's a big change. At some point, it seems like we may have to postpone some things – now if there's leakage we can't postpone that, but there were some other things that dealt with energy savings that had a ten-year payoff, but it was a \$10 million bond. If you look at it, if there's some – I think we need to be extremely cautious – and no one knows better than you about taking on additional debt. So if this is the only way that we can do this then so be it, but I would urge your team to relook at how this is being done and say, "Is this the best way and the only way?" This may be, my perception is that it is the best way, if you want to solve the problem once and for all and take care of it forever, I guess I'm just questioning whether we have the budget and capabilities to do that and whether that is truly a wise expenditure of dollars. Only your group can answer that, but I just respectfully ask you to look at that huge swing in dollars.

Mr. Ambach:

Absolutely. To address the question as to do we have the budget? It's built into the budget. The debt service is a combination of existing budget we have as well as I believe \$725,000 that is built in to the operating budget to support that debt service. But, you're right. Is it the best solution or is there some place in the middle? I think advice that we are getting both from our internal people who I trust – Beth McGrew and our external consultant is that in order to fix this problem and now to have to revisit the problem, because you have to remember our preventive maintenance budget is fairly thin as well, so if we have to keep revisiting then we are going to continue to use our preventive maintenance budget to keep fixing this if we don't find the ideal solution. I take your advice.

Mrs. Buchanan:

When you went through the different assumptions of each of the areas where they were going to meet their expense reduction goals, how comfortable are you on their revenue projections because it's always easier to hope that you're going to get to your number by increasing your revenue versus identifying expense reductions. So, how comfortable are you? And, have you identified a "what if scenario" if the revenue does not get achieved and where you are going to go to achieve those expense reductions?

Mr. Ambach:

I would say that we have a somewhat conservative approach to the revenue projections. There's budget hearings and reviews that happen from the Provost's Office with each of the colleges, for lack of a more sophisticated term, to kick-the-tires on the assumptions and make sure that we think we are going to get there. There's an integrated enrollment planning process that looks at what are the targets; where do we see the actual applications, offers and confirmations coming in; and through the performance based budgeting process we do a much better job of trying to project our revenue. One of the ways we try to guard against, as I mentioned in one of my early slides, there is about \$3 million in net tuition revenue that's going to go into our fund balance this year. That's

because we don't allocate if a unit over-performs their budget that money to them on a permanent basis so that they have to do that actually two years in a row in order to have a permanent allocation. We have the working capital reserve if the absolute worst case scenario came through and we did not meet some of those enrollment targets, but it will be the Provost working with his business office through the Deans and their business people to address the issue. When we put out a 15% budget reduction instead of ending up at an 8% reduction, we asked for scenarios of how will you take your cut if you have to address the 15% reduction. So, they provided us with scenarios that how more reductions in force, more operating expenditures assumptions built in there and then revised that when the cut became an 8% cut and they thought they were able to obtain that through enrollment growth. So we will go back to those original proposals if they are unable to meet their revenue targets and have to look at some of those other factors.

Mr. Buchanan:

Thank you.

Mr. Ambach:

We have a little bit of "belt and suspenders" on the process.

Mr. Richardson:

Bob, just to add to Tom's earlier question, with DAAP when you look at the energy conservation measures that were in place, I'm assuming that we entered into a contract with an energy service company and there's a contract that we have with them that's going to, because it's my understanding that it usually works out to where we don't have...we usually pay for it through the savings. Is that how that's being performed? Do you know?

Mr. Ambach:

On the Energy Master Plan?

Mr. Richardson:

Yes.

Mr. Ambach:

Yes. That capital expenditure will be paid back through the energy savings.

Mr. Richardson:

Okay. So, I think it would be helpful for Tom and everyone else to be able to see that. I think, if you don't know that, it's not intuitive. Second, it's also important to see they should be able to project that after we're done paying through the savings that it is just automatic savings that we project how much would be? That's also helpful.

Mr. Ambach:

By each project?

Mr. Richardson:

No, yes...for each project in particular for DAAP. Because when you talk about that increase I think it's a lot clearer for the board when they can see whatever our energy saving costs would be. I don't know what it is, but if it's a \$100,000 a year in savings right after we are done paying, I think that's something that would make people feel a little more comfortable so they understand that once we install these measures we are talking about savings going forward. So, it's really saving university money and making a short term investment on the front end, but its saving money and that's really the goal – to reduce the income to the university.

Mr. Ambach:

Those are actually two separate projects. One is the DAAP project and one is the Energy Savings Project. So we won't generate savings from fixing the leak or putting a roof on it, but it's just one of our facilities that we have to maintain. But you are absolutely right – we do track the projected savings (and I don't have that with me today) by any of our energy saving projects and track what is the payback time frame. We can certainly share that with the board. That's good advice.

Mr. Cassady:

You know on this issue of the DAAP façade and the leaking and things like that. I know that we are a plaintiff in a lawsuit on this subject. Are we seeking reimbursement for all the money that we are spending on this project?

Mr. Ambach:

I don't believe all of the money, because a lot of it's not related to just the façade. As I mentioned, the scope is also the roof and the re-glazing. I'd have to ask Mitch McCrate or Greg Mohar to speak to where we were in terms of what we're trying to go back on the original designer for the actual leak of the façade.

Mr. Mohar:

Good morning. Actually we have commenced suit against the general contractor and the construction manager on that project. We have consultants who are engaged and are trying to identify in particular that cost to remediate the construction defects. But, the defects that have been identified are related to the EIFS or the synthetic stucco surface that was installed 15 years ago. The work that's being performed or is proposed is in part to repair the leaks, but also to create a betterment so that we have a long term solution to the EIFS problem. So, only a portion of the recovery will mitigate the cost of construction. We don't have numbers yet. We are expecting that within the next month or so from our consultant.

Mr. Richardson:

Do we have a policy in place that when we deal with issues of construction or when they don't meet our quality do we have a quality assurance on the front end for contractors to know if they don't meet a certain set of criteria then they are not allowed to bid based upon their past performance?

Mr. Ambach:

I think that would be addressed through the RFP process and the bidding process.

Mr. Mohar:

Right. There's a process under state law where there's an initial threshold when bids are opened as to whether or not the low bidder is a responsible bidder and past performance on contracts is a specific criteria that the university staff uses to determine whether it can even consider a contractor's bid. We have rejected contractors on responsibility grounds when we've had problems as a result of their prior work. So the answer is yes.

Mr. Richardson:

Okay.

Mr. Chesley:

I want to get back to the budget, but first I'd like to follow up on this lawsuit. The question that I have is are we...*inaudible*...with the statute of repose or are we close to the statute of repose whereby you a) have lost your timeline by virtue of the State of Ohio's Statute of Repose (and I'm sure that's been looked at) and number two is the contractor financially able to respond in damages because we see a lot of contractors going under. I'm assuming that's all been investigated by our counsel. Who is our counsel on that case?

Mr. Mohar:

We're represented by Ulmer & Berne. Fritz Shadley is lead counsel.

Mr. Chesley:

Who?

Mr. Mohar:

Fritz Shadley.

Mr. Chesley:

And where is that case pending in the County Common Pleas Court.

Mr. Mohar:

It's in the Common Pleas Court. It was filed immediately upon the appointment of – we identified the problem, obtained Attorney General approval to engage counsel, identified Ulmer & Berne and suit was filed within a matter of months. We did seek a stay of that action and entered into a tolling agreement with the defendants. The Statute of Repose is an issue, but we filed within the time allowed because there is a fifteen year period that is applicable. So, we filed within the fifteen years, obtained a tolling agreement, and we are expecting to go into mediation in August. We're trying to resolve it frankly to avoid litigation costs.

Mr. Chesley:

Is there financial responsibility on the part of this defendant. What defendant is it?

Mr. Mohar:

Cleveland Construction Company was the general contractor and Dugan & Meyer was the Construction Manager. We believe there is substantial financial...

Mr. Chesley:

Historically, that was a very difficult building. That was one of our first signature buildings that I recall and there were serious issues relative to design and architecture and I am concerned about this Statute of Repose. When was the suit filed?

Mr. Mohar:

It was filed within 15 years of the completion of construction.

Mr. Chesley:

I understand that, but when was it?

Mr. Cassady:

November 6, 2009.

Mr. Mohar:

Thank you.

Mr. Chesley:

Good luck to you, but if you can get that settled or resolved there's no arbitration clause just right to mediation?

Mr. Mohar:

They were standard state contracts so we're choosing mediation and the other parties have agreed to it, but it's not a requirement on the contract.

Mr. Chesley:

Thank you. Then I have some questions on budget issues if I could. There's a projection of 40,000 students is that correct? That's a landmark for us and I assume that would make us the second largest university in the system?

Mr. Ambach:

We already are.

Mr. Chesley:

I'm sorry, I couldn't hear you.

Mr. Ambach:

We already are the second largest.

Mr. Chesley:

But getting 40,000 students is an incredible landmark for us and I would hope – and of course, that's more utilization of buildings and more this and so forth and so on.

And, I really feel that's a landmark number for us and if that's an accurate number, I really feel that should be publicized based upon where we were 20 or 25 years ago. Not only from the standpoint of bragging rights, but also from the standpoint of a deep seeded problem relative to the pro rata share money vis-à-vis Ohio State. That's a very, very serious issue that I would hope that we would look at as a budgeting issue down the road. That's a very, very unique number for Cincinnati and I think we need to get it out there and I think we need to get it up to Columbus – our growth, our rate of growth, where we are compared to other state universities, so that hopefully we can get a better apportionment between where we are and Ohio State. I really would like to make sure that we really start working on that, because there is a disproportionate allocation.

Mr. Ambach:

Okay. Absolutely.

Mr. Chesley:

One last question on this Kingsgate Hotel. I don't want to get into the details of it. We don't own it, correct?

Mr. Ambach:

We own it and we outlicense the management to Marriott.

Mr. Chesley:

And the management is given to Marriott and are they subject to review of the management contract relative to how they are operating it and whether they are operating it efficiently? Is there any issues that have been looked into – their operation of that facility?

Mr. Ambach:

I believe that Steve Sayers and his team actually meet with them, if not on a monthly basis (is it a monthly basis) to review the financials and the operations.

Because, I think, what you are alluding to Stan is can they load up the operational expenses which then reduces the net, but we actually review those.

Mr. Chesley:

Well, my other issue it's not promoted. Candidly, it is not promoted by Marriott to get anybody other than people that are involved in the University to stay there. In other words, I don't know what their occupancy rate is, but it is never been, as far as I can recall, ever promoted, advertised or pushed by Marriott.

Mr. Ambach:

Steve do you want to address that? I had a different impression.

Dr. Suidan:

You can't get a room?

Mr. Ambach:

I'm sorry, what?

Dr. Suidan:

You can't get a room most of the time when I have visitors. It is all booked.

Mr. Cassady:

Yeah, right.

Mr. Sayers:

As I mentioned earlier, we have one of the highest occupancy rates in our competitive set of hotels in the City. We run in the ballpark around 70% occupancy for a 12-month period and I would say probably 65% of our occupancy right now is not directly related to a UC event. There may be university people staying there, but it's Proctor & Gamble, Western Southern, and some big corporate clients who are using the hotel. So we do a good deal of business there. We advertise in a variety of venues

including magazines for corporate events but, we do work closely with the academic side in terms of bringing academic or departmental events to the hotel.

Mr. Ambach:

Thanks Steve. Makram?

Dr. Suidan:

We have an interest in the Hampton Inn, don't we as a university?

Mr. Ambach:

As a university we're invested in the Uptown Consortium which through the new market tax credits has funded part of that project.

Dr. Suidan:

So we are hurting ourselves.

Mr. Ambach:

Yes we are to a certain extent, but we are also redeveloping the neighborhoods.

Mr. Cassady:

I have a question on Stratford Heights. We've taken over all of the risk, basically of the Stratford Heights including the marketing of it. It is my understanding that we are now, through our efforts, sits at 100% occupied in the fall. Is that part of the 100% occupancy is Stratford Heights?

Mr. Ambach:

I believe that last number I saw, and Todd can correct me, I think it's in the high 90's at this point, but it will be.

Mr. Cassady:

And we are, the budget book says we are, the primary member – the primary partner. Who else is a member and it sounds like we have some partners on Stratford Heights and I'd like to know who they are.

Mr. Ambach:

Really it's a development corporation, but we're the sole member in terms of management decisions and running the board.

Mr. Cassady:

Okay, but are their other equity members that are benefitting from the risk that we've absorbed.

Mr. Ambach:

I don't believe so.

Mr. Chesley:

Not to beat a dead horse, but have we looked at the possibility of selling the hotel and let me go to where I'm at. When the Vernon Manor closed, it would have been my belief that that hotel, by virtue of its location, would have a higher occupancy (and maybe in the summer it doesn't). The question is whether or not we belong in the hotel business and whether or not it's time to be out of the hotel business. I would just ask that from the financial side we take a look at that. It's getting to be an older building, I would not say that it's in imminently good condition when you go there or see it and that's just my own personal view, and I'd just would like to see us, if we could financially, unload it, sell it, and get out of the hotel business. I know that we have somebody managing it, but we're not making any profit on it, to speak of are we.

Mr. Ambach:

No.

Mr. Chesley:

Pardon?

Mr. Ambach:

No, we are not.

Mr. Chesley:

Well, therefore I think we ought to take a look at how we dump it, bad word, or how we get rid of it. It it's not making profit and it's a for profit venture, how much are we losing a year on this hotel.

Mr. Ambach:

It says \$88,000.

Mr. Chesley:

How much?

Mr. Ambach:

\$88,000.

Mr. Chesley:

I really think we ought to be out of the hotel business. That's just my personal view as a board member.

Mr. Ambach:

We can prepare a report and bring it back to the board.

Mrs. Buchanan:

Bob, I just want to add one point to who the customer is currently using that facility? Western Southern is building their own hotel next to their headquarters and Procter and Gamble intends to use it. So I think we also ought to make sure that we're not going to see a reduction in room use by those two companies as a result of some of

the things that are going on downtown. There hasn't really been nice hotels, there's been a lack of that so it's just something that you ought to look at your current customer base and say with the hotel being built next to Western Southern and the other one, the 21c, what is that also going to do to who's currently using the facility? Just a thought.

Mr. Ambach:

Okay.

Mr. Humes:

Just a comment, Stan, on your point. It's always good to evaluate at different points along the way, but I think when you value the contribution of that building, of that hotel and what it has meant to the rejuvenation of that part of the campus, if it lost \$88,000 a year every year (and I don't think that's been the case) one could make the argument that's a phenomenal investment when you look at everything that has brought to the medical campus and the resources and the number of people and the exposure to the university. So, I think there are other pieces to that...

Mr. Chesley:

I'm sure there are...

Mr. Humes:

...that we need to look at. There's more to it than just the bottom line.

Mr. Chesley:

Oh, I understand.

Mr. Humes:

But, it's always appropriate to say well maybe you can achieve those same things and move the asset off the books and replace it with capital. So, it's a good question, but as I think as we look at things we need to look at that in terms of the real benefits from that. And, I think even to the DAAP question that we've talked about, we're talking

about major numbers here. It's a fourteen year old building that needs a \$20 million investment already which is gone up from \$5 million a few months ago. So I think that is what has us all concerned. I think if you do look at it in the total scheme of the billion dollars that has been invested in the university over the last fifteen years and the quality level of the work that has been done and the vary low amount of problems that we've had with those projects overall, that in the total scheme of things, it's a very small amount of money.

Mr. Chesley:

Let me just ask, and Tom would be the expert on it, but aren't we, the university, responsible for capital improvements in that hotel as opposed to the management of Marriott? Roofs, remodeling or whatever?

Mr. Ambach:

Yes.

Mr. Chesley:

I'm assuming that wear and tear on a hotel – that hotel is what fifteen, twenty years old? Not quite?

Mr. Ambach:

Eleven.

Mr. Chesley:

The question that I have is—are we looking at some potentially large capital improvements to upgrade it and so forth and so on. So, all I'm asking is that we get a report to take a look at what is potential future costs on it.

Mr. Ambach:

Okay.

Mr. Chesley:

Naturally when you publish that then it makes it less valuable to the potential purchasers. So, those are the concerns that I have with a fifteen or twenty year old hotel.

Mr. Ambach:

Okay, that's reasonable.

Mr. Cassady:

Bob, I'm sorry, one more question.

Mr. Ambach:

Sure.

Mrs. Heimann:

No, this is an important subject, ask.

Mr. Cassady:

The endowment income is projected to go down from \$71 million to \$65 million. Would you comment on that?

Mr. Ambach:

Two factors – 1) we are reverting to the 5% payout policy and then obviously 2) the market conditions of using a twelve quarter rolling average. So, we determined what the value of the endowment in which to pay 5% out based on that rolling so we have a few bad quarters in our average right now.

Mr. Cassady:

Thank you.

President Williams:

Bob, seeing no more hands, I want to thank you for a thoughtful and very responsive presentation. Thank you very much.

Mr. Ambach:

Thank you. (*Applause*)

Mrs. Heimann:

We will now proceed with the committee meetings. The first meeting will be the Academic and Student Affairs Committee.

THE BOARD COMMITTEE MEETINGS

(Proceedings of the Board committee meetings are contained in the respective committee meeting minutes, which are on file in the Office of the Board of Trustees.)

The committee meetings began at 9:50 a.m.; the meetings concluded at 10:50 a.m.

THE REGULAR MEETING OF THE BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was convened at 10:50 a.m. and, as noted on the first page (page 295) of these minutes, roll call was taken.

Approval of the Minutes from the Regular Meeting of the Board of Trustees of May 25, 2010

Mrs. Heimann called for additions, corrections, or deletions to the minutes of the Regular Meeting of the Board of Trustees of May 25, 2010. Upon proper motion and second, the minutes were approved as distributed.

Approval of the Items Recommended by the Board Committees

Listed below are the items recommended to the Board of Trustees for approval by the Academic and Student Affairs Committee and the Finance and Administration Committee at their respective meetings held on June 22, 2010, prior to the Regular Meeting of the Board of Trustees.

Academic and Student Affairs Committee Recommendations

10.06.22.01 ACADEMIC APPOINTMENTS

Synopsis: Appointments of Faculty and Academic Administrators

It is recommended that the Board of Trustees approve the academic appointments of faculty identified in the attached document. These recommendations have been approved by the appropriate departments, colleges, and offices of the Vice President for Health Affairs and the Senior Vice President for Academic Affairs and Provost.

Appointments

Jeffrey C. Bauer, DBA	Academic Unit Head of Business, Law and Technology Clermont College Effective: July 1, 2010, through June 30, 2013
Timothy Broderick, MD	Ethicon Endo-Surgery Chair for Innovations in Surgery College of Medicine Effective: July 1, 2010
Ian Clough, PhD	Academic Unit Head of Math, Computers, Geology and Physics Clermont College Effective: July 1, 2010, through June 30, 2013
Kimberly L. Jacobs-Beck, PhD	Academic Unit Head of English, Languages and Fine Arts Clermont College Effective: July 1, 2010, through June 30, 2013
David M. Szymanski, PhD	Dean of the College of Business Professor with Tenure of Marketing Effective: August 1, 2010, through July 31, 2015
James E. Westheider, PhD	Academic Unit Head of Social Sciences Clermont College Effective: July 1, 2010, through June 30, 2013

Reappointments

Jeffrey Camm, PhD	Head Quantitative Analysis/Operations Management Department College of Business Effective: September 1, 2011, through August 31, 2014
Charles Emenaker, PhD	Academic Unit Head Math, Physics and Computer Science Department Raymond Walters College Effective: September 1, 2010, through August 31, 2013
Victoria A. Montavon, PhD	Dean, University Libraries Effective: July 1, 2011, through June 30, 2016
Carlo D. Montemagno, PhD	Dean, College of Engineering and Applied Science Effective: July 1, 2011, through June 30, 2016
Rita Taylor, MBA	Academic Unit Head Business and Economics Department Raymond Walters College Effective: September 1, 2010, through August 31, 2013

Tenure Appointment

Guirong Liu, PhD	Professor with Tenure and Ohio Eminent Scholar of Aerospace Engineering and Engineering Mechanics College of Engineering and Applied Science Effective: September 1, 2010
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Administrative Leave

Donald O'Meara, PhD	Interim Dean Raymond Walters College Effective: July 1, 2010, through June 30, 2011
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Emeritus Status

Barbara Honn, MM	Professor Emerita of Performance Studies College-Conservatory of Music Effective: August 31, 2010
E. Gordon Margolin, MD	Professor Emeritus of Internal Medicine College of Medicine Effective: July 1, 2010
Rick Van Matre, MM	Professor Emeritus of Jazz Studies College-Conservatory of Music Effective: September 1, 2010

10.06.22.02 RECOMMENDATIONS FOR TENURE AND PROMOTION

Synopsis: Approval of tenure and promotions

It is recommended that the Board of Trustees approve granting of tenure and promotion for faculty effective September 1, 2010, according to the attached list. These recommendations have been approved through the process of progression through the departments, colleges and the Senior Vice President for Academic Affairs and Provost.

FROM ASSOCIATE PROFESSOR TO PROFESSOR

McMicken College of Arts and Sciences

Nageswari Shanmugalingam	Mathematical Sciences	Has Tenure
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FROM ASSISTANT PROFESSOR TO ASSOCIATE PROFESSOR

College of Engineering and Applied Science

Gian Rassati	Civil and Environmental Eng	With Tenure
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College of Medicine

George Shaw	Emergency Medicine	With Tenure
Hong-Sheng Wang	Pharmacology & Cell Biophysics	With Tenure

10.06.22.03 THE ALICE W. & MARK A. BROWN FUND B ENDOWED CHAIR OF INTERNAL MEDICINE, COLLEGE OF MEDICINE

It is recommended that the Board of Trustees approve the appointment of William M. Ridgway, M.D., as the Alice W. and Mark A. Brown Fund B Endowed Chair of Internal Medicine, College of Medicine, effective July 1, 2010. Documentation* to support this recommendation is attached.

10.06.22.04 NEW DEGREE PROGRAM

Synopsis: New degree program in the College of Allied Health Sciences

It is recommended that the Board of Trustees approve the new degree program for a Master of Health Administration in the College of Allied Health Sciences. The proposal has been reviewed and approved by the appropriate authorities.

10.06.22.05 DEGREE TITLE CHANGE

Synopsis: Degree title change in the College of Education, Criminal Justice, and Human Services

It is recommended that the Board of Trustees approve the degree title change in the College of Education, Criminal Justice, and Human Services for an existing undergraduate degree from Addictions Studies to Substance Abuse Counseling. The proposal has been reviewed and approved by the appropriate authorities.

*Filed in the Office of the Board of Trustees

Finance and Administration Committee Recommendations

10.06.22.06 **GENERAL RECEIPTS OBLIGATIONS, UNIVERSITY OF CINCINNATI, DAAP FAÇADE IMPROVEMENTS/ROOFS REPLACEMENT**

Synopsis: It is recommended that the Board of Trustees approve the attached* resolution, known as DAAP Façade Improvements/Roofs Replacement authorizing the issuance of General Receipts Obligations, University of Cincinnati, not to exceed \$20,900,000. This is a request for new debt authority.

The DAAP Façade Improvement/Roofs Replacement project entails an investigation of the extent and causes of the water infiltration into the Aronoff Center which houses the nationally-ranked College of Design, Architecture, Art and Planning. In addition to the investigation, renovations will be made to the façade in order to prevent further damage and to correct façade detailing in a manner that both facilitates long-term building maintenance and that ensures the continued image of the building. The replacement of the roofs on the entire DAAP complex is also included in this scope of work. The DAAP Façade Improvements/Roofs Replacement project is included in the Capital Budget for Fiscal Year 2010-2011, and is anticipated to be approved concurrently with this request. The project is currently in design and is scheduled to be placed out to bid in January, 2011. Contract awards are expected in April 2011; construction is expected to commence in May 2011 and be complete by June 2012.

The purpose of this recommendation is to request the authorization of the issuance of general receipts obligations in the amount of \$20,900,000. The attached resolution also provides authorization to issue Build America Bonds (BABs) should the economics warrant as such. The \$20,900,000 total debt authority is sufficient to fund \$19,500,000 of debt funded project costs and debt issuance costs. Average annual net debt service for the amount of the debt to be issued, based on 5% annual interest rate, is estimated at \$1,600,000 beginning in FY13 and will be repaid over 20 years by undesignated funds.

10.06.22.07 **GENERAL RECEIPTS OBLIGATIONS, UNIVERSITY OF CINCINNATI, ROOF REPLACEMENTS – PHASE 3**

Synopsis: It is recommended that the Board of Trustees approve the attached* resolution, known as Roof Replacements Phase 3 authorizing the issuance of General Receipts Obligations, University of Cincinnati, not to exceed \$3,250,000. This is a request for new debt authority.

The Roof Replacements Phase 3 project will replace/improve numerous roofs on various buildings throughout the campus. Current roof structures at the Corbett Center for Performing Arts, the College of Applied Science Administration Building and French East were prioritized to be in the greatest need for replacement/improvement, with additional roofs being added or substituted as the project budget allows or if other roofs deteriorate to a point requiring reprioritization. The roofs will be replaced with roofing material that will add both energy efficiencies and sustainable design qualities to the buildings. The roof life expectancy of these new roofs is 20 to 25 years. The roofs will be approved through the appropriate approval process based on their individual project cost. Design for the roof projects will begin in the fall of 2010; construction is anticipated to commence in the summer of 2011.

*Filed in the Office of the Board of Trustees

The purpose of this recommendation is to request the authorization of the issuance of general receipts obligations in the amount of \$3,250,000. The attached resolution also provides authorization to issue Build America Bonds (BABs) should the economics warrant as such. The \$3,250,000 total debt authority is sufficient to fund the \$3,000,000 project costs and debt issuance costs. Average annual net debt service for the amount of the debt to be issued, based on 5% annual interest rate, is estimated at \$250,000 beginning in fiscal year 2012 and will be repaid over 20 years by undesignated funds.

10.06.22.08 ESTABLISHMENT OF A FINANCIAL RED FLAG PROGRAM

Synopsis: Federal Trade Commission regulations require that the University of Cincinnati adopt a written program for the prevention of identity theft.

It is recommended that the Board of Trustees adopt a resolution assigning authority and responsibility for the implementation of a Financial Red Flag Program to the Senior Vice President for Administration and Finance. The Fair and Accurate Credit Transactions Act of 2003 requires lenders and other covered organizations to implement written programs for the prevention of identity theft. The Federal Trade Commission, tasked with enforcing the act, has required that programs be in place by December 31, 2010. Certain activities and transactions at the University of Cincinnati are covered by the act, necessitating compliance.

10.06.22.09 AUTHORIZATION AND APPROVAL OF MASTER LEASE FOR STRATFORD HEIGHTS

Synopsis: This resolution seeks approval of, and authorization to execute, a Master Lease Agreement for the Stratford Heights student housing project amending and restating the existing Master Use Agreement which the University entered into as of January 1, 2008. This resolution also seeks authorization for University officials to execute such other instruments reasonably necessary to facilitate the refinancing of UHCURC's existing variable rate bonds with fixed rate bonds to take advantage of historically low interest rates.

Stratford Heights ("the Project") is a student housing project located directly across Clifton Avenue from the University's uptown campus. It is owned by University Heights Community Urban Redevelopment Corporation ("UHCURC"), a not-for-profit corporation of which the University is the controlling member. The Project was originally intended to provide housing for members of Greek and other student organizations affiliated with the University. It was funded with approximately \$51 million in variable rate bonds and a \$17 million loan from the University's endowment.

The original housing concept failed to generate revenues sufficient to meet debt service ratios required by the terms of a letter of credit securing the bonds. To address the problem, UHCURC sought to increase occupancy rates and reduce expenses by, among other things, renegotiating the letter of credit fees. To facilitate that transaction, in January, 2008 the University and UHCURC entered into a Master Use Agreement approved by the Board of Trustees pursuant to which the University agreed to lease beds in the Project as necessary to allow UHCURC to meet budget goals established by the letter of credit bank, and to lease and assume control over the Project if UHCURC failed to achieve occupancy goals.

*Filed in the Office of the Board of Trustees

In the fall of 2008 it became clear that UHCURC would not achieve the agreed occupancy goals for that fiscal year. University Housing began marketing the project in January 2009 and assumed operational control effective September 1, 2009. Since that time, the University has effectively turned the project around. Occupancy in the fall of 2009 was near capacity and is projected to be at or near capacity the fall of 2010.

Pursuant to the Master Use Agreement, the University receives all of the receipts of the Project and is required to pay as Base Rent the debt service on the variable rate bonds, plus letter of credit and remarketing fees. The University in consultation with its underwriter has concluded now would be an appropriate time for UHCURC to refinance, replacing the variable rate bonds with fixed rate bonds. By using the University's commitment to lease the Project, UHCURC can take advantage of historically low fixed interest rates and eliminate the expense of maintaining a letter of credit.

It is projected that over the term of the proposed fixed rate bonds approximately \$10 million in debt service and other expenses can be avoided compared to the existing variable rate bond financing, reducing the University's rental obligation in a like amount.

In order to facilitate the proposed refinancing, the terms of the Master Use Agreement have been amended and restated in a Master Lease Agreement which simplifies and extends the term of the University's agreement with UHCURC. A copy of the proposed Master Lease Agreement* in what is believed to be near final form is attached.

The undersigned seek the Board of Trustees approval of the Master Lease Agreement and authorization for the Chairman of the Board of Trustees to execute the Master Lease Agreement in its final form as approved by the General Counsel.

The undersigned also request that the Board of Trustees authorize the Chairman of the Board of Trustees and/or the Senior Vice President, Administration and Finance to execute and deliver any additional agreement, certificate, document or other writing required, in the opinion of the General Counsel, to be reasonable and necessary to facilitate the issuance and delivery of the refinancing bonds described above.

10.06.22.10 FY 2010-2011 CURRENT FUNDS BUDGET

Synopsis: The FY 2010-2011 Current Funds Budget is submitted for approval.

It is recommended that the Board of Trustees approve the FY 2010-2011 Current Funds Budget of the University of Cincinnati as described in the accompanying text and tables* with authorization for the President to make expenditures within the projected income and expense levels. The appropriate planning and consultation within the University related to this FY 2010-2011 Current Funds Budget has been completed through the all-University Governance Committees, making the decision-making process both transparent and participatory.

Also included in this FY 2010-2011 Current Funds Budget is a 3% salary increase package for unrepresented classified, unclassified, and student employees. As these employees groups received no salary increase in FY 2009-2010, it is recommended that the Board of Trustees also approve the salary increase for unrepresented classified, unclassified and student employees contained in this budget.

*Filed in the Office of the Board of Trustees

**10.06.22.11 CAPITAL BUDGET* FOR APPROVAL
FISCAL YEAR 2010-2011**

Synopsis: It is recommended that the Board of Trustees approve the Fiscal Year 2010-2011 Capital Budget, a total of \$24.5 million dollars funded through local debt authority, as described in the attached document.

The Capital Budget for Fiscal Year 2011 includes the following: Additional funding for enhanced renovation of the DAAP Façade; and Phase 3 of the Energy Projects – a continuation of projects with priorities in existing academic buildings and systems as outlined in the Energy Master Plan.

**10.06.22.12 APPOINTMENT OF THE SENIOR VICE PRESIDENT FOR
ACADEMIC AFFAIRS AND PROVOST**

It is recommended that the Board of Trustees approve the appointment of Santa J. Ono, PhD, as Senior Vice President for Academic Affairs and Provost of the University of Cincinnati. This appointment is effective September 1, 2010.

Comments from Chairman Heimann

Mrs. Heimann:

The full Board has been present at the Committee Meetings held today and has received the recommendations of the Academic and Student Affairs and the Finance and Administration Committees. The items reviewed and recommended by the Committees are named in the Action Items list at your place.

May I have a motion to approve all of the recommended items?

Upon motion of Mr. Richardson, seconded by Mr. Chesley, the Board approved the items recommended by the Committees by the following roll call vote:

Recommendation Nos. 10.06.22.01 through 10.06.22.12

AYE: Mrs. Heimann, Mr. Barrett, Mr. Humes, Mrs. Buchanan, Mr. Cassady, Mr. Chesley, Mr. Heiman, and Mr. Richardson

NAY: None

ABSTAIN: Mr. Humes abstained from voting on Recommendation No. 10.06.22.09

*Filed in the Office of the Board of Trustees

ABSENT: None

Recommendation No. 10.06.22.13 –Consideration of Honorary Degree and Award for Excellence Candidates

We have two additional items to consider today—the first is a recommendation to approved the nominations for the Award for Excellence and Honorary Degree Candidates for the December 11, 2010 Commencement. A copy of the recommendation is at your places.

HONORARY DEGREE AND AWARD FOR EXCELLENCE CANDIDATES

It is recommended that the Board of Trustees approve the nominations of the individuals named below for the Honorary Degree or Award for Excellence. These nominations have been reviewed and recommended by the University of Cincinnati Honors Committee.

Nominees for the Honorary Degree

**David L. Joyce
Robert A. McDonald**

Nominee for the Award for Excellence

Barbara Kellar

Mrs. Heimann:

President Williams would you like to comment on these nominations.

President Williams:

Yes, thank you Madame Chairman. Second only to presiding at Commencement is the privilege calling these distinguished individuals to let then know we are putting them forward to the Board of Trustees for this great honor. We have a wonderful group of nominees that I am delighted to present.

Barbara Kellar, our Award for Excellence candidate, is a community volunteer and hosts “CET Express” at cetconnect.org where she conducts interviews—and actually

I was interviewed last week there—on behalf of the arts, philanthropy, and education. She began her work as a community volunteer in 1967 with WCET now CET. She received a bachelor’s degree from the University of Cincinnati in 1960 majoring in elementary education, and went on to receive a Master’s Degree in Educational Foundations, also from UC, in 1964.

David Joyce, one of our Honorary Degree candidates, is currently the President and CEO of GE Aviation and Senior Vice President of GE Corporation.

Bob McDonald, also an Honorary Degree candidate, has been Chief Executive Officer and President of Procter & Gamble Company since July 2, 2009. Mr. McDonald served as Chief Operating Officer of Procter & Gamble from 2007 to July 1, 2009. I am also happy to announce that he will be our Commencement Speaker for the December 11, 2010 Commencement.

Just a reminder that former UC Trustee Dr. Anant Bhati, who was previously approved by the Board, will also receive an honorary degree on December 11th as well.

It was a great honor to talk with each and every one of them. They are all very excited about this great honor and I am pleased to present their names to you.

Mrs. Heimann:

Thank you, President Williams. Is there any discussion?

Mr. Barrett:

Sandy, again – it’s wonderful. The recommendation and choices are wonderful.

Mrs. Heimann:

Good.

Mr. Barrett:

Can’t do any better.

Mrs. Heimann:

I had the pleasure as many of you have to hear Bob McDonald speak. He will be a wonderful commencement speaker. May I have a motion and second to approve?

Upon motion of Mr. Humes, seconded by Mr. Barrett, the Board approved the honorary degree and award for excellence candidates by a unanimous voice vote.

Recommendation No. 10.06.22.14 – Approval of the President’s FY 2011 Goals and Objectives

Mrs. Heimann:

I would like to now call on Gary Heiman regarding the approval of the President’s FY 2011 Goals and Objectives. Mr. Heiman?

Mr. Heiman:

The Compensation Subcommittee met on Saturday, June 19, 2010, and at that time the Subcommittee approved the President’s Goals and Objectives for the coming year. A copy of our report and the President’s Goals & Objectives are at your places. We are submitting them now to the board for the board’s approval.

Mrs. Heimann:

Thank you, Gary. Are there any questions? Is there any discussion?

Mrs. Heimann:

May I have a motion and second to approve.

Upon motion of Mr. Barrett, seconded by Mrs. Buchanan, the Board approved the President’s FY 2011 Goals and Objectives by a unanimous voice vote.

Unfinished Business and New Business

Mrs. Heimann:

Is there any unfinished business? I think on behalf of the trustees I would like to say, I'm sure that most all of you that were there would concur that we had a wonderful Commencement last week. President Williams did an outstanding job. He remained enthusiastic until the last 4,780th hand. (*Laughter*) I thought the deans were wonderful and enthusiastic and I think the students enjoyed themselves. I just want to thank all of those folks and any of the staff that participated and made it a really well-run, smooth, and energetic Commencement. I'm sure our students loved it. Thank you.

Mr. Barrett:

Sandy, two capacity crowds in Fifth Third Arena.

Mrs. Heimann:

That's right, we had graduate students on Friday and I would say that it was probably 60% full in Fifth Third Arena and on Saturday morning and on Saturday afternoon our guests and our students were in the rafters – it was full capacity. It was really quite a sight to see. There was lots of enthusiasm. I also want to note the faculty. When they came in they were quick step and really happy to be there and I just think that everyone enjoyed all of the participation so thank you again.

Mr. Chesley:

Madame Chairman, I would just add a footnote. I think President Williams is entitled to be examined by Dr. Stern and head of the Orthopedic Department to check his hand and make sure it's okay. (*Laughter*) I commend everybody. I think that means so much to students to get an individual recognition and I would urge that we continue to do that process. I think it is excellent.

Mr. Richardson:

I would like to concur with that. I know some folks who graduated from Ohio State University and they don't do that. The colleges get up, but it's not the same.

Mrs. Heimann:

Not at all.

Mr. Richardson:

No, not at all. I think it's very important that we continue to do that.

Mr. Barrett:

Sandy, I think also that the President's lunch between the two graduations is a really nice occasion. I know the honorees really appreciate it. They all comment on how nice it was to have lunch with everybody.

Mrs. Heimann:

Thank you.

President Williams:

I think that it absolutely was a great time and even though we had a lot of rain folks came out very excited and enthusiastic. It really is a great privilege to stand there and shake each and every student's hand. You can see the enthusiasm and, in some cases, relief on student's faces, but really the joy in being part of that. I really want to thank everyone who was there. We had a lot of people that really worked hard to make that happen. I want to thank the Board of Trustee members who were there and part of that as well. It was a joyous occasion and one that our students will in fact long remember. So thank you.

Mrs. Heimann:

Is there any other unfinished business? New business – we have the reports of the board representatives and student trustees. With sadness, we ask Steve Simendinger to give his last report?

Alumni Association Report

Mr. Simendinger:

Thank you. We hosted three major events in early June. Our UC Day Celebration on June 10th drew nearly 300 alumni and friends and it was our largest UC Day crowd in many years. With a full house at Kingsgate Marriott, it was a warm and wonderful evening that celebrated UC and the people who best exemplify its mission and spirit. Our Special Anniversary Commencement for the Class of 1970 was part of the June 11th doctoral hooding and master's degree ceremonies. We had 45 members of the Class of 1970 return to campus for their ceremonial walk across the stage, recapturing the opportunity that was lost 40 years ago. The media showed heavy interest in the event and we saw considerable local and national coverage. Commencement was completed the following day, with receptions held here at the Alumni Center for many of the 4700 graduates.

The UC community has two baseball outings in July. We have UC Day at the Reds on Sunday, July 18th which includes discount tickets and special seating. President Williams will be throwing out the first pitch. UC Night at the Florence Freedom will take place on Wednesday, July 28th with Coach Butch Jones taking first-pitch honors.

Our series of presidential receptions continues as we take the UC message throughout Greater Cincinnati and President Williams visited the east side of town for a reception three weeks ago and will visit Bob Dobb's home for a reception this Thursday.

Our Alumni Annual Meeting will be held here on July 27th and you are all cordially invited to attend.

Over the past year we have engaged over 130 alumni board and committee members with our Alumni Networks now at 35 chapters nationwide. We have shepherded record numbers of alumni to our bowl games and our blitzes for football and basketball have enjoyed record attendance.

As you've seen, Phase I of the Myers Alumni Center's rehabilitation is largely complete, with a new handicap ramp, landscaping and enhanced signage. This facility is now hosting over 100 alumni and student venues per year. In short, we are now engaging more alumni than ever before.

It has been an honor to serve as Alumni President and I will be succeeded by Rusty Myers and he will do a tremendous job. While Rusty's UC ties were mentioned, he is also a third generation Alumni President following his grandfather, father and sister as Alumni President.

There remains much work to be done and Rusty will be leading our marketing campaign with the Foundation to enhance our alumni donor base. We're proud to be the organization that works to strengthen the connection between our UC alumni family and to their alma mater.

On behalf of the staff, the volunteer leadership, and nearly a quarter-million alumni, thank you for your interest and support.

Mrs. Heiman

Thank you, Steve – and thank you for your service. Marla, do you have a Faculty Senate Report?

Faculty Senate Report

Dr. Hall:

I sure do and thank you, Madame Chair. Well for today's report I'm going to call it a brief synopsis—I'm not sure that it really is—of the activities of the Faculty Senate over the past year.

During the 2009-2010 academic year the Faculty Senate passed twenty-six (26) resolutions. I think that was up from fifteen from the year before. Four resolutions dealt with Governance issues, three addressed college specific issues, four were related to athletics, six were endorsement of policies or events, three were joint resolutions put forward at the Second Annual Joint meeting of the Faculty Senate, GSGA, and Student Senate, and six dealt with a variety of issues ranging from support of "Issue 1" to adding an award for Innovative Uses of Technology in Teaching to the Faculty Awards given at the Annual Faculty Awards Celebration. Perhaps the most significant of the resolutions passed this year were those that made recommendations regarding the Athletics Task Force Report and regarding budgeting, both of which passed unanimously. All of the resolutions can be found on the Faculty Senate's website.

Some additional topics discussed by the Faculty Senate and/or the Faculty Senate Cabinet or standing committees included: Guidelines for an H1N1 Outbreak, Periodic Reviews for Administrators, On-line textbooks, Presidential Transitioning, the University's Decision Making Process, Big Ideas for the University, Semester Class Scheduling, Restructuring, Semester Conversion, Performance Based Budgeting and unintended consequences of PBB, Academic Freedom, the Faculty Club, the Proudly Pennies Campaign and Faculty-Staff campaign, Baccalaureate Pathways, Intensive Personalized Student Support, the Strategic Plan, and the annual Faculty-Staff Art Show and Sale that will be initiated this October

Each of the standing and ad hoc committees of the Faculty Senate were quite active and all but one of those committees put forward resolutions to the senate body. In addition, most members of the Faculty Senate Cabinet, several members of the Faculty Senate and many additional faculty members from around the university were active, contributing members on numerous all-university governance committees such as the Academic Coordinating Committee, the Integrated Core Learning Committee, the Fiscal Coordinating Committee, the Baccalaureate Pathways committee, various subcommittees of the Semester Conversion committee and a host of other committees that are doing a tremendous amount of work for the university.

When I began my term as the chair of the faculty, I set two main goals: 1) to develop a stronger sense of community among the faculty; and 2) to strengthen the voice and impact of the faculty in university decision making. Three main accomplishments relative to developing a stronger sense of community were first, that I visited each college, speaking with the faculty about their concerns and their ideas for bringing the faculty together; second that we are having success at launching the Faculty-Staff Art Show and Sale which we hope will become an annual event; and third that my successor has taken on efforts to build a new UC tradition of having a Faculty Assembly at the beginning of the Fall term. Relative to the goal of strengthening the faculty voice and impact, we made several revisions to the Faculty by-laws that will improve both college level and university level shared governance; we have “re-invented” our faculty senate meetings so that the majority of the time is now spent on action items, i.e., resolutions and discussion topics, instead of upon listening to reports and presentations; and we have increased the number of faculty actively participating on the array of all-university committees. A lot of the success toward those goals was because of the hard work of my two most immediate predecessors, Ann Welsh and John Cuppoletti, and those who have served on the Faculty Senate Cabinet one or both of the past two years. Also, just as the University as a whole is on an upward trajectory, the Faculty Senate is also on a very positive course and I have every faith that my successor, Richard Harknett, will maintain the momentum and continue to advance the work of the faculty.

It was certainly an adventure and a learning experience to serve under three Presidents with very different leadership styles. However, what has been consistent across them is a sincere commitment to the university and strong leadership and it has been a privilege to work with each of them.

It also has been a true pleasure to serve as a faculty representative to the Board of Trustees and to get to know and to work with all of the members. It is very clear to me how much the University and the people who make up the university community—the students, faculty, and staff—mean to you, the board. Thank you for the countless hours

you all devote to UC and especially for the heart and thought you put into all of the decisions you make that so greatly impact the university.

This concludes my report for the June 22, 2010 meeting of the Board of Trustees.

Mrs. Heimann:

Thank you for all your service and the nice words. We will now have the Student Trustee reports. Portia Watkins?

Graduate Student Report

Ms. Watkins:

Thank you, Madame Chair and good morning, Members of the Board, President Williams, faculty, staff and students.

I would like to begin by congratulating President Williams for completing his first Spring Commencement as president. All the ceremonies were a success and I was honored to be able to attend the celebrations.

I would like to welcome the new GSGA officers for the upcoming academic year. The new officers are lead by new president Alexis Ignatiou who was here this morning. We are looking forward to your commitment to excellence, leadership, and the graduate community.

I would also like to thank Jim Bowen, the outgoing president, for his service to graduate students and to the university. On June 3rd, the GSGA held is Graduate Excellence Awards which recognized several graduate student and graduate student organizations for their outstanding scholarship and service to the university community. This included Mark Killian a Ph.D student in sociology who received the Excellence in Teaching Award.

The graduate school's graduate and undergraduate research mentoring program is underway! The 8-week, fully supported research opportunity is for both undergraduates and graduate students to foster mentorship by graduate students. The program, sponsored by the Graduate School, will run from June 21-August 13, 2010, and is designed to provide undergraduates with an interest in pursuing graduate education an intensive, mentored research experience with a graduate student mentor. Students selected for the program are working on projects under the supervision of a graduate student researcher and advanced UC scholarship here at the university. This experience will provide undergraduate student mentees as well graduate student mentors the opportunity to collaborate in creative fashion.

I would also like thank Trustee Chesley for his continued efforts within the Cincinnati community. Trustee Chesley recently led a fundraiser to raise money in order to open three community pools, which the city did not open, as well as keep all the operational pools open for an additional two weeks. While my family is personally affected by your endeavors, I know that I am not alone in thanking you for your initiative and what it means to the Cincinnati community.

This concludes my report, most of the information can be found on the graduate school website. Thank you.

Mrs. Heimann:

Thank you, Portia. Kyle Quinn?

Undergraduate Student Report

Mr. Quinn:

Good morning. With less than a month's time since our last meeting, I'm sure there's an undergraduate student trustee out there who is scrambling to find things to report on. *(Laughter)* But our Bearcat undergrads never stop and therefore have

delivered me confidence this morning in ensuring that there would be plenty of achievements to report to you all today.

With that being said we have Student Spotlight going first and foremost, to our graduates participating in the commencement ceremonies. With that being said, I would agree with what was said earlier and it's the little things that count especially at the end of the journey and I know a lot of the personalization that goes on in that ceremony is very much appreciated by the graduates and by their families. So, thank you.

Second, goes to our students from the College of Design, Architecture, Art & Planning who successfully completed their annual DAAPWorks event which displays the college's finest work in fitting year-end form, if you will. The event concluded with their always popular fashion show highlights some of the industry's finest work, some of which you can see at the downtown Macy's in some of the display cases. It's a nice partnership going on there.

Third goes to students competing on the UC Mock Trial Team which took—my understanding first time ever—Top 10 finish home from the American Mock Trial Association's National Championship Tournament.

Fourth is the UC Clermont Cougar Baseball Team which garnered a National Runner-Up finish at the USCAA National Baseball Championships.

Finally, and certainly not least, two social Fraternities on campus completed international mission trips. The first being the men of Sigma Chi who traveled to Haiti to work with some of the post disaster relief in construction. The second being the men of Pi Kappa Alpha who traveled to El Salvador to work on a mission trip pouring homes in the housing community and in a mountain time.

That concludes my report, thank you very much and enjoy your summer. I wanted to make just one note and disclaimer – just wanted to thank those leaving the

board – Marla, Makram and Steve. Both on the board and off you’ve just been exemplary in treating people with respect and especially students. I know there have been lots of scenarios outside and that you really care about what is going on here at the university. I’ve witnessed them personally and they’ve happened to me personally, but I know that happens for all students – so thank you very much and welcome Rusty.

Mrs. Heimann:

Thank you, Kyle. I will now call for the Student Government Report. Drew Smith?

Student Government Report

Mr. Smith:

Thank you and good morning. First, I just want to say that Kyle probably won’t admit it, but he was on that trip to El Salvador with the Pi Kappa Alpha fraternity and they really made a difference down there. So, thank you Kyle for your service.

Last week our seniors graduated in a very nice commencement ceremony and Spring Quarter came to an end, but Student Government does not take breaks for the summer. (*Laughter*) Our Vice President, Mark Rooney, finally returned from his Lindner Honors-PLUS trip in Europe (he has been gone for six weeks) so he can now start his term in Student Government. But while we’ve been in office a little over a month, we have held our first town hall meeting where we invited in students to talk about issues going on in Student Government and on campus. This meeting included special guests Bob Ambach and Jim Plummer to talk about tuition increase and also we had past president Tim Lolli and vice president Doug Ealy to recap their term.

We started to hold research meetings to create the program UC First, which will be a student led initiative to create partnerships with employers in the Cincinnati area that commit to considering UC students first when hiring for post-graduation jobs and co-op positions. We appointed thirty new cabinet members to student government and we are

working with the Foundation to create a plan to continue to improve upon Proudly Pennies and figure out what our next steps are.

We've also teamed up with Athletics to set up and prepare for our seasonal open houses to bring together all of our athletic teams and the students, faculty, and fans. Our first open house in Fall Quarter will tentatively be during the off week of football following the Oklahoma game.

Going forward into the summer we will be setting up a task force of undergraduates, graduates, and faculty to figure out how to tackle the smoking ban initiative. And this summer we will be planning for all of our Student Government initiatives to come next school year including sustainability month in October, future monthly town hall meetings - the first one to include Gene Ferrara to talk to students about safety on campus. We will be working on our first year experience intern program, culture festivals on campus, group swap programming, a co-op bill of rights, and much more that will head our way this summer. Thank you.

Mrs. Heimann:

Thank you, Drew. I will now call for an Executive Session. There will be no business conducted at the conclusion of the Executive Session. Our next regular board meeting will be held here at the Russell C. Myers Alumni Center on Tuesday, September 21, 2010. Thank you for being here today.

Executive Session

May I have a motion to enter into Executive Session for the purpose of preparing for, conducting, or reviewing negotiations or bargaining sessions with public employees concerning their compensation or other terms and conditions of their employment.

Upon motion of Mr. Cassady, seconded by Mrs. Buchanan, the Board voted to enter Executive Session by the following roll call vote:

AYE: Mrs. Heimann, Mr. Barrett, Mr. Humes, Mrs. Buchanan, Mr. Cassady, Mr. Chesley, and Mr. Richardson

NAY: None

ABSENT: Mr. Niehoff

Upon proper motion and second, the Executive Session adjourned at 11:45 a.m.

Reconvene Meeting


The meeting of the Board of Trustees of the University of Cincinnati will now be reconvened. (*Meeting was reconvened at 11:45 a.m.*)

Adjournment

There being no further business before the Board, There being no further business upon motion of Mr. Barrett, seconded by Mr. Humes, the meeting adjourned at 11:46 a.m.



SANDRA W. HEIMANN
CHAIRPERSON



THOMAS H. HUMES
SECRETARY