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**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES
OFFICIAL PROCEEDINGS OF THE
THREE HUNDRED AND FIFTEENTH MEETING**

October 26, 2016

INDEX

	<u>Page</u>	<u>Resolution</u>
I. CALL TO ORDER	1	
II. PROOF OF NOTICE OF MEETING	1	
III. CONFLICT OF INTEREST STATEMENT	1	
IV. REPORT OF THE CHAIR	2	
A. Approval of the Presidential Profile	3	17-19
B. Amended Affordability & Efficiency Report	3	17-20
V. REPORT OF THE PRESIDENT	4	
VI. REPORTS OF THE COMMITTEES OF THE BOARD		
A. Building and Grounds Committee	5	
1. Sale of Property Located in Yellow Springs	5	17-21
B. Finance Committee	6	
1. Approval of Amended Contracts over \$500,000	6	17-22
VII. ADJOURNMENT	9	

**WRIGHT STATE UNIVERSITY
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THREE HUNDRED AND FIFTHTEENTH MEETING**

October 26, 2016

I. CALL TO ORDER

The meeting of the Wright State University Board of Trustees was called to order by Mr. Michael Bridges, chair, on Wednesday, October 26, 2016, 7:36 a.m. in Room 156, Student Union. Dr. Robert J. Sweeney, secretary to the Board of Trustees, called the roll:

Present

Michael Bridges
Eloise P. Broner
Douglas Fecher
Anuj Goyal
Grace Ramos

Absent

Sean Fitzpatrick
William Montgomery
C.D. Moore

II. PROOF OF NOTICE OF MEETING

Mr. Bridges reported that this meeting was called by written notification and a quorum was present.

Mr. Bridges stated that the Wright State University Board of Trustees is a public body subject to the Ohio Open Meetings Act. It operates on a fixed agenda available to those attending the meeting. Persons wishing to address the Board in its public session should submit a written request to the Board of Trustees' office 72 hours in advance of the meeting in order to be placed on the agenda. However, all persons address the Board at the invitation of the Board and are subject to time limitations and other guidelines established to maintain the good order of the meeting.

III. Conflict of Interest Statement

Mr. Bridges read the Conflict of Interest reminder:

It is of utmost importance to ensure that all university decisions are free from any real or perceived conflicts of interest.

Therefore, please be mindful of all obligations with which you have been charged as a Trustee of Wright State University; and take the steps you deem appropriate to perform your duties fairly and impartially.

IV. REPORT OF THE CHAIR

A. Presidential Search Update:

The Presidential Search and Screening Advisory Committee (SSAC) has been hard at work developing a presidential profile that will be used to search for Wright State's next president. Mark Anderson, representing the Marketing Subcommittee of SSAC, explained the steps taken to develop this profile.

Partnering with our recently hired search firm, Academic Search, and using materials from the Rise. Shine Campaign, the Debate, and a Dayton Business Journal insert as a starting point, the Marketing Subcommittee incorporated survey data from the campus community, input from various listening forums, and key points derived from the recent Presidential Symposium to create a series of drafts for the full committee to review. Final edits of the draft were completed last night.

Mr. Fecher discussed the final draft revisions and presented the amended Presidential Profile for Board approval. The 2,500 campus survey responses were key in establishing the candidate's minimum level of experience, terminal degree requirement, academic background, and our preference for a candidate who has experience at a research institution or one with a medical school.

Ultimately, the 23 member search committee reviewed all the qualifications and experience requirements and ranked them from most to least relevant in terms of "must have" characteristics for the next University president. Tied for first were "a servant-leader who advocates tirelessly on behalf of the university and its students, faculty, and staff" and "a dedication to students and the student experience, both individually and collectively."

This profile will be a key marketing tool to "tell Wright State's story" and offer perspective candidates an insight into the qualifications, experience and leadership attributes needed to guide Wright State to new levels of institutional achievement.

Mr. Fecher also shared the search timeline which includes ad placements later this week, a December 5th first consideration date, an early spring target for neutral site interviews, mid-March on-campus interviews, and an offer made late March/early April for a July 1st start date.

The presentation was closed with Mr. Fecher reiterating that Wright State is a special place. We are searching for a top-notch person to lead us with an appreciation for developing an open and diverse institution. A lot of time and effort has gone into making sure that we have such a person; and should the search not locate an ideal candidate, we will not settle.

The final Presidential Profile will be emailed to all faculty, staff and students, released to the media, and will be posted on the search website.

A. Approval of the Presidential Profile

The following resolution was approved by the Board.

RESOLUTION 17-19

WHEREAS, President Hopkins announced his intention to retire when his contract ends on June 30, 2017; and

WHEREAS, the Board of Trustees empaneled the Presidential Search and Screening Advisory Committee to recommend a pool of acceptable candidates for the Board's consideration to be hired as the seventh president of Wright State University; and

WHEREAS, the Presidential Search and Screening Advisory Committee, after reviewing the thousands of responses to their survey, incorporating the reflections of the hundreds of people attending the Public Forums; and integrating the comments from the recently held Presidential Symposium, developed the Presidential Profile contained in Exhibit A of this Resolution herein,

NOW THEREFORE,

BE IT RESOLVED, that the Presidential Profile as presented to this meeting, be adopted as amended.

Mr. Fecher moved for approval. Dr. Goyal seconded, and the motion was unanimously approved by roll call vote.

B. Approval of the Amended Affordability & Efficiency Report and Five-Year Efficiency Goals

Wright State University was asked by the state to further clarify and amend their recent submission of the Affordability and Efficiency Report and Five-Year Efficiency Goals. The amended reports were brought to the Finance Committee on October 21st. Mr. Fecher noted a conflict of interest and recused himself from discussion and any action. With a current roster of two committee members, the Finance Committee elected to defer to the full Board for review.

Today, Mr. Bridges asked that the Board consider accepting the amended reports and take the appropriate action necessary. Mr. Fecher again identified a conflict and recused himself.

RESOLUTION 17-20

WHEREAS, Am. Sub. H.B. No. 64, Section 369.560 requires that all Boards of Trustees for each state institution of higher education shall develop an efficiency review of the institution based on the recommendations of the Ohio Task Force on Affordability and Efficiency; and

WHEREAS, the review considers:

- (1) Efficiencies;
- (2) Academic Processes;
- (3) Policy Reforms; and
- (4) Cost Savings, Redeployment of Savings, and Tangible Benefits to Students; and

WHEREAS, not later than August 1, 2016, the Board of Trustees of each state institution of higher education shall submit the reports required under this section to the Chancellor of the Ohio Department of Higher Education; and

WHEREAS, Wright State University's Affordability and Efficiency Report approved by the Board of Trustees on June 6, 2016 under resolution 16-62 was amended, offering additional detail and explanation of affordability and efficiency initiatives, including five-year goals for institutional efficiency savings and new resource generation; therefore be it

RESOLVED that the attached Wright State University Affordability and Efficiency Report and Five-Year Goal for Efficiency Savings and New Resource Generation dated September 30, 2016 as submitted to this meeting be, and the same hereby is endorsed.

Mr. Bridges moved for approval. Ms. Ramos seconded, Mr. Fecher recused himself, and the motion was approved (4,0,1) by roll call vote.

V. REPORT OF THE PRESIDENT

President Hopkins indicated that he had no items to report.

VI. REPORTS OF THE COMMITTEES OF THE BOARD

A. Building and Grounds Committee

1. Sale of Property Located in Yellow Springs

At the October 7, 2016 Public Session, the Board authorized the administration to explore the conveyance of property in Yellow Springs owned by the University. Today, Dr. Goyal offered the following motion for Board approval.

RESOLUTION 17 –21

WHEREAS, the Wright State University Board of Trustees owns certain parcels of real property located in Miami Township, Yellow Springs, Ohio, more particularly described in Exhibit A which is attached hereto and incorporated into this Resolution herein, collectively, the “Property;”

WHEREAS, the Trustees have determined that the Property does not fall within the University’s future strategic plans for development and that conveyance of the Property is in the University’s best interest;

WHEREAS, an appraisal has been completed on the Property to determine its fair market value;

WHEREAS, The Township Trustees of Miami Township, Yellow Springs, Ohio have submitted a suitable offer of Three Hundred Fifty Thousand Dollars (\$350,000) to purchase the Property; and

NOW THEREFORE,

BE IT RESOLVED, that the Trustees hereby authorize the sale of the Property to the Township Trustees of Miami Township, Ohio for the sum of no less than Three Hundred Fifty Thousand Dollars (\$350,000).

BE IT FURTHER RESOLVED, that the Trustees authorize the President or his delegee(s) to take all actions necessary and proper to complete the sale and conveyance of the Property in a timely fashion.

Dr. Goyal moved for approval. Mr. Fecher seconded, and the motion was unanimously approved by roll call vote.

B. Finance Committee

Mr. Fecher, chair of the Finance Committee, called the October 21st monthly meeting to order and reminded the Trustees of their duty to disclose any conflicts of interest and to take the appropriate steps to perform their duties fairly and impartially.

- **Presentation of the Amended Affordability and Efficiency Report and Five-Year Efficiency Goals:**

Trustee Fecher reported that due to a potential conflict of interest, he would be recusing himself from any motion, discussion, or voting pertaining to the Affordability and Efficiency Report and the Five-Year Efficiency Goals. Since the Finance Committee currently has two members, he requested that the full board review the amended report and decide whether or not to vote on the motion needed.

Mr. Ulliman, vice president of finance and CFO, updated the Board on the amendments and enhancements made to the Affordability and Efficiency Report recently submitted to the state. These revisions were requested by the Ohio Department of Higher Education (ODHE).

The Board discussed several of the items on the Five-Year Efficiency Goals as ways to create institutional efficiency savings and resource generation. Under consideration are privatizing parking, opportunities for naming rights, ways to enhance textbook affordability, and a collaboration with Sinclair for a childcare facility.

The Finance Committee has asked for periodic updates on the strengths and merits of any items under consideration and indicated that nothing is imminent at this time. All of these items are in the early stages of investigation as potential ways to improve the cash flow of the University.

1. **Approval of Amended Contracts over \$500,000**

A contract for \$888,700 to A.H. Sturgill Roofing was approved on July 15, 2016 for replacement of the roof and water damaged insulation on the Russ Engineering Building. The contractors have since uncovered additional water damage, due to leakage, which exceeds the authorized scope of work. Mr. Ulliman presented a resolution requesting an increase of \$227,257 in project expenditures to make the necessary repairs.

Dr. Fall Ainina, Faculty Senate representative to the Finance Committee, inquired about the feasibility of doing a review of contract overruns and factors contributing to the additional costs.

Mr. Fecher and Mr. Ulliman agreed to meet with Dr. Ainina to further explore the project. The goal is to take a look at the last several years of significant projects with cost overruns to see why this is occurring and what steps can be taken to insure overruns do not happen in the future.

Mr. Ulliman and Dr. Sudkamp indicated that there is a good possibility that the repairs can be paid for with state capital funds. They are verifying that now.

The following motion was presented for approval.

- **Amendment to Resolution 17-1 dated July 15, 2016**

RESOLUTION 17-22

WHEREAS, Board Resolution 17-1 approved expenditures in the amount of \$888,700 for repairs to the Russ Engineering Center roof, and

WHEREAS, initial work uncovered conditions necessitating removal and replacement of 16% more square feet of insulation resulting in an increase in project expenditures, therefore be it

RESOLVED that authorization is granted for the accompanying amended contract amount not to exceed \$1,115,957 now before the Board of Trustees be, and hereby are approved.

Mr. Fecher moved for approval. Ms. Ramos seconded, and the motion was unanimously approved by roll call vote.

- **Approval of Contracts \$250,000 - \$499,999**

Mr. Ulliman presented a list of contracts with dollar amounts between \$250,000 and \$499,999. No Board action was necessary.

<u>Vendor</u>	<u>Description of Services</u>	<u>P.O. Amount</u>
Fujifilm Visualsonics Corp.	Imaging System	\$317,531
U.S. Dept. of Education	Legal Services	\$290,303

- **Board Financial Policy: Understanding University Reserves**

One of this year's goals of the Finance Committee is to revise the Financial Governance Policy that was last reviewed in 2003. Various aspects of the financial operations of the University are

being reviewed to better understand where revisions might be needed for the Financial Governance Policy. Mr. Ulliman was asked to offer insight into the Claim on Cash and Investments report.

Mr. Ulliman introduced the “Claim on Cash and Investments” report and defined the various categories listed. This five-year trend report was developed in the 1990’s and outlines who has claim on, or the ability to utilize various cash balances. These balances represent the “reserves” of the University, both restricted and unrestricted. There are several categories of reserves.

“Carryforwards” are the positive or negative net year-end budget balances for each college or business unit. “Allocated” and “Unrestricted” fund balances/deficits are the University’s unrestricted reserves resulting from an excess of revenues over expenditures other than those created by carryforwards. They include funds for purposes such as construction projects, renewal and replacement, and the standard results of operations. “Restricted funds” include money set aside for purchase orders, loan payments, or any other externally committed funds.

This five-year look-back comparison is helpful in tracking reserve balances. The expected trend is that reserve balances will increase over previous years.

There was a discussion on whether we need to create a university reserve policy establishing minimum reserve targets. The Finance Committee is recommending the establishment of a policy on minimum reserve levels and the prevention of the consequences derived if adequate levels are not maintained.

- **Financial Performance Measurement and Reporting**

This year the Finance Committee meeting schedule has changed to meeting monthly to better monitor and manage cash balances and track expense levels.

The WSU Budget Report and the Budget Variance Report were reviewed by Mr. Ulliman. As mentioned at the last Finance Committee meeting in September, tuition revenue is down due to decreased international student enrollment. Projected Net Debate revenue has been reduced by \$5.5 million due to the cancellation.

Wright State has received, or will receive, \$400,000 in donation payments and \$220,000 from a state grant for the Presidential Debate expenses. Compensation expenses are higher due to the payout costs associated with the Voluntary Retirement Incentive

Plan (VRIP). Final amounts for State Appropriations will be known next month.

Mr. Fecher commented that these reports are very important tools for monitoring the University's financial position and allowing timely response and adjustment to changes in financial condition.

- **Investment Report**

Mr. Steve Sherbet, university bursar and director of treasury services, updated the Board on the September 30, 2016 investment report. The report will be filed with the written records.

VII. ADJOURNMENT

The meeting adjourned at 8:15 a.m.