

THE UNIVERSITY OF AKRON



LUIS M. PROENZA
OFFICE OF THE PRESIDENT

January 27, 2010

Members of the University Community

I am pleased, Dear Colleagues . . .

. . . to forward for your information a summary of actions approved by The University of Akron's Board of Trustees at its regular meeting on January 20, 2010.

Presentation to the Board

Dr. Timothy Matney, associate professor of archeology, presented information on an extensive excavation he and a team of others have been conducting since 1997 at Ziyaret Tepe in southeastern Turkey, the site of the Assyrian city of Tushhan. Dr. Matney, along with students and colleagues from several other higher education institutions internationally, has pursued a comprehensive study of daily life, city planning and the impact of urbanization on social and physical environments of the ancient urban center.

Audit Committee

1. Acceptance of June 30, 2009 External Audit Results

The Board accepted the July 1, 2008-June 30, 2009 fiscal year external audit results for the University, Foundation and Research Foundation. The audit results for all three entities were approved by the Auditor of State and were clean with no material deficiencies.

Educational Policy/Student Affairs Committee

1. Research Grants and Sponsored Programs Report, July-November 2009

For July-November 2009, funding for externally funded research and other sponsored programs was \$21.6 million for 203 projects. For July-November 2008, funding was \$23.6 million for 214 projects. For July-November 2009, one patent was awarded, 18 patent applications were filed, and

16 disclosures were submitted. For July-November 2008, four patents were issued, nine patent applications were filed, and 30 disclosures were submitted.

External Affairs Committee

1. Cumulative Gift and Grant Income Report, July-November 2009

For July-November 2009, total giving was \$20.8 million, 59 percent greater than the \$13.1 million received during the first five months of FY2008-09 and 56 percent greater than the \$13.3 million average for the previous five years to date. UA received 9,521 gifts in the 2009-10 fiscal year to date, compared to 8,777 for the prior fiscal year to date.

2. Dr. W. Gerald Austen Month

The Board formally expressed the University's appreciation and respect to Dr. W. Gerald Austen, chairman of the John S. and James L. Knight Foundation, by proclaiming October 2010 as Dr. W. Gerald Austen Month at The University of Akron. An internationally renowned cardiac and thoracic surgeon and clinical investigator, Austen is an Akron native and longtime friend of the University. Since 1987, he has served on the board of the Knight Foundation, an organization that has committed more than \$38 million to the University.

Facilities Planning and Oversight Committee

1. New Law School Building Construction Management for Design Development Stage

A contract for construction management services through the design development phase for the project was awarded to The Ruhlin Company for \$163,677. In addition, if the state provides \$13.6 million in capital funding for the project and another \$10 million is raised for the project through a combination of donations and School of Law revenues, Ruhlin will be paid \$654,706 more for construction management services after the design development phase. Ruhlin was one of four firms interviewed and was selected based on its presentations and relevant experience.

2. Center for the History of Psychology, Phase I

Trustees approved contracts for the first phase of renovations to the "Roadway Building," which will provide new archives, display and administrative space for the Archives of the History of American Psychology. The successful low bidders were: Cavanaugh Building Corporation - \$759,240 for general trades; Harner Plumbing, Inc. - \$125,371 for fire protection and plumbing; S. A. Comunale Company, Inc. - \$189,739 for HVAC; Thompson Electric, Inc. - \$154,000 for electrical; and Medico Systems, Inc. - \$18,500 for abatement.

Finance, Fiscal Policy, and Investment Committee

1. Approved Purchases for More Than \$150,000

- \$438,650 to Bruker AXS, Inc. for a single-crystal, X-ray diffractometer with dual-wavelength (Cu, Mo) microfocus sources, CCD detector and low-temperature device for the

Department of Chemistry. Purchase of the instrument was funded by a Chemistry Research Instrumentation and Facilities grant from the NSF.

- \$230,975 to Manning Applied Technology for a custom-designed, ultra-rapid-scan Fourier transform infrared spectrometer for the College of Polymer Science and Polymer Engineering.
- Refinancing of a balloon payment of \$3,572,366 for ownership of the thermal-energy storage tank that was leased from Ohio Edison in March 1994 and financed by that company until now. Because Ohio Edison no longer wishes to provide financing, the University sought lease rates from four local financial institutions to finance the payment over seven years. JP Morgan Chase Bank offered the most attractive lease rate, 3.4 percent.

2. Revisions to Operating Funds Investment Policy Statement

Trustees approved a modified version of the administration's recommendation—made in consultation with the University's investment advisor, Public Financial Management, Inc.—to revise the Operating Funds Investment Policy Statement, which had not been updated since 2002. When the Board approved revisions to the Endowment Funds Investment Policy Statement in December 2008, the administration agreed that the equivalent operating funds statement also should be updated. The revision primarily updates language to current terminology but makes no change to the University's investment philosophy, risk, or reward.

3. Personnel Actions

The personnel transactions approved by Trustees as amended are posted online at <http://www.uakron.edu/president/docs/Personnel-transactions-Jan10.pdf>. (Also see [Notes, item 3.](#))

New Business

1. Approval of Collective Bargaining Agreement with Akron-AAUP

Trustees unanimously approved the draft, four-year Collective Bargaining Agreement, including all of the tentative agreements and memoranda of understanding reached between the respective negotiating teams of The University of Akron and the American Association of University Professors, University of Akron Chapter.

2. President's Performance

Chairman Philip Kaufmann noted that the Board desires the University to be managed in a way that results in substantial benefits to its students and sponsoring society, strategic institutional growth and increasing quality, efficiency and effectiveness and seeks to achieve those ends in part through a comprehensive presidential compensation plan that requires mutually accepted and aggressive one-year performance goals of the university's president and subsequent performance payments should he meet those goals. After thoroughly reviewing documentation of the accomplishment of his 2009 one-year goals—including growing enrollment and fundraising and moving the progress on a new stadium, residence hall and parking facility—the Board formally expressed its appreciation to Dr. Proenza and approved awarding his performance payment of \$25,000, as required by contract.

3. Accolades for Retiring Board Office Staff

Chairman Kaufmann conveyed Trustees' appreciation for lengthy and stalwart service in running the Board office to Assistant Secretary of the Board and Vice President of Board Operations Russell D. Sibert and to Coordinator of the Office of the Board of Trustees Marcia A. Fletcher, both of whom are retiring soon. Sibert, who has 30 years of service and has been a Board officer since 1995, is retiring as of February 28. Fletcher also has 30 years of service, including nearly eight years in the Board office, and is retiring as of February 1.

Notes

1. President's Report

I began my report by telling Trustees about a very special gathering on campus on the preceding evening, when we hosted the new president of Cleveland State University, Dr. Ronald Berkman, and the new president of NEOUCOM, Dr. Jay Gershen. Both of those gentlemen suggested that opportunities to engage in additional collaborative work and positive service to Northeast Ohio were going to move forward in a positive way.

We begin this new decade with the prospect of a new contract with Akron AAUP faculty, an emerging new 10-year strategic plan and a heightened sense of both urgency, because of fiscal constraints, and opportunity, because of the success that we are enjoying.

In regard to the University's contract with the faculty union, I want to thank the members of both bargaining teams as well as Rob Stein, the mediator and fact finder, for their successful efforts. The leadership of the Akron-AAUP faculty and the University both recommended ratification of the contract (which the Board approved later in its January 10 meeting, and the union would consider later). I believe that the compensation increases in this contract take a necessary step toward improving our faculty salaries in comparison to the market.

We are fortunate that people come to universities from very different perspectives, and we must focus those varied talents on our most pressing institutional issues and harness them effectively. We are completing an intense strategic planning process that we began a year ago and has engaged a great deal of people, both those of you who work here and representatives of our many constituencies. The last round of sessions, which I led, resulted in a fascinating and positive discussion. We now are trying to shape the spirit and the input of all that we received into powerful language that provides clear and bold direction for the University extending to 2020. I then shared an emerging draft planning document with Trustees and showed a brief video program that described the strategic planning process.

As you can see, this was a tremendous effort during the year. From that, the Strategic Planning Steering Committee developed a draft vision and mission, a set of five goals and several dozen initiatives to go with the goals. We then met with every college, every administrative unit, student groups and a community group, and we received tremendous input, which was reflected in the preliminary redraft that I shared. We will go through another round of comments, then will go forward with implementation.

All of this is important, because things of the economy and the challenges facing American higher education generally. I sent to Board members recently the top 10 policy issues from the American Association of State Colleges and Universities and a link to a dialogue about how different states are dealing with educational challenges. We now need to determine the next set of policy issues that Trustees need to act upon to guide us in the implementation of that strategic plan. Obviously, the budget is our top priority, and it is acknowledged nationally that state budget issues are the number-one matter affecting public higher education.

The simple fact is that the bulk of our revenue is derived from enrollment, and our faculty and staff have excelled in helping us to gain market share and to grow in enrollment. Yet, we must be aware that increased enrollment generates additional overhead costs, and creates tangential issues such as increased demand for space . . . to teach, to study and to park, among other things. While we need to continue our efforts in recruitment and further enhance our retention efforts, we must find ways that derive additional revenues and realize other gains in productivity, efficiency and effectiveness.

We have addressed one possible major step toward these gains. Some of you were at the State of the University Address where I called upon the campus to look at ways in which we can better organize ourselves, because I am convinced that it is we, ourselves, who have to do everything to earn and secure our future; nobody else is going to do it for us. So, we have set in motion a process for discussion of academic and administrative restructuring (through Faculty Senate and a committee chaired by our CFO, respectively), and I have asked for input by April 15.

In tandem with those discussions, I am placing special emphasis on broad, key issues that have budget implications: further enhancing retention; obtaining better-defined data for salary market comparisons, particularly for faculty but also for staff; reviewing and addressing full-time/part-time discrepancies for faculty, other employees and students; analyzing and optimizing staffing ratios and workloads campus wide; and optimizing utilization of resources including, of course, our space.

The current margin for budgeting error is getting slimmer and, hence, there is a need for conservative spending and a sense of urgency regarding opportunities for increasing efficiencies and revenues and bolstering our reserves.

While the budgetary constraints are in large measure a result of the unpredictability of funding at the state level, additional critical but unknown factors are the continued availability of federal stimulus dollars to Ohio and health-care costs going forward. Still, I think that we have tremendous momentum and the capacity to address those factors.

One key to our ongoing success is identifying a permanent senior vice president and provost, and I informed the Board about the impending announcement of dates for on-campus interviews with highly qualified candidates.

Finally, I commended four members of The University of Akron family for achieving recognition for their leadership.

- Distinguished Professor of History Connie Bouchard was named by the Ohio Academy of History as a Distinguished Historian for Ohio;
- Our Head Men's Soccer Coach Caleb Porter was named NCAA Division I National Coach

of the Year, following a historic season that I know you followed and understand the significance of;

- Sophomore men's soccer standout Teal Bunbury won his sport's equivalent of the Heisman, the Hermann Award, and was the fourth pick in the Major League Soccer draft; and
- Football walk-on LeVon Morefield received the national College Football Rudy Award, which is given to someone whose life and football career demonstrate the value of perseverance and serve as an inspiration to others. That was very nicely chronicled in the Akron Beacon Journal, and many of you have commented on that wonderful example.

On behalf of a most grateful University, I offered sincere congratulations to those individuals.

2. Potential Expansion of the University of Akron Research Foundation Board

In his regular report on the University of Akron Research Foundation, Trustee Richard Pogue indicated that, in light of current activities in which the UARF is engaged with other institutions, there may be a need to address changes to the articles of incorporation and possibly expand the UARF board. Trustee Dr. Chander Mohan was approved for appointment as a representative on the UARF board should its expansion go forward.

3. Restructuring of the Office of the Board of Trustees

Included in the personnel transactions approved during the Board's January 10 meeting is the restructuring of the Office of the Board of Trustees, in response to the retirements of the Assistant Secretary of the Board and Vice President of Board Operations and the Coordinator of the Office of the Board of Trustees (see [item 3 under New Business](#)). The duties and responsibilities of those two full-time positions will be assumed by two current employees who will be transferred to the Board office while also maintaining some of their previous duties. Special Assistant to the President and Associate Vice President of Public Affairs and Development Paul A. Herold will relinquish his associate vice president role, continue to assist the president and serve as the assistant secretary to the Board. Paula D. Neugebauer, administrative assistant senior in the Office of the Vice President of Public Affairs and Development, will be transferred to the Office of the Board of Trustees and assume the duties of the retiring coordinator in addition to other current duties. Their relinquished duties in Public Affairs and Development will be redistributed throughout that division. The restructuring will save more than \$157,000 in personnel costs annually.

4. Next Regular Meeting

The Board's next regularly scheduled meeting will occur on Wednesday, March 24, 2010, in the Board office on the third floor of the Student Union, with an executive session to begin at 7:30 a.m. and the public session to begin no earlier than 10 a.m.

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