

MINUTES OF THE MEETING OF THE COUNCIL OF TRUSTEES
CLARION UNIVERSITY OF PENNSYLVANIA
FEBRUARY 21, 2013
108 EAGLE COMMONS
CLARION CAMPUS, CLARION, PA 16214

7:00 P.M.

I. RECORDING OF ATTENDANCE

The meeting was called to order by Mr. James, Chairperson, with the following Trustees present:

Dr. Syed Ali-Zaidi
Ms. Milissa Bauer
Mrs. Susanne Burns
Ms. JD Dunbar
Mr. R. Lee James, Chairperson
Mr. James Kifer, Secretary
Ms. Donna Oberlander
Mr. Randy Seitz
Mr. Howard Shreckengost, Acting Vice Chairperson
Mr. Darren Young

The following trustee was absent from the meeting:

Mr. Jeffrey Szumigale

The following members of the University administration attended the meeting:

Mr. Peter Fackler, Interim Vice President for Finance and Administration
Dr. Ronald Nowaczyk, Provost and Academic Vice President
Dr. Christopher Reber, Executive Dean, Venango Campus
Mr. Harry Tripp, Vice President for Student and University Affairs
Dr. Karen Whitney, President

II. Minutes

A motion was made by Mr. Seitz, seconded by Ms. Bauer, that the minutes of the November 15, 2012 regular meeting of the Council of Trustees be approved as distributed by mail. The motion carried unanimously.

III. COMMUNICATIONS

A. Public Comments - None

B. Report of Student Senate

In her report, Clarion Student Senate President Sara Dickson highlighted an upcoming Board of Student Government conference planned by student government groups across the PASSHE as well as local upcoming events sponsored by Student Senate, including Community Service Day on April 13 and the annual Reinhard Awards Ceremony on May 1 that will recognize student organizations, advisors, and members of the student body for their efforts during the 2012-2013 Academic Year.

C. Report of Faculty Senate

Dr. Ellen Foster, Chair of Faculty Senate, reported that her group was continuing to review its bylaws and constitution with the goal of presenting proposed revisions to the Council of Trustees at its April 18, 2013 meeting. Dr. Foster also discussed the Senate's examination of some academic policy issues.

D. Council Chairperson's Report

Mr. James reminded the trustees that the Council would elect its officers for 2013-2014 at its April 18, 2013 meeting. He also reminded trustees that the Spring 2013 Pennsylvania Association of Councils of Trustees (PACT) Conference would take place in Harrisburg on April 16-17. Trustee Susanne Burns encouraged all trustees to attend the event that would feature national-level speakers. Mr. James called the trustees' attention to the Statement of Financial Interests forms at their places and noted a deadline of May 1, 2013, by which to submit the forms to the State Ethics Commission.

Mr. James indicated that the Council's agenda would be re-ordered to have the auditors' report precede the Reports and Recommendations of the President.

Information Item

1. Auditors' Report for Year Ended June 30, 2012

Mr. William Kelly, Audit Senior Manager for the firm of Parente Beard, reviewed his firm's audit of the university's financial statements for the year ended June 30, 2012.

He reviewed the scope and timing of the audit, accounting and auditing developments, various procedures performed by Parente Beard, and their required communications with the university. He noted that his firm had identified no material weaknesses in the university's internal control over its financial reporting. In response to a question from Mr. Kifer about pension liabilities, Mr. Kelly indicated that when accounted for, those liabilities would take the university's net assets into a negative position. Mr. James asked about depreciation on improvements made by Starbucks related to its proposed move to the eventual Main Street campus suites. Mr. Tripp noted that given the university's ownership of all food preparation equipment on campus, it would retain the equipment if Chartwells or Starbucks were no longer associated with the university.

Mr. Kelly and Dr. Whitney commended the university's accounting staff for their work on the financial statements.

IV. REPORTS AND RECOMMENDATIONS OF THE PRESIDENT

A. President

Information Items

1. State System Update

Dr. Whitney noted that she had just returned from the winter retreat of the PASSHE Council of Presidents where she and her colleagues had discussed anticipated increased costs to their universities as a result of the new tentative agreement with the faculty union APSCUF. Noting that there would be no additional state funding to PASSHE universities to cover the increases, Dr. Whitney indicated that a 7-8% increase in tuition would be needed to balance the university's budget against increases from its labor contracts. Dr. Whitney shared that the university's Responsibility Centers (RCs) would be presenting their FY13-14 budgets in April.

2. Presidential 500-Day Plan v. 2, February 2013 Status Report

Dr. Whitney called the trustees' attention to the latest status report on her current 500-Day Plan. She noted that she had revised the report's format to make it more streamlined.

3. Update on Searches for V.P. of Advancement and V. P. for Finance and Administration

Dr. Whitney reminded the trustees of the administration's plan to unbundle the current position of V. P. for Student and University Affairs (SUA) to create separate V.P. for Advancement and V.P. for Student Life positions. She indicated that as a result of several expected retirements in that division, the SUA budget was not expected to see any net effect as a result of the unbundling. Dr. Whitney noted that a search for the V.P. for Finance and Administration would begin next fall.

4. Points of Pride

Dr. Whitney called the trustees' attention to achievements within the university community.

B. Academic Affairs

Information Items

1. Update on Dean Searches

Dr. Nowaczyk reported that Dr. Phil Frese, who currently serves as President and CEO for the Catholic Charities of the Archdiocese of Newark, NJ, had accepted the position of Dean of the College of Business Administration. Dr. Frese will be starting his duties at the university on or before July 1, 2013. Dr. Nowaczyk also shared that working with the Registry, a service that provides interim leadership for colleges and universities, Clarion University had had hired Dr. James Foster to serve as Interim Dean of the College of Arts and Sciences until June 2014.

2. Enrollment and Retention Update

Dr. Nowaczyk shared that the university's enrollment for fall 2013 had been tracking similar to that of last year. He noted that while the projection was for no new growth, the university seemed to have staved off further decline. He further noted that Clarion appeared to be up in applications relative to other PASSHE schools. Dr. Whitney noted that faculty and staff had been working very hard to recruit students. In response to a question from Trustee Bauer about out-of-state tuition rates, Dr. Nowaczyk indicated that Clarion University had lowered its non-resident tuition rates and was now more competitive with universities in neighboring states such as Ohio. Trustee Ali-Zaidi noted that the

university's acquisition of a scanning electron microscope should help in recruiting students.

B. Finance and Administration

Action Item

A. Approval of Capital Budget Submissions, 2013-2014

Mr. Fackler introduced Mr. Ric Taylor, Director of Facilities Planning and Management, who reviewed the list of proposed projects for the university's 2013-2014 Capital Budget Submissions. In response to a question from Trustee Seitz about whether or not the trustees' approval of the submission would commit the university to all projects on the list, Mr. Fackler noted that the submission would position the university in the queue for state capital funds as they became available. Dr. Whitney added that priorities identified through the Master Plan process could change long-term capital needs.

A motion was made by Mrs. Burns, seconded by Mr. Young, that the following resolution be approved. The motion carried unanimously.

RESOLVED, that the Council of Trustees, Clarion University, approve the 2013-2014 Capital Budget Submissions to the State System of Higher Education.

Information Items

1. Review of Clarion University Financial Statements of June 30, 2012

Mr. Fackler distributed a handout highlighting key elements from the university's financial statements of June 30, 2012. He spent some time talking about the university's growing liabilities for postretirement benefits and compensated absences and the as yet unknown liability for unfunded pensions for current and former employees. Dr. Whitney noted that 20-25% of the university's labor force could retire at the present time with full benefits.

2. Budget Update

Mr. Fackler reported that university revenues and expenses appeared to be on target, with compensation accounting for most of the expenses. He discussed the impact of pay increases related to bargaining unit agreements.

3. Status of Facilities Report

Mr. Taylor reported that while the university had been making progress with most of its facilities projects, the Becht Hall project to create a student success center had been unavoidably delayed due to the state's rejection of the proposed contractor. As a result, Mr. Taylor stated, the project would have to be re-bid and the opening pushed back to summer 2015.

E. Student and University Affairs

Information Item

1. Report on 2011-2012 Student Misconduct Stats

Mr. Tripp introduced Mr. Matt Shaffer, Coordinator of Judicial Affairs and Residence Life Education, who provided information about the number and types of incidents addressed by his office for the 2011-2012 Academic Year. Mr. Shaffer noted that in addition to coordinating over 1,200 disciplinary cases a year, his office offered workshops and on-line tutorials to educate students about the university's code of conduct and the impact of their behavior on the campus community.

Dr. Whitney commended Mr. Shaffer for his work, noting his valuable assistance with a recent shooting incident off campus. Dr. Whitney shared with the trustees that the university now notes academic suspensions and expulsions on students' transcripts. She also noted that she had recommended to PASSHE that in its development of a common application for students, a question regarding the individual's prior criminal activity be included.

2. Fundraising Report

Mr. Tripp reported that gifts in hand to the Clarion University Foundation, Inc. stood at \$1.6 million for the fiscal year to date. He noted the recent deaths of a couple of generous donors and the receipt of estate gifts.

V. REPORT OF COMMITTEES

A. Executive Committee

Mr. James reported that the Executive Committee had met on February 15, 2013, and that copies of the minutes from that meeting would be forwarded to trustees.

B. Finance Committee

Action Item

1. Approval of Finance Committee Report

A motion was made by Mr. Kifer, seconded by Mr. Shreckengost, that the following resolution be approved. The motion carried unanimously.

RESOLVED, that the Council of Trustees, Clarion University, approve the Finance Committee report for February 21, 2013.

VI. UNFINISHED BUSINESS - None

VII. NEW BUSINESS

Action Items

A. Approval of Proposed Changes to Council of Trustees Bylaws

Trustee Burns reviewed the work of a committee including Trustee Dunbar, Linda Campbell of the President's Office, and herself in developing a set of proposed changes to the Council's bylaws. She noted that the changes had been proposed in consultation with legal counsel to better align Clarion University's Council of Trustees' bylaws with those of most other PASSHE universities and to more accurately reflect the current practice of the Council. She further noted the committee's recommendation that future consideration be given to term limits for Council officers and possible changes to its standing committees. Members agreed that the topic of a summer 2013 trustee workshop would be placed on the Council's agenda for its April 18, 2013 meeting.

A motion was made by Mr. Seitz, seconded by Mr. Young, to approve the following resolution. The motion carried unanimously.

RESOLVED, that the Council of Trustees, Clarion University, approve the proposed changes to its bylaws.

B. Presidential Leadership Review

The trustees entered into executive session at 9:07 p.m. to discuss personnel matters, including President Whitney's performance evaluation, and returned to public session at 10:12 p.m.

A motion was made by Mr. Seitz, seconded by Dr. Ali-Zaidi, that the following motion be approved. The motion carried unanimously.

MOVE that the Council of Trustees, Clarion University, recommend to the Board of Governors that the Chancellor be authorized to extend the contract of President Karen M. Whitney for one year.

VIII. ADJOURNMENT - The meeting was adjourned following the vote on the President's contract.

Respectfully submitted


James Kifer, Secretary
Council of Trustees