Minutes of the April 12 Meeting

I. President Baker called the meeting to order at 4:03 PM.

II. Invocations were offered by Forrest Clingerman and Suzanne Morrison.

III. Minutes from March 8, 2011 were approved as submitted.

IV. Unfinished Business: None

V. Questions for the President:
   a. Lisa Robeson inquired about the interim between Presidents. President Baker anticipated the transition to go smoothly during June and July and Dean Crago to serve as the interim President.
   b. President Baker addressed a variety of topics.
      i. First, the university has been downgraded by Moody’s from an A3 credit rating to a Baa2 credit rating. This is equivalent to a credit rating downgrade of two levels. The key variable affecting the current rating is our recent loss of students. Other factors affecting the current Moody’s rating include the relatively small liquidity of the university compared to similar institutions and the relatively weak margin, which is affected both by savings and depreciation. The Board is unquestionably and completely committed to improving our credit rating.
      ii. Second, in light of the recent Moody’s downgrade, the Board has delayed the development of the student center. We cannot borrow the necessary funds to complete the project at this time. Currently, we are in the final stages of the schematic design. This phase will be completed and the remaining phases will restart at a later date.
      iii. Third, as another consequence of the Moody’s downgrade, the budget reduction plan has changed. The proposed refinancing of the university’s debt will not go forward as a key component of the budget reduction plan. The cost of refinancing outweighs the benefits in the long run. In addition, the proposed tuition waiver has also been removed from the budget reduction plan. The revised budget plan will be presented in May.
      iv. Finally, on a positive note, freshman enrollment patterns for the 2011 – 2012 academic year look promising. Patterns suggest higher potential enrollment than the current academic year. We have currently made 1600 offers to potential students.
   c. Chris North asked when we should expect the Moody’s credit rating to improve. Low student enrollment now will impact the university for the next 2 – 4 years. President Baker said that Moody’s intently examines letters of credit. Moody’s issued their downgrade prior to issues being resolved regarding the letters of credit. The Board also sent a letter to Moody’s indicating that the university will not borrow any more money until the financial situation has improved. A consultant that has worked with Moody’s will be hired to advise the university on providing the appropriate pieces of information.
   d. Lisa Robeson commented that the Moody’s report mentions the direct draws on the endowment from the Inn. Will the Inn eventually be included in the operating budget of the university? President Baker acknowledged that the Inn is funded through borrowed money and that causes some concern for Moody’s. Progress is
being made on decreasing the operating budget for the Inn as well as increasing the income. President Baker noted that we cannot lose sight of the fact that the university has a $150 million endowment and is at the $89 million mark of a $100 million campaign. He noted that the university has great students, great facilities and great faculty.

e. Forrest Clingerman voiced concern about the downward trends in enrollment in this region. Before the downward trend, there was some discussion about the university becoming a national institution rather than a regional institution. What is the university doing to become a national university? President Baker responded that the university has been actively recruiting in Texas and Florida. In addition, more and more applicants are from outside of Ohio. The international contingent of the university community is much stronger now when compared to a few years ago. The university also has the yellow ribbon program and articulation agreements with community colleges. Even with all of this activity, President Baker stressed that we cannot ignore our “backyard.” We are an Ohio institution with many Ohio students and have good name recognition and a good reputation within the state.

VI. **Report from University Council:** No report.

VII. **Reports from Constitutional Committees:**

a. **Budget and Appropriations:** No report.

b. **Academic Affairs:** John Lomax noted that the committee is forwarding a recommendation to University Council to bring academic progress into alignment with new federal regulations.

c. **Student Affairs:** No report.

d. **Personnel:** No report.

VIII. **Reports from Operational Committees:**

a. **Athletic Events:** Tom Simmons announced that ONU men’s and women’s teams are in first place for the all OAC championships.

b. **Cultural Events:** No report.

c. **International Affairs:** No report.

d. **Religious Affairs:** No report.

e. **Information Technology:** No report.

IX. **Other Reports:** None.

X. **New Business:** None.

XI. **Announcements:**

a. On Thursday, April 14th from 7 - 9 PM in Dicke Forum, the university presents “Paying the Price to Play: A Symposium on the Division III Student Athlete Experience.” The event is sponsored by the ONU History, Politics and Justice Department and the Office of Multicultural Affairs.

b. On Thursday, April 28th at 7 PM in Dicke Forum, the ONU department of History, Politics and Justice presents “Heroin – Is it really a problem in Hardin County?” Members of the Hardin County Crime and Task Force will be present to talk about heroin use in Hardin County.
XII. The meeting adjourned at 4:47 PM.

Submitted by,

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Leslie A. Riley
Secretary