Minutes of the February 26 Meeting

I. President DiBiasio called the meeting to order at 11:01 AM.

II. Invocation was offered by Jonathan Smalley.

III. Minutes from January 22, 2013 were approved as submitted.

IV. Unfinished Business: None.

V. Report from University Council: Rob Alexander announced that the Board met a couple of weeks ago. Discussions focused on current macroeconomic conditions, enrollment issues and other financial issues. He stressed to the Board that, as faculty members, our number one priority is the students, i.e. “students first.” Other activities, such as renovations to the Inn, are potentially diverting funds away from students (e.g. scholarships, travel, research stipends, etc.). He suggested, in addition to the small-group analysis that is already underway, convening a task force and a quantitative assessment of governance issues at the university. He also encouraged the Board to participate in discussions of governance at the university. The Board welcomed the opportunity to hear the perspectives of the faculty regarding these issues. Finally, he emphasized that it is important for all of us to understand how and why decisions are being made. The President thanked Rob for his service and dedication.

VI. Reports from Constitutional Committees:
   a. Budget and Appropriations: Ron Beaschler announced that the committee had received a recommendation from the personnel committee regarding salary for 2013 – 2014. He also noted that Larry Lesick will be attending the Budget and Appropriations meeting on Friday, March 1 to discuss enrollment numbers for 2013 – 2014. Mike Milks suggested that the university adopt a 2-year budget model. The President responded that the university is currently moving towards a multi-year budgeting model.
   b. Academic Affairs: No report.
   c. Student Affairs: Jenny Walton announced that the committee approved the following ONU student groups: the ONU Badminton Club, the ONU Chapter of the American Choral Director’s Association, ONU Solve and ONU Women’s Lacrosse.
   d. Personnel: Paul Logsdon said that the committee forwarded a recommendation to Budget and Appropriations for a 2% salary increase. Mike Milks expressed disappointment that there was not a recommendation put forth by the Personnel Committee to address increasing contributions to TIAA-CREF.

VII. Reports from Operational Committees:
   a. Athletic Events: Tom Simmons announced that the women’s basketball team, men’s wrestling, and both men’s and women’s swim teams won OAC championships. He added that ONU will also be hosting a number of high school basketball games throughout the weekend.
a. **Cultural Events:** No report.
b. **International Affairs:** Brian Keas announced that Shuhaibar scholarship packets should have been received by each college. They will be routed through Financial Aid prior to coming to the committee. The committee will act upon the applications at the next meeting after spring break.
c. **Religious Affairs:** Ray Person shared that the committee has been discussing the potential approval of a chapter for Young Life at ONU. The mission of Young Life is externally focused on evangelism in public high schools. If anyone has a particular interest in this decision and/or how to best involve the faculty, please contact one of the committee members (Ray Person, Jennie Kline, Lou Lobenhofer, Bob Carrothers or David MacDonald).
d. **Information Technology:** Jeff Rieman announced that SMART Board training is in progress and is being provided on a department by department basis. Please contact Joseph Blankson if your department is interested.

**VIII. Questions for the President:** President DiBiasio highlighted a few items regarding the February Board meeting prior to opening the floor to questions.

a. Action was taken on promotion and tenure applications as well as sabbatical applications. Notices will be distributed shortly.
b. Materials regarding tuition were distributed to the Faculty and to the Board. A 2.9% tuition increase has been approved for next year. Alternative solutions may have to be revisited in the future. For example, the idea of a 4-year guarantee was introduced and is one item that will be discussed further in the future.
c. A recommendation was made to the Board regarding the university’s investment policy. Specifically, a change was recommended regarding the use of “underwater” funds. Underwater funds refer to endowment funds that have current market values that have declined below their original values. The recommended change provides for accountability in the use of these funds and proposes a way to return them to their original values when the market rebounds.
d. Mike Milks asked if the enrollment modeling took into account the potential adverse impact of the tuition increase. The President responded that we try to determine our net revenue with the 2.9% increase taken into consideration.

**IX. Other Reports:**

a. **Update on the physical and fiscal conditions of The Inn:** The President began by providing some background information on the conditions of the Inn. The Inn began operations in the fall of 2008. In the fall of 2011, moisture intrusions (mold) were discovered. A forensic engineer was hired to examine the nature of the moisture damage. The engineer proposed a plan and a construction manager was hired to complete the repairs. The remediation plan was straightforward – remove bricks and fix ceilings that had been damaged in phases to keep the Inn...
operating during the repairs. As the repairs were happening, the university began mediation with the architect and construction company that built the Inn.

The President then discussed the current status and anticipated future steps regarding the Inn. The anticipated completion date for Phase 1 was December 1, 2012. The new anticipated completion date for Phase 1 is April 1, 2013. The delay is due to the fact that other deficiencies were detected that also needed to be addressed. The mediation process did not conclude successfully. A new schedule is currently being compiled that will include an anticipated completion date.

The President then offered some observations regarding the current challenges with the Inn. He acknowledged the fact that the problems at the Inn are comparatively small given the current economic climate, but that repairs still need to happen to move forward. There have been some discussions about potentially repurposing the Inn. However, there are some constraints to moving in that direction given the nature of the bonds and the original purpose for which the Inn was built. The administration will attempt to be transparent regarding any future plans for the Inn.

b. Mike Milks asked how many more years the university will be paying off the bonds for the Inn since the expenses for the Inn are now included in the operational budget. The President responded that he believed it was 5 more years. Mike Milks expressed concern that we’re investing more money into a losing operation. The President shared that most university hotels cannot operate without contributions from other university resources. President DiBiasio agreed, though, that we need to make full use of the Inn as a strategic asset in the future.

c. Andy Roecker asked if there was any information on occupancy rates for the Inn as it relates to cost recovery. The President said that they are trying to come up with a feasible plan that could work. He stated that the original estimates were overly optimistic.

d. Margie Walker asked if the Inn was included in the program review last year. The President said that it was, but it was also about the same time that the other issues at the Inn were discovered. As a result, the plan for the Inn moving forward may be different than the recommendations that were included in the program review.

e. Sarah Waters asked whether the same construction firm was also involved with Presser Hall because there are mold issues there as well. The President did not think so, but was going to check whether the same architect was involved.

f. Ron Peterson asked if there was an anticipated completion date for the entire project involving the Inn. The President said that they will have a better estimate
by the end of April and the completion of Phase I of the project. He said they are currently examining any and all options to expedite completion.

X. New Business: None.

XI. Announcements:
   b. Mike Loughlin announced that Sarah and Robert Waters will be presenting information about their teaching experiences last summer in the Czech Republic on Thursday, February 28 in Dicke Forum from 7 – 8 PM.
   c. Sarah Waters announced that the wind orchestra will be performing a concert in the Freed Center on Thursday, February 28 at 7:30 PM.

XII. The meeting adjourned at 11:40 AM.

Submitted by,

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Leslie A. Riley
Secretary