

CASE WESTERN RESERVE UNIVERSITY

Faculty Senate

Minutes of the Meeting of December 18, 2007

Toepfer Room, Adelbert Hall

Members present

Kathryn Adams
Keith Armitage
Nabil Bissada
John Blackwell
Joseph Carter
Susan Case
David Crampton
William Deal
Mark DeGuire
Dave Diles
Dominique Durand

Steven Garverick
Jerold Goldberg
Elizabeth Kaufman
Wilbur Leatherberry
Kenneth Ledford
Sana Loue
David Matthiesen, Chair
Vincent Monnier
Diana Morris
Carol Musil
Sena Narendran

Eric Neilsen
David Poerschke
Joseph Prah
Alan Rocke
Sandra Russ
Paul Salipante
Barbara Snyder
Glenn Starkman
Philip Taylor
Terry Wolpaw
Susan Zull

Members absent

Jay Alexander
Olivier Arnoult
Cynthia Beall
Robert Bonomo
Christine Cano
Shami Chogle
John Clochesy
Stanton Cort
Robert Davis
Thomas Frank

Faye Gary
Marion Good
Julia Grant
Christine Hudak
Kathleen Kash
Lawrence Krauss
Uziel Landau
Jacqueline Lipton
Judith Lipton
Charles Malemud

Kathryn Mercer
Shirley Moore
Roland Moskowitz
Ronald Occhionero
Joram Sawady
Benjamin Schechter
Whitney Tice
Elizabeth Tracy
Rhonda Williams

Others present

Jeanine Arden Ornt
Christine Ash
Russell Berusch
Randy Dieke
Don Feke
Cleve Gilmore
Tim Robson
Chris Sheridan
Lynn Singer

Jeff Wolcowitz

Call to order

Professor David Matthiesen, Chair of the Faculty Senate, called the meeting to order at 3:35 p.m.

Approval of minutes

Upon motion, duly seconded, the minutes of the Faculty Senate meeting of November 19, 2007 were approved.

Provost's announcements

Interim Provost Jerold Goldberg provided a brief update on the strategic planning process. A total of 2600 individuals have responded to the survey soliciting input to the process, and the results are being analyzed by the ten task forces and the working committee of the steering committee. Professor Goldberg noted that faculty participation in the survey was disappointing, with only 200 faculty members responding. The task forces have all submitted preliminary material, and final written reports are due in January. Work toward completion of the strategic plan is progressing on schedule.

President's announcements

President Barbara Snyder announced that she has revised the existing internal committee structure to create a forum to promote greater sharing of information and consultation. A new group, the President's Council, includes vice presidents, deans, other senior leadership team members, and the chair and chair-elect of the Faculty Senate. The president will serve as council chair and attend all sessions. Because of the composition and mission of this new group, she will discontinue the Vice Presidents' Council to eliminate redundancy.

The president thanked the Faculty Senators for their support during her first six months in the position, and expressed appreciation for the collaborative relationship that has been established.

Report from the Secretary of the Corporation

Jeanine Arden Ornt, Vice President and General Counsel, and Secretary of the Corporation, reported on recent meetings of the university's Board of Trustees. At the November 28 Executive Committee meeting, several items on the "consent agenda" were approved, including a significant number of gift agreements. The trustees noted that the budgeting process is on track to address the current \$10.5 million deficit, and that the university's investments are doing well. The annual report on the University Farms was presented, and is available on the web; the university is exploring the possibility of drilling for natural gas on that property. Interim Provost Jerry Goldberg reported on various faculty activities including departures and awards of emeritus/a status. Topics at the December 17 BOT Executive Committee meeting included updates on the university's S&P and Moody's ratings, modifications to the Benelect plan to reflect recent government changes, and the preliminary report from PriceWaterhouseCoopers, which will be finalized in January 2008.

Report from the Executive Committee

Professor Glenn Starkman, chair-elect of the Faculty Senate, reported on the December 7 Executive Committee meeting, at which honorary degree recipients were approved for 2009. He provided information on the Board of Trustees' Academic Affairs and Student Life Committee

meeting, which he recently attended on behalf of Professor Matthiesen. At that meeting, the trustees expressed interest in the Case School of Engineering's vote to modify the SAGES curriculum. Professor Starkman informed the trustees that this action is an ongoing discussion topic between the University Undergraduate Faculty, the Faculty Senate, and other campus constituencies that are concerned with curricular issues at the undergraduate level.

Report from the Provost's Research Council

As Chair of the Faculty Senate Research Committee and the Senate's representative to the Provost's Research Council, Professor Carol Musil reported on the November 12 and December 17, 2007 meetings of the Research Council. Topics of discussion at the November meeting included the multi-institution affiliate model of the Comprehensive Cancer Center; progress toward the new program in Systems Biology; and the Ohio Research Scholars and Choose Ohio First programs, for which several schools and departments are submitting letters of intent. At the December meeting, Deputy Provost Lynn Singer gave an update on the meeting she recently attended in Kyoto. Professor Paul Salipante, Chair of the Faculty Senate Committee on University Libraries, and Dr. Joanne Eustis, Director of University Libraries, discussed "Digital Case," and asked for advice on how to encourage faculty to store scholarly products there. The Council agreed that the advantages of using Digital Case must be clear, and that deans and department chairs should be fully informed and enlisted to promote this effort.

Report from the Budget Committee

Professor Kenneth Ledford, chair of the Faculty Senate Budget Committee, provided a detailed report of recent meetings. That report is appended to these minutes.

Discussion of priorities with budget impact

Professor Matthiesen reported that several of the Faculty Senate standing committees had responded to the request for initiatives that would impact the university's budget in the coming and future fiscal years. Some of the committees' requests were for changes in policies, including allocation policies, and Professor Matthiesen explained that requests of this nature were the responsibility of the Senate's standing committees and, if appropriate, the administration. The requests to be further refined by the Budget Committee and then considered by the Executive Committee and the full Senate are essentially new initiatives that would affect the 2009 budgeting process.

Working with the university-wide budget committee, the Faculty Senate Budget Committee will determine "price tags" of the priorities submitted by the standing committees, and forward that information to the Executive Committee. The information will then be presented to the full Senate. An assessment tool is being developed and, in January 2008, Faculty Senators will have approximately two weeks to offer input to this prioritization process via a website designed for that purpose. Professor Matthiesen thanked all those who have participated in this effort to date, and encouraged Senators to solicit input from the constituent faculties they represent as they evaluate initiatives and assign priority values. It is intended that this become an on-going Senate effort, and serve to inform the university's budgeting process going forward.

Report from the Vice President for Real Estate

Mr. Russell Berusch reported on activities associated with his office, which is responsible for the university's commercial and income-producing real estate. Since his arrival on campus in early 2005, his primary effort has been devoted to the development of the "Uptown" area at the intersection of Euclid Avenue and Mayfield Road. The nine-acre site, which includes the Triangle property, has been assembled and a developer has been selected. Mr. Berusch showed slides of the proposed site plan, explaining the concept of a "Main Street" layout in which all buildings have retail establishments on the ground floor, and housing units on the upper levels. He provided details of the various phases of the project, which reflect groundbreaking in March 2009 and, upon completion, total retail space of 145,240 square feet, 214 condominiums, 225 apartments, 420 new parking spaces and a cost of \$156 million. He added that the university's bookstore, currently located in Thwing Center, will double in size and relocate to Uptown.

Mr. Berusch relates this project to the university's academic mission in that it will transform the area into an animated, people-friendly destination that will attract students, faculty, staff and the community at large. It is intended to cater to both students and to a more affluent market segment. In terms of the current strategic planning process, Uptown will establish a real estate strategy that will improve adjacent neighborhoods to the university's and the community's mutual benefit. Mr. Berusch responded to questions and comments.

Adjournment

Upon motion, duly seconded, the meeting was adjourned at 5:00 p.m.

Susan J. Zull
Secretary of the University Faculty

Case Western Reserve University
Cleveland, OH 44106

**Report of the Faculty Senate Budget Committee
to the Regular Meeting of the Faculty Senate**
Tuesday, December 18, 2007, 3:30 p.m.

Since its last report to the Senate, the Faculty Senate Budget Committee has met once, on December 5. At that meeting, Interim Provost Goldberg provided an update on the University Strategic Plan.

Vice President Ash gave a preliminary report on the First Quarter Forecast for FY 2008. Based upon budgetary performance through the first quarter of the current fiscal year, forecast revenues and expenditures are both running ahead of budget, although the result is to have no impact on the budgeted deficit of \$10.5 million.

Issues of moderate concern are shortfalls in tuition income from undergraduate, graduate, and professional sources, offset in part by robust summer school tuition revenue. This tuition shortfall is more than offset by increased revenue from Research & Training. In the School of Medicine, Overhead Recovery is tracking toward the more pessimistic end of a previously estimated \$2 to \$3 million shortfall. At this point in the year, it appears that FY 2008 will end very close to the budgeted deficit.

Vice President Ash also reported on Competitive Proposals and External Awards throughout the University through the end of October. For the Total University (net the Cleveland Clinic Lerner College of Medicine). Proposals were up very slightly and awards were down. Projections to the end of the fiscal year suggest close tracking of FY 2007, and some of the current difference may be reporting artifacts, but the matter merits and will receive close attention for the balance of the year.

Vice President Ash and Assistant Vice President Leitch made a presentation on the five-year budget guidelines and preliminary budget guidelines for FY 2009. The Senate will be reminded that last year, the Office of Financial Planning and Budget reinstated the practice of requiring management centers to budget on a five-year time horizon, and this practice will continue with updatings of those plans. Ms. Leitch explained the planning assumptions for the five-year plans, including undergraduate enrollment, tuition rates, discount rates, fringe benefit rates, endowment unit payouts, and indirect cost allocations. Notable items include a decrease in the size of the undergraduate entering freshman class to 1,000 per year beginning in FY 2010, and a decision by the Board of Trustees to revive the 50 basis point draw on endowment previously set to expire in order to fund an expansion of the Development office in preparation for a capital campaign. Ms. Leitch announced the FY 2009 undergraduate and graduate tuition rates which, once approved by the Board of Trustees Executive Committee, will be shared with the members of the Senate.

Outside of the meeting of the Budget Committee, the Chair learned of a plan endorsed by the Finance Committee of the Board to require a "hard close" of the operating account for all

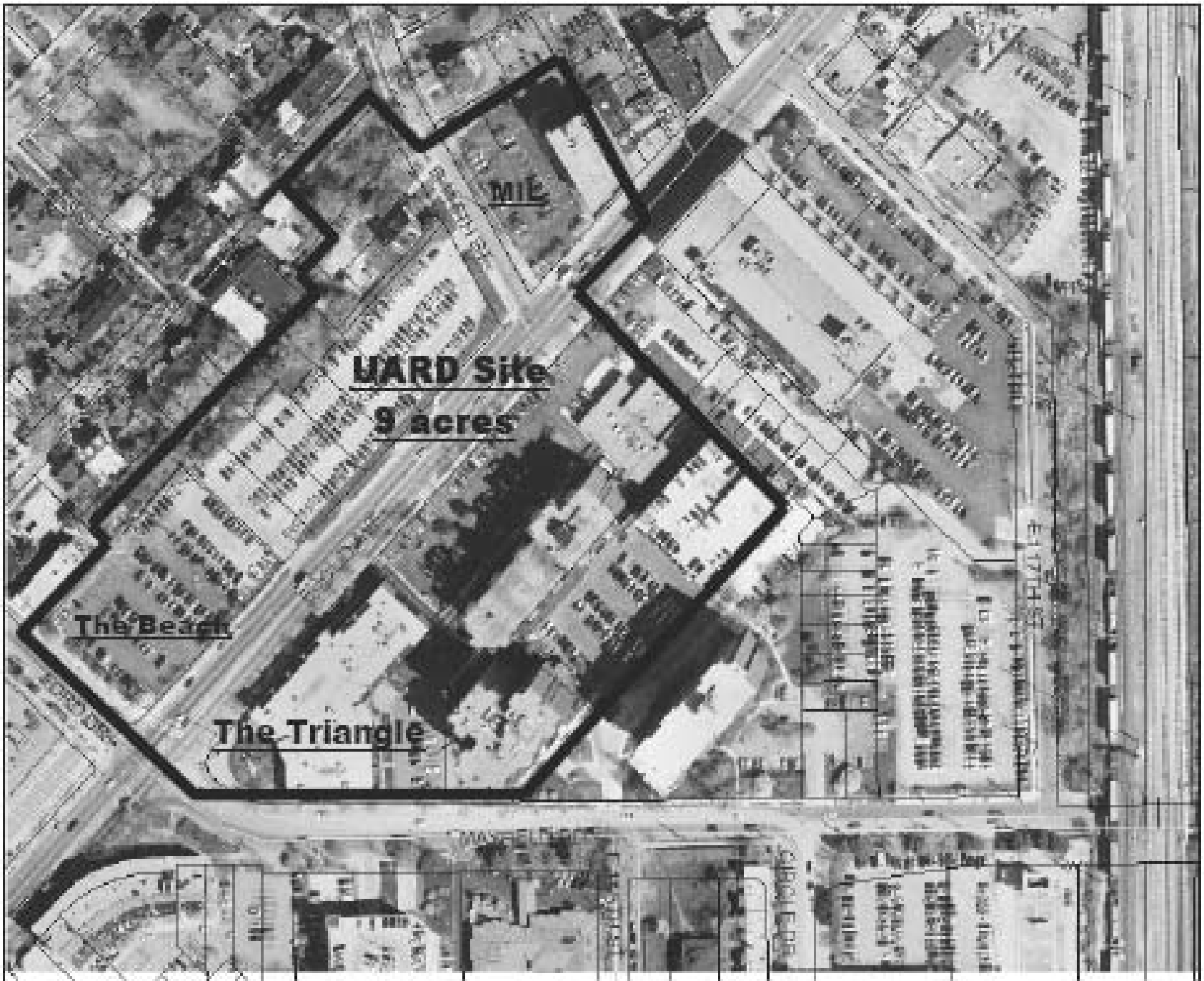
management centers and UGEN as of December 31, 2007. This step is an effort to extend control of the reconciliation of revenues and expenditures early in the fiscal year, so as to avoid late-year surprises, and the Chair of the Budget Committee endorses it as sound practice despite its apparent stringency when adopted only 4 weeks before its implementation.

At its December 19 meeting, the Budget Committee will evaluate all budget-related reports from Faculty Senate Committees as charged by the Executive Committee and report its findings so that the Executive Committee and Senate can establish their priority ranking of those proposed expenditures and communicate them to the administration.

Respectfully submitted,
Kenneth F. Ledford, Chair
Associate Professor of History and Law

Commercial Development Department:

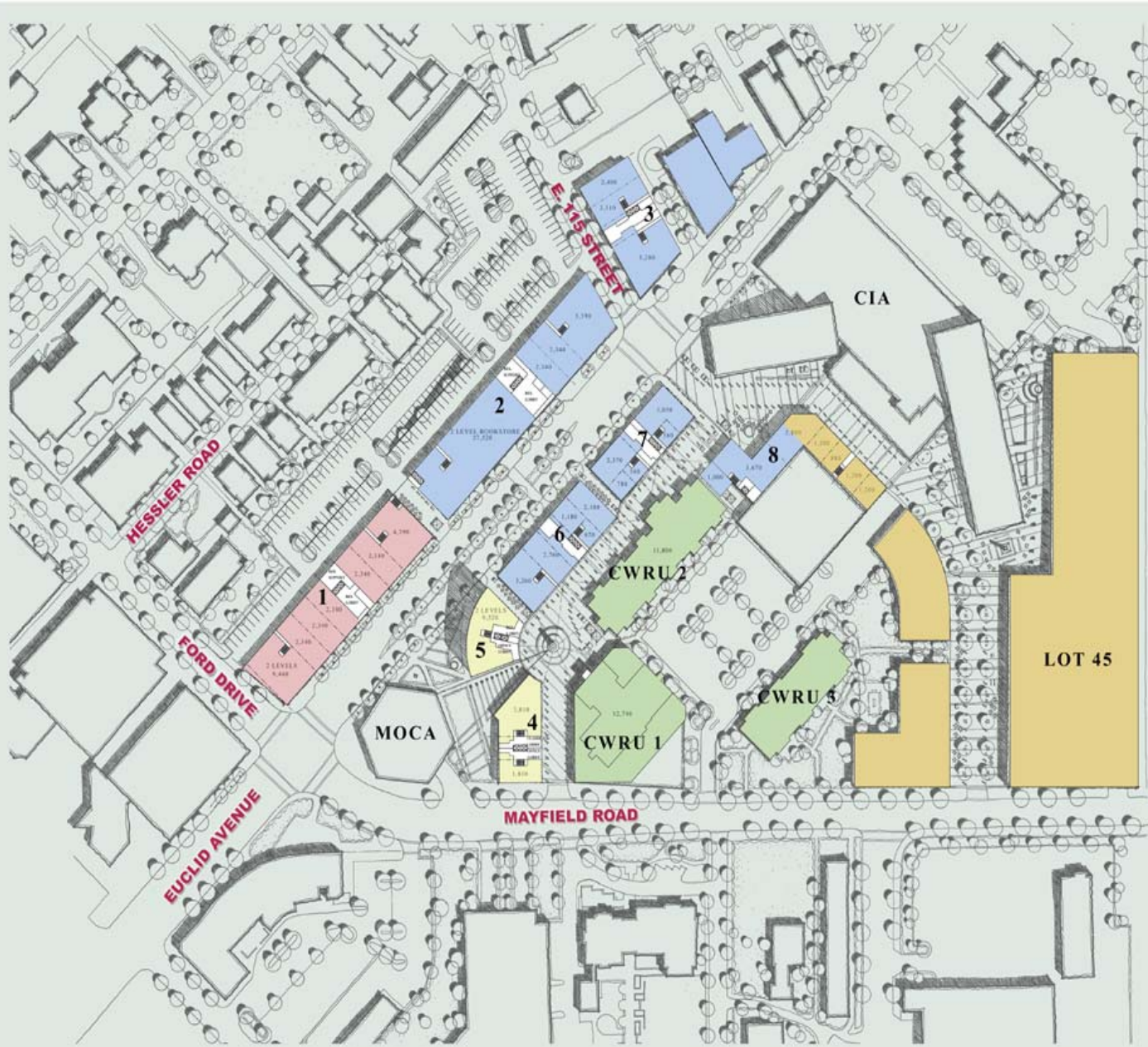
- Started February 2005
- Inherited Triangle contract and agenda





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MRN Ltd.

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PHASING AND RETAIL DIAGRAM

- PHASE 1
- PHASE 2
- PHASE 3
- PHASE 4
- CWRU PHASE

RETAIL (GROSS SQUARE FEET)

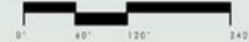
- BUILDING 1: 25,430 GSF
- BUILDING 2: 37,790 GSF
- BUILDING 3: 9,910 GSF
- BUILDING 4: 5,620 GSF
- BUILDING 5: 9,520 GSF
- BUILDING 6: 9,970 GSF
- BUILDING 7: 7,320 GSF
- BUILDING 8: 3,220 GSF PHASE 1
8,680 GSF PHASE 4
- CWRU 1: 12,740 GSF
- CWRU 2: 11,800 GSF

- PHASE 1 RETAIL: 68,210 GSF
- PHASE 2 RETAIL: 25,430 GSF
- PHASE 3 RETAIL: 15,140 GSF
- PHASE 4 RETAIL: 8,680 GSF
- CWRU RETAIL: 25,540 GSF

TOTAL RETAIL: 142,000 GSF

- BEACH SITE PARKING: +/-300 SPACES
- TRIANGLE SITE PARKING: +/-550 SPACES

SCALE: 1"=40'





Preliminary Program	Phase 1	Phase 2	Total
Retail space	50,800sf	94,440sf	145,240sf
Condominiums	107	107	214
Apartments	225	-	225
MOCA	35,000sf	-	35,000sf
New Parking	420 spaces	-	420 spaces
Cost	\$109 million	\$47 million	\$156 million
Target start date	March, 2009	March, 2011	

Needed to achieve groundbreaking:

- Triangle Point Building tenants relocated & building demolished
- Municipal approvals
- Condominium presales
- Retail pre-leasing
- Financing, including +/- \$29 million in subsidy and non-conventional funding
- Triangle renovation plan & HUD refinancing/payoff

How work relates to academic mission:

- Transform area into vibrant center to attract and gratify students, faculty, and staff including,
 - Restaurants, bars and retail stores (including expanded Barnes & Noble bookstore)
 - Apartments for graduate students and others
 - Condominiums
 - MOCA and CIA
- Not compete with academic requirements by incurring funds

Role in strategic planning process:

- Execute *Uptown* project
- Establish real estate strategy and pipeline to position CWRU for long term
 - Building off *Uptown*
 - Improving and co-existing with abutting neighborhoods