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September 14, 1999 Meeting Minutes

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**SHAWNEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**Special Meeting Minutes
September 14, 1999**

Chairman Frank Waller called the meeting to order at 4:04 p.m.

1.0 Certification of Compliance with RC 121.22(F) - Board Secretary

2.0 New board Members - Oath of Office

Mr. Waller welcomed everyone to the meeting. He introduced Mr. Howard Harcha and Ms. Kay Reynolds as new members to the Board of Trustees. The new Board members were sworn in and took the trustee oath of office. Mr. Waller then presented Mr. Harcha and Ms. Reynolds with a Shawnee State University lapel pin.

3.0 Roll Call

Members Present: Ms. Argeros, Mr. Clayton, Mr. Davis, Mr. McKinley, Mr. Meier
Dr. Payne, Ms. Reynolds, and Mr. Waller

Members Absent: Mr. Teichman

4.0 Approval of the July 12, 1999 Executive Committee Meeting Minutes

Dr. Payne moved and Mr. Davis seconded approval of the minutes from the July 12, 1999 meeting. Without discussion, the Board unanimously approved the minutes.

Ayes: Ms. Argeros, Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McKinley, Dr. Payne,
Ms. Reynolds, Mr. Waller

Nays: None

5.0 Approval of the August 23, 1999 Board of Trustees Meeting Minutes

Mr. Davis moved and Mr. Clayton seconded the approval of the August 23, 1999 Minutes.

Ayes: Ms. Argeros, Mr. Clayton, Mr. Davis, Mr. Harcha, Mr. McKinley, Dr. Payne,
Ms. Reynolds, Mr. Waller

Nays: None

6.0 President's Report

Dr. Chapman noted that as of Monday, September 13, enrollment increased 4.5% with a total of 3,592 students enrolled for fall quarter. He also noted this figure included 130 students who registered for the River Studies course.

Mr. Davis asked how the housing situation was moving along with the private developers. Mr. Waller said he would like to defer this issue until the end of agenda item 8.0.

This being a Special Board of Trustees meeting, there were no committee meeting reports.

7.0 Approval of New OACHE Positions

Mr. Davis moved and Mr. Harcha seconded the approval of Resolution E10-99, Approval of New Positions, GEAR UP (ROAD:MAP 2005).

Mr. Clayton asked if these positions have been filled. Dr. Chapman noted these positions had not been filled but that it was hoped to have this done within the next 30-60 days.

8.0 Administrative/ATSS Annual Salary Increases

Mr. Waller stated he thought, with the addition of two new Board members, that he should give an overview of the background on the issue of the Administrative/ATSS merit-based increases. He said this policy was initiated by the Board in 1995, but it was not implemented according to the Board's intent. Merit pay was first implemented as an addition to base pay. Within two years, the Board changed it to a one-time bonus payment which was not added to the employee's annual salary. The administrators came to the Board because they did not like this policy the way it was implemented and because the bonus was carved out of the across-the-board increases other constituents received. The administrators said the system caused competition not cooperation and was divisive. The material prepared by Ms. Boyles, Director of Personnel, summarizes the history and current policy on administrative performance pay.

Mr. Waller then stated that Resolution F16-99 was brought to the Finance and Facilities Committee at the August 23, 1999 Board of Trustees meeting. Due to the complexity of the issue, the Finance and Facilities Committee tabled the Resolution and felt this issue should be addressed by the full Board. Mr. Waller stated that a survey was taken among administrators and that 85-90% of the administrators were not in favor of the new policy. Mr. Waller said he would like to see an across-the-board increase for all administrators with an additional pot of money for a one-time bonus for extra meritorious service. He said the one-time bonus should be limited to five or six administrators and be worth more money. However, he was open to suggestions. He also felt that a committee should determine if an employee is worthy of receiving a performance bonus as opposed to the supervisors so that personality conflicts would not come into play.

Mr. Waller stated that this policy would lower the number of administrators to get higher bonuses and suggested the bonus be somewhere in the range of \$2,500.

Mr. Davis said that there is already a policy covering across-the-board raises and stated that it is no different than 4.49 or the second tab in Ms. Boyles' materials.

Mr. Waller stated that current policy under 4.49 was under suspension.

Mr. Clayton agreed that bonus payment should go to a smaller group of people. Mr. Waller echoed that feeling.

Mr. Davis stated that everyone should be eligible and rewarded and he agreed with Mr. Waller and Mr. Clayton that the number of recipients should be limited.

Dr. Chapman stated that anyone should be able to recommend someone for the bonus, not just a supervisor.

Mr. Davis said that if the judging is done by committee, anyone should be able to recommend.

Mr. Waller stressed that he wanted the issue of performance bonus to be fair to administrators/ATSS and then asked for input from other Board members.

Ms. Reynolds asked how other state universities handle these types of issues.

Mrs. Boyles stated that many of the other universities go through the supervisor and then to the vice president. OSU supervisors get a pool of money and usually distribute to their groups evenly. This is similar to across-the-board. Mrs. Boyles said that there is not a true merit system in the State of Ohio since most universities spread the increases equally among the employees.

Mr. Harcha asked what the established criteria were and whether there was a definition of extraordinary performance.

Mr. Waller said there are no existing guidelines. The Board must come up with them. He explained at this point that it is up to each supervisor. The Vice Presidents and 90% of the administrators here at SSU do not agree with the current system. He said that there are two problems with the existing system -- there is not enough money and the administrators took exception with the bonus being taken out of across-the-board money. A merit or bonus pay system should not be funded from the across-the-board money.

Mr. Clayton stated that in the private sector, bonuses work very well and that he uses a bonus system at his company. He asked if this was a hybrid. Mr. Waller said that several retired Board members liked the current system. However, it is in need of tweaking. The Board is trying to correct what was done in 1995 when it was incorrectly implemented.

Dr. Payne said it is hard to compare academic settings with private enterprise. If the Board goes along with Mr. Waller's proposal, criteria are needed. There must be a point value assigned to each criteria, which could include published articles and community service. Whatever is included, it should be open-ended as to the number of administrators who can qualify for the bonus.

Mr. Clayton said there could be ten this year and one next year. In the former case, the pot should be divided by 10.

Dr. Payne stated the Board should be prepared to fill the pot and make it even; and put more money in the pool if more people qualify for the bonus.

Mrs. Argeros stated that if there are 10 recipients, each should get the same amount as one individual would get.

Mr. Waller said that under his suggestion, five or six would each get the same amount, around \$2,500.

Mr. McKinley said that overall the Board should not establish a system that is divisive. Faculty and administrators are here educating students and the Board members are facilitators to help them get this job done. He asked what the administrators were saying about this.

Mr. Waller said the administrators want across-the-board pay increases.

Mr. McKinley asked if the Board did the bonus.

Mr. Waller said the Board determines what the yearly raise should be including bonus and merit pay. He said the Finance and Facilities Committee would like to retain a bonus component in the salary system.

Mr. McKinley asked if the administrators were strong in their opinion and he wanted the background. He asked what needs are being met. If the administrators receive an across-the-board increase, their needs are filled.

Mr. Waller stated that the administrators wanted 3% across-the-board not 2.5% plus bonus. He said they were not as concerned about the bonus if each administrator receives the across-the-board increase.

Mr. McKinley said the bottom line to success for any organization is attitude and production. If the Board implements something they do not like, both will be affected.

Dr. Chapman stated that a survey conducted in May, 1999 showed that 90% of administrators want merit pay to be eliminated. However, only 28 out of 102 people responded to the survey. Another survey, administered in July, showed 65% of administrators opposed to any such merit system.

Mrs. Argeros asked if administrators do not like a 2.5% across-the-board raise and a .5% bonus, would they object to a 3% across-the-board and then a merit system above and beyond that raise.

Mr. Waller replied that they would not object to a 3% across-the-board plus merit.

Mrs. Argeros asked what about next year.

Mr. Waller said he could not say they would not want more.

Ms. Reynolds said she was in favor of Mr. Waller's proposition. Everyone, when they do well, likes to be rewarded. It is the Board's responsibility to reward those who do good work. It helps with retention of good people. There may be a problem working out the language for the criteria. The Board will have to set the number of people eligible to be recognized each year.

Mr. Waller said he agreed with Ms. Reynolds except for setting numbers. What happens if you have more people that meet the criteria.

Ms. Reynolds stated the bonus committee could not allow that and would have to restrict their award to a fixed number. It is the committee's responsibility to make the decision to judge individuals and make the awards.

Mr. Waller then asked Mr. Meier to give a student's perspective of this issue.

Mr. Meier said he wanted to make sure that the system is fair. So many supervisors do not like certain people. The members on the committee should be carefully selected for fairness.

Mr. Waller asked where the Board wanted to go with this issue. The Board needs to do something - either no bonus or a bonus but the administrators need to know what system they will be under this year.

Dr. Payne asked Mr. Waller if they polled several institutions' merit systems to see if they distribute equally.

Mrs. Boyles stated that most do a 2% across-the-board and 2% merit. However, usually the supervisors divide the 2% according to his or her own opinion. It is across-the-board in most cases, not true merit.

Mr. McKinley asked what percentage of administrators do a poor job.

Mrs. Boyles said that a very small percentage do a poor job.

Mr. McKinley said that our administrators do a fine job, that they are our future. He stated that there are human factors involved and prejudices create confrontations and divisiveness. Mr. McKinley said the Board should take the safe ground and table the bonus issue for a while.

Mr. Clayton asked what is the definition of divisiveness.

Mr. McKinley referred to Dr. Chapman's letter where he says we need good will. He said that if the administrators are not for it, why is the Board pushing it.

Mr. Davis said if we adopt Mr. Waller's view, we will spend more money than the system advocated by Mr. McKinley.

Mr. McKinley said it comes down to morale. He said everyone needs to be on the team.

Mr. Davis pointed out that Mr. Waller's proposal provides for across-the-board increases. He said the administrators' concern is taking bonus money away from their raise money. The Board will be giving them additional money, above and beyond the across-the-board raises provided to other constituents.

Dr. Payne said the administrators informed the Finance and Facilities committee that they want across-the-board increases and are not bothered if the bonus is on top of that kind of raise.

Mr. Clayton said it sounded good to him but that it could get way out of bounds and they needed to put a cap on the amount of money available for bonuses.

Dr. Payne said no cap should be set because over a number of years it would balance out. He said the Board should review this new bonus system after two or three years and if it gets too expensive, eliminate it.

Ms. Reynolds said she had a problem with putting a 2- to 3-year time frame on this and that she disagreed with that.

Mr. Harcha said he like the concept of a bonus but the implementation of it will take a lot of work.

Mr. Waller asked the Board to work out the implementation before the next Board meeting. He then asked who should be on the committee to write the criteria. He suggested five or six people with half being Board members.

Mrs. Argeros asked if the bonus would affect the across-the-board increase. She said the criteria set up to receive a bonus might not be met every year.

Mr. McKinley said he was from the private sector and this was his game. He has been very successful with this but has concerns about it being implemented at SSU. He said he was comfortable with a fair, equitable system with objective standards. If not, he thinks it will create divisiveness.

Mr. McKinley stated that if the administrators were happy, then he was happy. He was pro-bonus if administrators were comfortable with it; he would lead the charge.

Mr. Harcha said if properly implemented, this will foster excellence in the administration.

Mrs. Midkiff said the action taken at the last meeting by the Board was viewed in a positive way by the administrators. The present system was divisive. Because the bonus came from across-the-board raise, it caused embarrassment and morale problems.

Mr. Murphy stated that the Board should be careful about the total dollars spent. He said across-the-board should be equivalent to other groups. There should be a fixed amount per person and a fixed number of people to get the award.

Mr. Davis said the committee could come back with a dollar figure and the number of people to get the award.

Mr. Waller stated that a committee consisting of six people would be established with three members from the Board and the president and two others appointed by him. Mr. Davis, Ms. Reynolds and Mr. Harcha agreed to serve on the committee. Dr. Chapman asked Mrs. Midkiff and Mrs. Boyles to join the committee with Dr. Chapman serving as the chair.

Mr. Waller charged the committee to come up with a workable solution by the next Board meeting on October 8 to be presented to the Finance and Facilities committee.

New Business

Mr. Davis asked about the private housing issue and its progress.

Dr. Chapman stated that Mr. Murphy and Mr. Donohue are working on the contract. He will be meeting with the developer and his attorney tomorrow and that a proposal will be available for review very soon. The developer has acquired the property to build 94 units.

Mr. Davis asked if this had been downsized.

Dr. Chapman said the developer could not acquire all the property in a timely manner to build the entire 176 units at this time. Dr. Chapman should be able to get more information to the Board after his meeting tomorrow.

Ms. Reynolds said that as a new Board member, she would like a little history regarding the housing issue.

Dr. Chapman explained that the University was working with a private developer to build student housing on private property with the University contracting to provide management and programming services.

Mr. Waller asked if the students staying at the Ramada paid the same amount as the students on-campus.

Dr. Chapman said they did and that we currently have about 50 students housed at the Ramada.

Mr. Waller asked if there were any other questions regarding housing. There being none, he then asked Mr. Clayton for an update on the president's house.

Mr. Clayton said a committee was formed and had met three times. The budget is \$600,000 for a 4,000 square foot house. This is \$100 per square foot plus site work -- the development of a basement and core drillings. He said the Children's Learning Center recently spent an additional \$140,000 because of problems and he did not want that to happen with the president's house. There is still no word on the architect but they hoped to have a meeting this week.

Adjournment

The Board meeting was adjourned by acclamation at 5:22 p.m.


Chairperson, Board of Trustees


Secretary, Board of Trustees

RESOLUTION E10-99
APPROVAL OF NEW POSITIONS
GEAR UP (ROAD:MAP 2005)

WHEREAS, additional personnel is needed for the OACHE consortium's recently-awarded GEAR UP grant, ROAD:MAP 2005, which was approved for submission by the SSU Board of Trustees at their May 10, 1999 meeting; and


WHEREAS, the personnel requested in the GEAR UP grant consists of a full-time director to oversee the operation of the GEAR UP program, five full-time coordinators to implement activities at regional sites, and a full-time hourly support position; and

WHEREAS, these positions have been recommended for creation by the Executive Director of OACHE and the President concurs; and

WHEREAS, funding for these positions is made through the GEAR UP grant from the U.S. Department of Education;

THEREFORE BE IT RESOLVED that the Board of Trustees of Shawnee State University approves the creation of the seven positions for GEAR UP.

(September 14, 1999)

Certified as True and Correct	
	2/2/00
Secretary, SSU Board of Trustees	Date