

MINUTES
of the
Board of Control
Michigan Technological University
Houghton, Michigan

Meeting of
August 3, 2006

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MINUTES OF THE FORMAL SESSION OF THE BOARD OF CONTROL OF MICHIGAN TECHNOLOGICAL UNIVERSITY held pursuant to due call in Ballroom B of the Memorial Union Building on the campus of Michigan Technological University in the City of Houghton, Michigan at eight thirty o'clock on the morning of August 3, 2006.

The Board of Control of Michigan Technological University met in formal session at the University's campus at Michigan Technological University in the City of Houghton, State of Michigan, at 8:30 a.m., on the 3rd day of August, 2006, in Ballroom B of the Memorial Union Building. The place, hour, and date duly established and duly published for the holding of such a meeting.

The meeting was called to order by the Chair, M. Henricksen, and a quorum was declared present.

The following members of the Board of Control were present:

M. C. Henricksen, Chair
D. J. Brule
K. I. Clark
R. A. Gronevelt
R. A. Kershner
R. A. Reck
M. K. Richardson
G. D. Mroz, ex officio

The following members were absent:

N. A. Rautiola

Also present during part or all of the session were: Dale R. Tahtinen, Secretary of the Board and Vice President for Governmental Relations; Daniel D. Greenlee, Treasurer and Chief Financial Officer; George Butvilas, Chairman of the Michigan Tech Fund; David D. Reed, Provost and Vice President for Academic Affairs and Vice President for Research; Shea McGrew, Vice President of Advancement and Marketing; Ellen S. Horsch, Vice President for Administration; Les P. Cook, Vice President for Student Affairs; and various members of the faculty, administrative staff, student body, press and public.

Where item numbers are used, they refer to corresponding item numbers in the agenda, in the hands of the Board members.

I. CHANGE OF CHAIR

The Board of Control Bylaws requires that the Chair elected at the last regular meeting of the fiscal year take the Chair at the first regular meeting of the next fiscal year.

Kathryn Clark, Chair for 2006-07, succeeds Michael Henricksen, Chair for 2005-06, and Russell Gronevelt is Vice Chair for the 2006-07 fiscal year.

II. APPROVAL OF AGENDA

It was moved by M. Richardson, supported by R. Reck, and passed by voice vote without dissent, that the agenda of the formal session of August 3, 2006, as distributed to the Board, be approved.

III. APPROVAL OF MINUTES

It was moved by D. Brule, supported by R. Reck, and passed by voice vote without dissent, that the minutes of the formal session of June 22, 2006, be approved.

IV. OPENING REMARKS

A. Chair's Comments

Good morning and welcome to Alumni Weekend. It is an honor and a privilege to serve as the Chair of the Board of Control, and I am looking forward to an exciting year. I also want to express my appreciation to Mike Henricksen for his outstanding leadership this past year. In addition, I would like to welcome George Butvilas, Chair of the Michigan Tech Fund Board of Directors. During the past several years, we have made significant progress in positioning the university to move forward. We have revised the strategic plan, reorganized the Michigan Tech Fund, developed a strong Committee system for the Board of Control, undertaken a campus climate study, and implemented new academic degrees and various other programs across campus. We now have an even stronger foundation in place to help us achieve our goals, and I look forward to the challenges that lay ahead. I would also like to thank my fellow Board members for providing me this opportunity to be Chair at such an exciting time when we move Michigan Tech to an even higher plateau of achievement.

There are many outstanding projects that are being undertaken relative to our research efforts including the sustainability initiative which includes the Woods to Wheels. This group of researchers met with Senator Carl Levin and upon focused alternative energy which is also sustainable. I greatly appreciated the time that we spent yesterday morning delving

into even greater details relative to their research and planning for the future. Yet again, Michigan Tech is at the cutting edge of research to make our country stronger, the environment cleaner, and ultimately enabling us to become less dependent on imported oil and gas.

I would like to take a few moments to highlight several of the outstanding achievements that have taken place in recent months.

Dr. Ghatu Subhash of the Mechanical Engineering-Engineering Mechanics was awarded a 1.7 million dollar grant to create light, strong green foams. The 15-month Phase 1 contract was awarded by Raytheon Company as part of a 3.7 million dollar program funded by the Advanced Research Projects Agency to develop lightweight, portable barriers that could be used to help protect vulnerable targets and provide safe crowd control.

Dr. Scott Harding of the School of Forest Resources and Environmental Science has received additional funding of \$448,000 from the Department of Energy for his project "A Genomics Investigation of a Partitioning into and among Flavonoid-Derived Condensed Tannis for Carbon Sequestration in Populus". This research will investigate the genetic control of partitioning of carbon within the plants.

Dr. Roger Turpening of Geological and Mining Engineering and Sciences has been awarded \$200,000 by the Shell Oil Company and another \$200,000 from British Petroleum Company for his project "Testing and Calibration of Permanent, Downhole, Seismic Sources. This involves creating a simple, standardized test for downhole sources yielding amplitude measurements, in absolute units and spectra. This work will be in cooperation with industry.

Dr. John Sutherland of the Department of Mechanical Engineering-Engineering Mechanics has been named by the Society of Manufacturing Engineers to its College of Fellows. Dr. Sutherland is among eight new SME Fellows, who were chosen worldwide based on their outstanding contributions to manufacturing. These recipients are recognized by SME, their peers and the manufacturing community as key contributors to the social, technical and educational progress of manufacturing.

Students Sunny Pereira and Greg LeFevre were both winners of the first Nissan-World Wildlife Fund Environmental Leadership Award during an educational summit held in Washington, D.C. on June 24-28. In addition to the trip to the Nation's Capital, each student received \$5,000 plus an all-expense paid research expedition to South Africa in August. Out of the twenty five students who attended the summit, Michigan Tech was the only school with two representatives.

Incoming first year student, Donieka Walker has won a Gates Millennium Scholarship. The Gates Millennium Scholarship was established in 1999 by the Bill and Melinda Gates Foundation to provide outstanding African American, American Indian/Alaska Natives, Asian Pacific Islander Americans, and Hispanic American students with an opportunity to complete an undergraduate college education, in all discipline areas and a graduate education for those students pursuing studies in mathematics, science, engineering, education, or library science.

On July 20, Michigan Tech's ExSEL Program received the Lee Noel-Randi Levitz Retention Excellence Award at the 2006 National Conference on Student Recruitment, Marketing and Retention. This award is given to two institutions in North America annually. ExSEL is an academic support program that targets at-risk students and is currently a partnership between Educational Opportunity, the College of Engineering, and the State of Michigan's King-Chavez-Parks Initiative.

These remarkable achievements are the tip of the iceberg and representative of why Michigan Tech is continuing to achieve an even stronger reputation in the research arena and quality of education. It gives me great pleasure to note that if I took the time in my opening remarks to highlight all of the accomplishments of the faculty, staff and students, we would not have time for the Board meeting. Congratulations to everyone.

B. President's Comments

You have just heard Chair Clark give some great examples of how our students, faculty and staff bring distinction to both themselves and to the University. It is also ample evidence of how Michigan Tech today keeps its promise to students and families who put their trust in us for a quality education. The rapid change in technology and science embedded in the projects that Chair Clark just talked about means that our students are going to have access not only to the great minds that dream these things up, but also to the information that they derive much more quickly than any of their peers. That is probably the most important part because our students are going to be able to learn to communicate and manage, and develop science and technology far better than people from other institutions if we stay on our current track. For that reason, we are grateful to the Board for setting the pace with the strategic plan that we adopted this year. We know that the current students, faculty, staff, essentially the stewards of Michigan Tech, can keep this going. We have outstanding examples of this being done in the past, and those people are going to be on campus this week with us. As you talk to alumni and listen to their stories, you are going to hear that over and over. So, while we celebrate these recent achievements we all need to be more mindful that we do so knowing that a culture has been set at Michigan Tech. A culture of quality that has been passed on to us by the alumni and the faculty and staff who have worked here before who have not only made the inspiration for innovation possible, but they made it an expectation. We have no other choice but to go ahead and make them proud of what happens here at Michigan Tech.

One of those inspiring individuals is with us here today, and that is Mike Henricksen. I wanted to thank him for all that he has done for Michigan Tech through his lifetime, and especially in the past year as the Chair of the Board. The phone calls at all hours of the night and from all areas of the world, and his jovial nature through it all and good advice has been outstanding.

The other thing that I would like to note is that this is an interesting time in life where you take a look at some of the people who have served as Chair of the Board. The people in the room and the people who have gone before us, John Longyear and Martin Caserio, people that were titans of industry. I believe that Chair Clark is the first graduate student to serve as Chair of the Board, which sends a message that we are very serious about the strategic plan,

and we are going to look to her for constant guidance as we look to expand the graduate programs here at Michigan Tech.

V. ACTION/DISCUSSION ITEMS

V-A-1. Academic Affairs Committee Report

Dr. Clark reported that the Academic Affairs Committee met yesterday and the primary focus of the meeting was the integration of marketing and enrollment, and the use of data driven plans for both these areas. The Committee talked a lot about some of the advancements and the kinds of data that we can use to target specific markets allowing us to be more focused on our efforts and utilize our resources to the best of our abilities.

The Committee also discussed an integrated message and being able to work with specific audiences which need a targeted message, as well as the overall message of the university and our branding.

Mr. Gronevelt added that the Committee did hear two fine presentations. Les Cook and John Lehman talked about the enrollment plan and went through a number of its components. What was most impressive to the Committee was the fact that we have some specific targets for 2010 and some really strong and great strategies to try and achieve those targets. Les also elaborated on some projects that are proposed to attract more distinctive talents among future leaders to the university, and consequently nurture them through the education here so that among other things not only are we going to have the brightest engineers, but also maybe create future leaders in other areas as well to provide to the community and world.

The Committee also heard from Shea McGrew and Bonnie Gorman regarding the marketing and communication plan. The exciting thing about the plan is that it is focused at trying to maintain the consistency as it relates to Michigan Tech's brand and image and consistent communication across campus which should be a benefit to the departments.

V-A-2. Emeritus Rank

It was moved by D. Brule, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control approves the following emeritus appointments:

- 1.) Dr. Harold A. Evensen, Professor Emeritus, Department of Mechanical Engineering-
Engineering Mechanics

V-B-1. Finance and Audit Committee Report

Mr. Henricksen reported that the Finance and Audit Committee was not held this month, however he had some brief financial news to share with the Board:

Financial Review of Fiscal Year 2006:

The major financial positives for the year are:

- Tuition and fees are ahead of budget, due to positive variances in Fall and Spring Semester.
- State Appropriations will be slightly ahead of budget, largely due to full restoration of the Governor's Executive Order from last fiscal year. (We received \$385K, back from the State earlier this year.)
- Salary & Wage expenses were up by approximately 5% over last year, which was expected due to the raise given for this fiscal year, and was budgeted for.
- There were also some Supplies and Equipment purchasing, but those also were within established budgets.
- Utilities expenses were very similar to last year's spending, thanks to our Energy Management Team and their judicious purchasing of gas commodities.
- We expect to end the year on a positive note in the General Fund and the Current Fund!
CFO – Dan Greenlee's financial projections show an approximate +\$600K in the General Fund and +\$800K in the Current Fund.)

This year has been a successful one, not only for our students, but for the institution. The initiatives and budget priorities which have been started, or are high on the "must do" list, will be beneficial to students, faculty and staff, and Michigan Tech.

The fiscal year of 2006 went very well and we look forward to an even brighter future!

V-B-2. Gifts

It was moved by D. Brule, supported by M. Henricksen, and passed by voice vote without dissent, that the Board of Control acknowledges the gifts to Michigan Technological University.

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MICHIGAN TECH FUND
Gift Activity Cash Report
July 1, 2005 through May 31, 2006
Compared to Prior Year

Gift Type	FY06 YTD Total	FY05 YTD Total	\$ Change from Previous Fiscal Year	% Change from Previous Fiscal Year
Cash (current year)	5,997,224	6,703,391	-706,167	-10.5%
Bequests (current year)	901,806	924,071	-22,265	-2.4%
Current Year Subtotal	6,899,030	7,627,462	-728,432	-9.6%
Cash (receipts from prior year pledges)	751,435	4,186,799	-3,435,363	-82.1%
Bequests (from previously recorded gifts)	16,450	0	16,450	N/A
Receipts from Previous Year Subtotal	767,886	4,186,799	-3,418,913	-81.7%
Total	7,666,916	11,814,261	-4,147,345	-35.1%

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MICHIGAN TECH FUND
Fundraising Productivity Report
July 1, 2005 through May 31, 2006
Compared to Prior Year

Source	Goal	FY06 YTD Total	% YTD	FY05 YTD Total	FY05 Total
Individuals - Major Gifts (25K and up)		3,463,878		2,426,886	2,811,886
Unanticipated Realized Planned Gifts (25K and up)		883,251		912,437	913,071
Total Individual Gifts of 25K and up	8,500,000	4,347,129	51%	3,339,323	3,524,957
Individuals - non-Major Gifts	980,000	1,321,226	135%	1,207,563	1,433,125
Full Value New Planned Gift Commitments	3,000,000	8,964,653	299%	2,853,390	3,003,390
Annual Fund	1,476,800	1,483,282	100%	1,269,649	1,406,375
Corporations & Foundations	3,500,000	3,396,132	97%	2,007,699	2,107,192
Other Organizations	50,000	112,273	225%	151,294	143,140
Gifts-in-Kind	500,000	573,334	115%	967,562	1,141,049
Grand Total	18,006,800	20,198,029	112%	11,796,479	12,759,228

- Except for the Annual Fund, all totals include outright gifts and the full amount of new pledge commitments
- Annual Fund includes cash from prior year pledges in addition to outright current year gifts and new pledge commitments due current year.
- An individual's gifts given through another source (i.e. family foundation or closely held business) are credited to the individual

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V-C-1. Presidential Review Committee Report

Ms. Martha Richardson reported that the Presidential Review Committee, which is comprised of Dr. Reck, Mr. Gronevelt, Mr. Brule and herself, was charged by the Board at the last Board meeting to negotiate a new five year employment agreement with President Mroz. After the last Board meeting, the Committee immediately started on evaluating samples of contracts from other institutions. They looked at compensation structures for peer institutions and other State institutions, and used the existing agreement as their base. After all of this homework they convened for a conference call of considerable length on July 20 and since that time they have had numerous phone conversations working out details, and they had two meetings yesterday to finalize the details. At this point the Committee does have a final draft of this employment agreement and will unanimously recommend the adoption of this contract to the full Board after the closed session.

Ms. Richardson thanked her fellow Committee members as they have been wonderful to work with and very productive. They brought a lot of different perspectives which have made the document much better.

V-C-2. Michigan Technological University/Michigan Tech Fund Agreement

It was moved by R. Gronevelt, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control approves the Michigan Technological University/Michigan Tech Fund Agreement, and also, that the Board goes on record as having reviewed and approved the operations of the Michigan Tech Fund to continue as a recipient of donations eligible for the State of Michigan income tax credit.

AGREEMENT BETWEEN MICHIGAN TECHNOLOGICAL UNIVERSITY AND THE MICHIGAN TECH FUND

This Agreement made September 1, 2006 between Michigan Technological University ("University") and the Michigan Tech Fund ("Fund").

WHEREAS, the Fund's work in receiving and managing charitable gift assets for the University is critical to its ability to fulfill its mission and strategic objectives, and

WHEREAS, the Fund's advocacy of the University's mission and priorities constitutes a valuable service, and

WHEREAS, the planning and execution of a major fundraising campaign is a joint priority of the University and the Fund, and

WHEREAS, the University and the Fund desire to continue a heretofore existing arrangement:

IT IS AGREED:

1. In consideration of the support directly inuring to the benefit of the University from the activities of the Michigan Tech Fund, the University will provide to the Fund:
 - a. access to the Tuition Reduction Incentive Program for Fund employees under the same terms and conditions as University personnel;
 - b. administration of health benefits, life insurance, and AD&D insurance under the Tech Select program to Fund staff (for a reasonable annual fee to staff);
 - c. supporting services including mail services, limited printing services, access to the phone network, and an internal audit of Fund transfers to the University;
 - d. access to the Banner system for maintenance and upkeep of the alumni/development database. The University will partially fund the alumni database maintenance conducted by the Fund.
2. The Fund agrees to continue its various fundraising administrative support and asset management functions for the betterment and advancement of the University. The Fund also agrees to support consulting services as done in the past.
3. This agreement shall terminate on August 31, 2007 and will be considered for renewal for successive one-year periods. The grant or denial of such renewal shall be at the sole discretion of the Board of Control of Michigan Technological University.

By:

Glenn D. Mroz
President
Michigan Technological University

By:

George J. Butvilas
Chairman
Michigan Tech Fund Board of Trustees

V-C-3. Tentative 2007 Meeting Dates

At the September meeting of the Board of Control dates are generally set for next year's meetings. In order for members to check their calendars, the tentative dates are hereby presented. If there is a problem with any of these dates, members are asked to please notify the Board Secretary.

Thursday, February 22, 2007	
Friday, May 4, 2007	(Commencement – Saturday, May 5)
Thursday, June 21, 2007	
Thursday, August 2, 2007	(Alumni Reunion)
Thursday, October 4, 2007	(Homecoming Weekend)
Friday, December 14, 2007	(Commencement – Saturday, December 15)

Mr. Kershner commented that Friday meetings worked better for his schedule and would prefer Friday meetings. Several other Board members preferred Thursday meetings, and this item will continue to be discussed between now the next meeting.

V-C-4. Resignations, Retirements, and Off Payroll

It was moved by D. Brule, supported by M. Richardson, and passed by voice vote with dissent (R. Kershner), that the Board of Control accepts the resignations and confirms the off payroll determinations.

**BOARD OF CONTROL OFF-PAYROLL REPORT
(May 20, 2006 – July 1, 2006)**

Faculty				
<u>RESIGNATION</u>	<u>Department</u>	<u>Title</u>	<u>Hire Date</u>	<u>Term Date</u>
Post, Scott	ME-EM	Assistant Professor	08/19/01	05/06/06
Powers, Michael	School of Technology	Assistant Professor	01/04/04	05/26/06
Tompkins, Curtis	President's Office	President Emeritus	09/03/91	06/30/06
<u>RETIREMENT</u>	<u>Department</u>	<u>Title</u>	<u>Hire Date</u>	<u>Term Date</u>
Gilpin, Michael	Mathematical Sciences	Professor	09/21/72	06/30/06
Evensen, Harold	ME-EM	Assoc Chair/Dir Undergrad St	09/21/70	06/17/06
Peterson, Rolf	Forest Resc & Env Sci	Professor	05/01/75	05/31/06
Young, Charles	Geo & Mining Eng & Sci	Associate Professor	09/02/80	06/01/06
Employees				
<u>NON-EXEMPT</u>	<u>Department</u>	<u>Title</u>	<u>Hire Date</u>	<u>Term Date</u>
Hannon, Karen	University Career Center	Secretary 5	07/13/00	06/12/06
Mahr, Paulette	Residence Hall Facilities	Custodian	09/02/80	06/09/06
<u>EXEMPT</u>	<u>Department</u>	<u>Title</u>	<u>Hire Date</u>	<u>Term Date</u>
Aho, Duane	Advancement	Major Gifts Officer	02/12/06	05/27/06

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Dupuis, Anthony	Accounting Services-Rsrch	Sr Research Accountant	04/11/94	05/12/06
Gjertson, Nancy	Residence Life	Asst Director of Student Life	02/16/04	06/30/06
Greyerbiehl, Jenny	Office of Student Affairs	Asst Dir of Student Life	08/04/03	07/01/06
Watwood, Yvonne	Advancement	Development Officer	02/12/06	06/30/06

Dr. Clark explained that according to Board of Control policy 3.2. Authority to Make Payroll Changes that the Board of Control requiring the Board to approve the resignations, retirements and off payroll determinations. Mr. Kershner requested that policy 3.2. Authority to Make Payroll Changes be reviewed as he would like to repeal the section dealing with the Board having to approve retirements, resignations, and off payroll determinations.

VI. REPORTS

A. Research and Sponsored Programs – Dr. Dave Reed

A copy of Dr. Reed's presentation was included in the agenda book.

B. Financial Report – Mr. Dan Greenlee

A copy of Mr. Greenlee's presentation was included in the agenda book

C. Advancement Report – Mr. Shea McGrew, Vice President for Advancement

A copy of Mr. McGrew's presentation was included in the agenda book.

D. Student Affairs – Dr. Les Cook

A copy of Dr. Cook's presentation was included in the agenda book.

VII. INFORMATIONAL ITEMS

- A. Analysis of Investments
- B. Auxiliary Enterprises Operations
- C. Board of Control Follow-up Items

VIII. OTHER BUSINESS

There was no other business at this time.

IX. PUBLIC COMMENTS

There were no public comments at this time.

X. CLOSED SESSION

It was moved by K. Clark, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control proceeds into closed session to discuss collective bargaining, real property transactions and presidential performance evaluation. (A closed session for such purposes are provided for in Section 8 (a), (c) and (d) of P.A. 267 of 1976). (A roll call vote is required).

Roll Call Vote:

Richardson – Yes	Gronevelt - Yes
Reck – Yes	Henricksen - Yes
Brule – Yes	Clark - Yes
Kershner - Yes	

The motion passed.

The Board of Control reconvened in open session with a quorum present.

Research Facility in Southeast Michigan

It was moved by R. Kershner, supported by M. Richardson that the Board of Control approves in concept the President to pursue the establishment of a research facility in Southeast Michigan at a cost not to exceed \$1.5 million and is authorized to do all things necessary to bring forward a final recommendation for approval.

Presidential Contract

It was moved by R. Kershner, supported by M. Richardson, and passed by voice vote without dissent, that the Board of Control approves the employment agreement in the final form submitted to the Board by the Presidential Review Committee and authorizes the Board Chair to execute the agreement on behalf of the University with the final form of the employment agreement being included in the minutes of the meeting.

EMPLOYMENT AGREEMENT

This Agreement is made this _____ day of _____, 2006 between Michigan Technological University (“MTU” or “Board”), and Professor Glenn Mroz (“Professor Mroz”).

MTU employs Professor Mroz, and Professor Mroz accepts employment as President of MTU on the terms and conditions set forth below:

1. **Term.** The term of this Agreement shall be for the period commencing on July 1, 2006 (effective date) and ending on June 30, 2012, unless sooner amended or terminated as provided herein. This agreement may be extended by MTU for an additional term as determined by the Board of Control. Professor Mroz shall accept or reject any proposed

extension within 15 days of receipt of written notice. Failure to do so shall constitute a rejection.

2. **Duties.** Professor Mroz shall devote his full-time, professional efforts and energies to the performance of the duties of President. Those duties shall be those set forth by Board of Control Policy, those determined and assigned from time to time by the Board and those which have been customarily performed by the President of Michigan Technological University as they may be modified by the Board from time to time.

The reasonable travel expenses of Professor Mroz's spouse in accompanying him on official MTU business will be paid by MTU if such travel is beneficial to MTU.

3. **Outside Activity.** During the term of this Agreement Professor Mroz shall not be engaged in any other business activity or accept any other employment, consultancy or directorship, (outside activity) pursued for remuneration, without prior approval of the Board if the commencement date of such outside activity is prior to the termination of this agreement.
4. **Compensation.** Professor Mroz shall receive an annual salary of \$250,000 or such greater amount as the Board determines during the term of this Agreement. The salary shall be paid in a manner consistent with MTU's standard payroll practices and procedures for full-time exempt employees.
5. **Performance Evaluation.** The President's salary shall be reviewed annually in conjunction with the performance review by the Board. The President's annual salary may be increased but not decreased at the discretion of the Board.
6. **Fringe Benefits.** Professor Mroz shall be entitled to receive those fringe benefits as are provided by MTU to its full-time exempt employees from time to time, as hereafter modified by the Board. The University shall provide Professor Mroz with life insurance at three (3) times his salary. Professor Mroz shall not be entitled to any additional fringe benefits, except for the life insurance as cited above, beyond those provided by adopted University policies and procedures to other exempt employees unless the Board, in its sole discretion, determines otherwise.
7. **Tenured Status.** Nothing in this Agreement shall be construed to change Professor Mroz's status as a tenured professor at MTU.
8. **Termination or Suspension.**

- A. **By the Board.** This agreement may be terminated by the Board at any time with or without cause upon providing sixty (60) days written notice to Professor Mroz. The Board may, in its sole discretion and effective immediately upon notice to Professor Mroz, suspend Professor Mroz's powers and responsibilities as President independent of, or concurrent with, providing notice of termination.

1. **With Cause.** In the event of termination for cause, Professor Mroz will be entitled to only the continuation of salary and fringe benefits during the above 60 day

notice period. His right to tenure shall thereafter be subject to termination pursuant to then applicable law and University policies and procedures then in effect. "Cause" or "just cause" for purposes of this agreement shall be misconduct by Professor Mroz of a nature significantly and adversely reflecting upon the University, Professor Mroz's failure to render and perform services to MTU as required hereby at a level of performance meeting the Board of Control's expectations, or a significant violation by Professor Mroz of University policies and procedures or this agreement.

2. Without Cause – Salary and Fringe Continuation. In the event of termination by the Board without cause, Professor Mroz will be paid the salary set forth in Article 4 and the fringe benefits set forth in Article 5 for the sixty day period between providing notice of termination and the termination date. At the end of the 60 days period, Professor Mroz shall give written notice of his intention to sever his employment relationship with the University or return to the faculty.

If Professor Mroz chooses to sever his employment relationship with the University, he will be entitled to receive a 12 month severance payout at his normal presidential salary (minus normal withholding) and the same health insurance coverage that is provided to MTU full-time exempt employees for 12 months. However, in such event, Professor Mroz shall not be entitled to a sabbatical leave.

If Professor Mroz chooses to return to the faculty, he may be permitted a sabbatical leave as described in Paragraph 8 D. However, in such event, Professor Mroz shall not be entitled to a severance payout.

- B. Resignation. In the event that the President desires to terminate his employment from the University earlier than the expiration of the Agreement, the President shall give the Board at least one year's notice of his intent. During the notice period, Professor Mroz shall continue to serve as the University's President under the provisions of this Agreement subject, to the Board's authority to terminate under the powers granted in this Agreement.

In the event that the President desires to return to the faculty prior to the expiration of the Agreement, the President shall give the Board at least one year's notice of his intent. During the notice period, Professor Mroz shall continue to serve as the University's President under the provisions of this Agreement subject, to the Board's authority to terminate under the powers granted in this Agreement. If Professor Mroz chooses to return to the faculty, he may be permitted a sabbatical leave as described in Paragraph 8 D.

- C. Upon death. This agreement shall terminate effective immediately upon Professor Mroz's death.
- D. Sabbatical Leave. In the event of termination prior to the expiration of this agreement by the Board without cause or by Professor Mroz, where Professor Mroz elects to return to the faculty, or upon expiration of this agreement, Professor Mroz may be

granted by the Board a one year (12 months) sabbatical leave at a salary equal to his Presidential salary for the purpose of extending his scholarly activities. At the end of the one year (12 months) sabbatical period Professor Mroz will return to his prior position, as outlined in the University Sabbatical Leave Program, as a full tenured professor in the School of Forest Resources and Environmental Science at a salary equal to the highest full-time faculty member in the School during the term of the agreement, subject to termination as permitted by University policies and procedures then in effect.

9. **Non-assignment.** This Agreement is one for personal services and may not be assigned by either party without the written consent of the other.
10. **Notice.** Any notice required by this Agreement shall be provided in writing and if to the University shall be to the chairperson and to the secretary, Board of Control, 1400 Townsend Drive, Houghton, Michigan 49931; and if to Professor Mroz to Professor Glenn Mroz, 18970 Canal Road, Houghton, Michigan 49931. If provided by mail or delivery other than personal service, any written notice shall be sent by certified mail, return receipt requested with appropriate postage affixed and shall be effective on the date of mailing.
11. **Entire Agreement.** This Agreement contains and embodies all of the terms and conditions of the employment relationship between the parties no other terms of agreements exist, and no amendments or additions to this Agreement shall be binding unless in writing, signed by both parties.
12. **Dispute Resolution.** Any dispute, controversy or claim arising out of or in connection with this Agreement or its termination or the employment of Professor Mroz by MTU or the termination thereof including any claim that MTU violated any State or Federal Law or Statute or committed any tort regarding the employee in relation to his employment shall, upon the request of either party, be submitted to and settled by arbitration in the State of Michigan under the Commercial Arbitration Rules of the American Arbitration Association. Judgment on the award may be entered by any Court having jurisdiction.

**Michigan Technological University
Board of Control Chair:**

Kathryn I. Clark, PhD

Date

Terms and conditions are acceptable as set forth:

Glenn D. Mroz, PhD

Date

XI. ADJOURNMENT

It was moved by D. Brule, supported by R. Reck, and passed by voice vote without dissent, that the meeting be adjourned.

Secretary of the Board of Control

Chair, Board of Control