

# Kessler named trustee, takes Shocknessy seat

15 MAY 74  
By William Rados

It's out with the old, in with the young, as 38-year-old Columbus businessman John W. Kessler steps into the Ohio State Board of Trustees seat vacated by the retiring 67-year-old James W. Shocknessy.

Gov. John J. Gilligan appointed Kessler to a ten-year term on the board Tuesday.

Kessler is an Ohio State graduate in business administration. He recently served on the Citizens' Task Force on Higher Education.

Kessler said Tuesday he was not yet familiar with problems facing the University and he'd "feel a lot more comfortable about commenting on the issues after I've gone to a few trustees meetings."

## Citizen Task Force

But Kessler, a real estate consultant, did comment on several of the recommendations made by the Citizens' Task Force earlier this month.

Kessler said the issue of student, faculty and staff representation on the Board of Trustees was discussed at task force meetings, but "We recommended faculty and staff not be on the board as voting members because of possible conflicts of interest."

He said the task force also recommended that students not be voting members of the board because "It's hard to visualize one student representing more than 40,000 students at Ohio State."

"There are better ways of getting

input" from these groups, Kessler said. One way would be through critiques of University administrators on a regular basis, as recommended by the task force, he said.

"Personally, I'd like to know more about the question of representation," he said. "But the views of the task force would also be my views."

Kessler said he doesn't believe those groups should even be represented on the board as non-voting members.

(President Harold L.) Enarson's job and his staff's job is to give the Board of Trustees information on the opinions of students and faculty. I'd want to know what's going on, but I don't want to step on Enarson's toes," Kessler said.

## College support

On the issue of state support for private colleges, Kessler said, "The state and the taxpayers should not have to bail out, carte blanche, the private schools. But we should help them in some way. And the task force recommendation of 'following grants' (to help private colleges meet the costs of remedial education for students receiving Ohio Instructional Grants) will be a start."

Kessler said he thought such support probably will lead to some control over private schools by the state, but he was uncertain how far-reaching that control would be.

Kessler said one of the problems facing the trustees will be to find new sources of revenue for the University's health science programs. These

areas are in jeopardy of losing almost \$3.7 million a year if a federal capitation fund program is abolished, as seems likely. Kessler admitted it will be "very difficult to find other funds."

Kessler would not comment on whether the trustees' committee sessions (where most of the discussion of issues actually takes place) should be open to the public. "I want to wait and see what the situation is," he said.

## Other activities

Kessler has been active in other Ohio State organizations, including the Pace Setters of the College of Administrative Science.

He entered the Ohio political scene Feb. 25, when he was named by Gilligan to the Ohio Building Authority, which is in charge of construction of the new State Office Building.

He was elected chairman of the authority and soon he and another board member fired director George W. Busche. Busche had been feuding with the Gilligan administration, and immediately denounced his firing as "100 per cent political."

Kessler defended the move, saying, "I just thought that with two new men on a three-member board, we'd feel more comfortable starting off with a new man."

In less controversial ventures, Kessler is active in the Columbus Symphony, Children's Hospital and the Broad Street Presbyterian Church.

He is married and has three daughters.

# OSU budget would

By Ruth Hanley  
*Dispatch OSU Reporter*

Faculty and staff members at Ohio State University could get raises of up to 6 percent in the 1986-87 academic year, but tuition is not expected to increase.

OSU President Edward H. Jennings made the budget recommendations to the board of trustees yesterday. The board met shortly before Gov. Richard F. Celeste named a new trustee, developer and OSU alumnus John W. Kessler.

Leslie H. Wexner, founder of The Limited, will deliver the spring commencement address to about 5,700 graduates on June 13, Jennings announced. Trustees voted to award Wexner an honorary degree at the commencement.

The final decisions on salaries, tuition and other allocations for the fiscal year

beginning July 1 will be made when trustees approve a budget of close to \$900 million next month. The current budget is \$827 million.

An undergraduate student who is an Ohio resident pays \$568 per quarter in instructional and general fees. An out-of-state undergraduate student pays \$1,472 per quarter.

OSU's faculty compensation and benefits committee had recommended a 9 percent salary increase for the 1986-87 year. That included 3.6 percent across the board, 5.4 percent for merit.

Jennings recommended across-the-board increases of 3 percent, with an additional 3 percent for merit raises.

The average salary of an OSU faculty member with a nine- or 10-month con-

1 C/The Columbus Dispatch/Friday, May 2, 1986

## raise salaries, not tuition

tract in 1985-86 is \$40,073. For a 12-month faculty member, the average is \$49,823.

Jennings also recommended holding the average increase in all rates and charges to less than 4 percent. A proposed 3 percent increase in room and board rates would raise the standard charge from \$933 to \$961 per quarter.

Other recommendations include allocation of \$1.8 million to support undergraduate programs and \$5.8 million for library holdings, equipment and renovations.

Before bidding farewell to John F. Havens, trustees appointed him to a three-year term on the University Hospital board. Havens' nine-year term on the OSU board expires May 13.

He will be replaced by Kessler, owner

of the real estate development, consulting, financing and investing firm bearing his name.

Kessler, a 1958 OSU graduate, is chairman of Marsh & McLennan Real Estate Advisors and a trustee for the Capitol South Community Urban Redevelopment Corp., Columbus Area Chamber of Commerce, Columbus Foundation and Columbus Museum of Art.

Wexner, a 1959 graduate of OSU, will receive an honorary doctor of humanities degree. Last fall, he donated \$10 million for construction of the Wexner Center for the Visual Arts on the campus.

In other action, trustees:

• Elected Daniel M. Galbreath chairman and Edmund C. Redman vice chairman for the coming year.

• Renamed the first Ohio Union building, at 154 W. 12th Ave., after OSU's ninth president, Harold L. Enarson. Now the Student Services Building, Enarson Hall will house offices of the University College, now on the West Campus.

• Learned the OSU Campaign is close to one-third of the way to its five-year, \$350 million fund-raising goal. Pledges and contributions stand at \$114.4 million. The campaign began last year.

• Changed the name of the College of Administrative Science to the College of Business.

• Appointed Donald Shackelford, chairman of State Savings Bank, and Susan Ensley, vice chairman for corporate planning and development at Honda USA, to the University Hospital board.

# John Kessler appointed as new trustee

Gov. Celeste has announced the appointment of John W. Kessler to a nine-year term on the University Board of Trustees, effective May 14.

Kessler, who lives in the Columbus suburb of Bexley, is the owner of the John W. Kessler Co., a real estate development, consulting, financing and investing firm.

"Jack Kessler has been a dedicated and active member of the Columbus area and of Ohio State for many years," Celeste said. "His proven commitment to active involvement with many other community-based organizations assures me that he will be a valuable asset to the Board of Trustees."

A 1958 graduate of Ohio State with a bachelor's degree in business administration, Kessler has been a member of the Presidents Club since 1969, is a charter member of the Presidents Council, is a past chairman of the board of directors of the Development Fund, and is a member of the board of directors of the Ohio State University Foundation.

He previously served on the University's Board of Trustees for six months in 1974.

Kessler will succeed John F. Havens of Columbus, whose nine-year term on the trustee board expires May 13.

## Kessler leads OSU hunt for new president

Ohio State University trustee John W. Kessler will head a 15-member committee to recommend a successor to OSU President Edward H. Jennings.

Kessler, a Columbus developer and OSU alumnus, was appointed to head the search panel by trustee chairman John W. Berry of Kettering, Ohio.

Jennings announced Saturday that he will leave the presidency in September to return to teaching at OSU. He is a tenured professor of finance and has taught classes occasionally.

Berry said the search committee will consist of four trustees, including Kessler; five faculty members; two students; a dean; two staff members who



Dispatch file photo

### John W. Kessler

are not teachers; and the director of the alumni association.

The names of other committee members are expected to be announced in four weeks.

Berry said the panel will develop a list of candidates for the trustees' meeting in July.



# NEWS

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## TRUSTEES NAME OFFICERS FOR 1993-1994

Members elected Deborah E. Casto of COLUMBUS as chairman of the board for the coming year and John W. Kessler of COLUMBUS as vice chairman. Casto, vice chairman the past year, moves up to succeed John Barone of MAUMEE whose term expires May 13. Madison H. Scott was re-elected secretary of the board and James L. Nichols was re-elected treasurer.



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## JOHN W. KESSLER TO CHAIR OHIO STATE TRUSTEES

COLUMBUS -- John W. Kessler, chairman of The New Albany Company and a 1958 graduate of The Ohio State University College of Business, was today (5/6) elected chairman of the university's Board of Trustees.

He will serve through May 1995.

Kessler succeeds Deborah Casto who has completed her nine-year term on the board. Gov. George V. Voinovich will soon appoint a new trustee to replace Casto on the board.

Cited as "the consummate civic leader, a man of great energy and insight," by Ohio State President E. Gordon Gee, Kessler this past year chaired the board's Educational Affairs Committee. He also chairs the board of the university's Arthur G. James Cancer Hospital and Research Institute and is an ex-officio member of the board of The Ohio State University Foundation.

Kessler said that since his appointment as trustee in 1986, "I have been privileged to play some small role in Ohio State's steady movement into the ranks of the world's finest teaching and research universities."

His goal as chair, he said, will be to "help maintain the trajectory and momentum of this great institution whose strength and course will influence the well-being of our city, our state,

and our nation."

One of his immediate concerns is the quality of life for Ohio State students living near campus. "I will continue to facilitate the city/university/business alliance that is focusing on the redefinition and redevelopment of the university area," he said.

Gee noted that Kessler will preside over a board that will vote on many restructuring recommendations now under consideration. "This will be a watershed year in the history of Ohio State and we are most fortunate to have Jack Kessler as chair of our trustees at this time," Gee said.

Kessler also chairs the Ohio Arts Facilities Commission and is a member of the Columbus Metropolitan Airport Authority. He is a member of the Capitol South Redevelopment Corporation, past chair of the Greater Columbus Chamber of Commerce, and current member of its Senior Council. Other former chairmanships include The Columbus Museum of Art, Columbus School For Girls, Santa Fe Opera National Advisory Board, and Spoleto Festival U.S.A.

# Trustee to face grand jury questioning

By Greg Sowinski  
Lantern staff writer

The chairman of the OSU Board of Trustees has been called to testify Tuesday before a Franklin County grand jury in connection with a variety of contracts awarded to his business associates, an official familiar with the case said.

John W. Kessler's planned appearance next week before the grand jury is the most recent step in a criminal investigation into contracts he voted on while a member of the Franklin County Convention Facilities Authority in 1988 and 1989.

Ed Morgan, of the Franklin County Prosecuting Attorney's Office, said the grand jury will hear evidence about those contracts and a variety of others.

"There are a number of different partnerships (we're going to look at)," Morgan said.

Although he wouldn't provide details, Morgan said several other people besides Kessler have been called to testify before the grand jury.

Franklin County prosecuting attorneys Michael Miller and William Shimp will be presenting the case over two days.

"We're just going to present a certain scenario, these facts, and ask the grand jury 'Do you believe there is something criminal here?'" Morgan said.

Kessler and his attorney, William R. Meeks, did not return numerous telephone calls Thursday to the *Lantern* seeking comment about the



John Kessler

investigation.

Two of the contracts under scrutiny were awarded to the law firm of Schwartz, Kelm, Warren & Rubenstein in December 1988 and to John W. Galbreath & Co. in June 1989. Kessler was a member of the consultant selection committee of the

Franklin County Convention Facilities Authority when it recommended awarding those contracts, which were ultimately approved.

The investigation centers around Kessler's business associations with the companies.

Kessler was a member of two lim-

ited partnerships, KCR Limited Partnership and the Miami Investment Group, whose principals were top officials in the companies that received the contracts.

Ohio law prohibits public officials from using their influence to award contracts to people with whom they have business relationships. Officers appointed to public committees qualify as public officials.

Kessler has retained his position as OSU Board of Trustees Chairman during the investigation. He will step down from the board in May when his nine-year term ends.

### Correction

Information in a story published in *the Lantern* Friday about OSU Board of Trustees Chairman John W. Kessler's scheduled appearance before a Franklin County grand jury was mistakenly attributed to Ed Morgan of the Franklin County Prosecutor's office.

The information reported actually came from Tim Ryan, who is also a prosecutor in that office.

*The Lantern* is interested in correcting its errors. If a factual error occurs, please contact the newsroom at 292-5721.

# Grand jury declines to indict OSU trustee

By Greg Sowinski  
Lantern staff writer

A Franklin County grand jury declined to indict John W. Kessler, chairman of the OSU Board of Trustees, who was being investigated for awarding contracts to his business partners.

The grand jury chose to "ignore" the charges, which means Kessler will not be charged with any criminal wrongdoing, said Michael Miller, Franklin County Prosecuting Attorney.

An indictment is a formal charge and does not indicate guilt or innocence.

The grand jury listened to testimony from police investigators and members of the Franklin County Convention Authority on Tuesday and Wednesday in connection with contracts he voted on as a member of the Authority, Miller said.

Kessler acknowledged in a telephone interview with *the Lantern* last December that he might have erred in voting to award more than \$1 million in contracts to business associates.

"I wasn't aware at the time who all the partners were in the partnership," Kessler said last December. "I really didn't realize that they were partners, I really didn't think about it."

When Miller was asked whether he felt he had a strong case, he respond-

ed, "I didn't go in thinking I had a strong case. I just went in to present the case."

Because the case was "ignored" and not dismissed by the grand jury, there is a possibility the case could appear in front of the grand jury again if more evidence is brought forth, Miller said.

"I don't foresee that happening," Miller said.

OSU President E. Gordon Gee said Kessler did nothing wrong and the grand jury found no intended misbehavior.

"There is in this country a system of justice," Gee said. "The grand jury made the right decision."

Yesterday's grand jury decision is likely the final note in a case in which Kessler was alleged to have steered contracts to business associates.

Ohio law prohibits public officials from using their influence to award contracts to people with whom they have business relationships. Officers appointed to public committees qualify as public officials.

The two contracts that were under scrutiny were awarded to the law firm of Schwartz, Kelm, Warren & Rubenstein in December 1988 and to the John W. Galbreath & Co. in June 1989. Kessler was a member of the consultant selection committee of the Franklin County Convention Facili-

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John W. Kessler

ties Authority when it recommended awarding the contracts, which were ultimately approved.

The investigation had centered around Kessler's business association with those companies.

Kessler was a member of two limited partnerships, KCR Limited Partnership and the Miami Investment Group, whose principals were top

officials in the companies that received the contracts.

A woman answering the phone at Kessler's house identified herself as his wife and responded to the grand jury's decision by saying "It's a good conclusion and it's an appropriate decision."

Kessler could not be reached for comment.