

OWENS COMMUNITY COLLEGE  
BOARD OF TRUSTEES  
FINANCE COMMITTEE MEETING  
March 17, 2016

A meeting of the Finance Committee was held in the President's Office conference room, Administration Hall, on the Owens Community College Toledo Campus.

**Call to Order** – Trustee Rich Rowe called the meeting to order at 3:00 p.m., and directed the record to show the meeting of the Finance Committee was held in accordance with the Ohio Revised Code and the policies of the Board of Trustees.

**Roll Call** – Roll Call was taken, and the following committee members were present: Mary Beth Hammond, Tonya Rider, Rich Rowe and Dee Talmage (4). Board Chair Ed Nagle was also in attendance and Trustee Tom Uhler was on the speaker phone.

**Attendees** – The following administrators, staff or guests were in attendance for all or part of the meeting: President Mike Bower, Patricia Jezak, David Cannon, Steve Robinson, Jack Witt, Amy Giordano, Laurie Sabin, Jennifer Fehnrich, Jared Meade and Sarah Long. Guests: Vanessa McCray, The Blade.

**Approval of Minutes** – The minutes of the January 21, 2016 meeting were circulated, and hearing no corrections, Trustee Rowe declared the minutes approved as submitted.

**REPORT OF THE TREASURER**

*Monthly Finance Report and Statements* – Dave Cannon, Vice President/CFO/Treasurer, presented the financial report for the period ending February 29, 2016. He commented on the projected total FY 2016 net gain, \$1.2 million, for February. He commented that revenue will be consistent through the end of the fiscal year; no change is anticipated in the revenue projection. The financial focus will be to continue controlling expenditures, especially through the end of June. He commented on the capital appropriation projection being reduced due to delays in the Kingsley Hall renovation project; however, the office will focus on construction in progress for April, May and June. He noted that the projected operating gain (loss) after depreciation has improved slightly to (\$2.1 million) from the previously month but not yet at the target of (\$2 million). Mr. Cannon noted the projection of the Senate Bill 6 composite score of 1.7 for the end of February.

On the FY 2016 Unrestricted General Fund, Mr. Cannon commented that the FY 2016 revenue projection is conservative, and the FY 2016 expenditures projection is also conservative, but he anticipated projection adjustments due to timing of utilities, cost of sales and the improved trend of salaries and fringe benefits. He emphasized that benefits costs have been extremely low this fiscal year. He said that overall the Unrestricted General Fund is doing well.

On the FY 2016 All Auxiliary Services Funds, Mr. Cannon commented on adjustments to cover costs are still being reviewed such as the communications chargebacks and in providing efficiencies of the cost centers. In response to a question from Trustee Uhler, Mr. Cannon noted that the communications cost center includes telephone chargebacks and overhead costs, which have not been adjusted in years. Mr. Cannon continued that telephone chargebacks will decrease as overhead costs will be removed due to prior pay-off of leases. Trustee Uhler inquired if the

College plans to negotiate with the telephone provider for lower rates, which Mr. Cannon commented that the College is inventorying the telephones and plans to decrease the phone lines (due to fewer employees), which will decrease costs, and then will talk with the provider about the rates.

On the FY 2016 Athletic Fund, Mr. Cannon noted that the Athletic Director is monitoring the allocations of the athletic scholarships.

On the FY 2016 Child Care Center Fund, Trustee Nagle commented on the improved trend of the operating loss, (\$27,147), which Mr. Cannon commented that the Findlay Child Care Center has grant awards that is expected to bring the operation close to break/even.

Mr. Cannon reviewed the February balance sheets, and noted the \$11.9 million cash position is reflective of controlling expenditures while monitoring cash flow and draws for federal funds. He noted that this is the highest point for the cash position, and it is expected to decrease to approximately \$7 million by the end of the fiscal year. He noted the unrestricted net assets, which is used for the Senate Bill 6 calculation, has increased from February 2015 of \$765,866 to February 29, 2016 of \$3.8 million, which is indicative of an improved financial situation. Mr. Cannon noted that he will continue to use a conservative projection through the end of the fiscal year. Mr. Cannon commented on the long-term liability, which reflects a lower debt, which is the energy efficiency project; a principal payment was made a week ago. Trustee Nagle commented on the positive traction of the financial statements. Trustee Talmage commented on Mr. Cannon's ability to make finances understandable for non-finance people.

*Report of Budget Transfers* – Mr. Cannon reviewed the report of budget transfers, which will be recommended for the regular meeting, April 5, 2016. He commented on transfers for grants, setting up an academic activity code for lab/course fee transfers within divisions from contingencies. **Trustee Nagle and Trustee Uhler commented and requested to have the auditor test lab and course fees, which Mr. Cannon confirmed he will follow up with making the request in advance so that the auditor may plan to include their testing.** Mr. Cannon continued and noted a transfer to restore funding for travel for the School of STEM for advisory board meetings and co-op travel. Mr. Cannon commented on a transfer from contingencies for the Library's subscription service for student access to Ohio Link, which is not covered under student fees. Dr. Robinson commented that a stakeholder engagement meeting is being planned to review the process of what subscriptions are required for courses so that they may look for ways of how to offset subscription costs through lab/course fees; he noted the students use the library services remotely and that the Ohio Link subscription is at a consortium price. Mr. Cannon commented on transfers for Ohio Association of Community Colleges membership and college-wide events. In closing, he noted that transfers to contingencies, as a control on fiscal year spending.

*FY 2017 Budget Development* – Mr. Cannon commented on work in progress of formatting the budget and budget training to garner feedback on departmental operating costs. He noted that for the five-year projection, he plans to use FY 2017 as the base and then break it down by departments for a certain level of detail.

*April Board Finance Agenda* – **Mr. Cannon requested to invite representatives from the Auditor of State, Office of Budget Management and Ohio Department of Higher Education to the Board's April 21, 2016 Finance Committee meeting, which consensus was provided.**

**Other – Trustee Nagle requested a financial update be provided to the Chief Fiscal Officers from Lakeland Community College, Cuyahoga Community College and Lorain County Community College who provided guidance on improved financial processes and reporting last year, which Mr. Cannon confirmed he will follow up with a note of appreciation and financial information.** Trustee Hammond recognized Mr. Cannon for implementing financial improvements since starting at the College last July.

### **EXECUTIVE SESSION**

Trustee Rowe announced an executive session for discussion of collective bargaining strategy and for the employment status of public employees. Trustee Hammond made a motion to adjourn to executive session as specified. Trustee Talmage seconded the motion, and Trustee Rowe called for a roll call vote. Roll Call: Mary Beth Hammond, yea; Tonya Rider, yea; Rich Rowe, yea; and, Diana Talmage, yea (4).

Upon return from executive session, roll call was taken and the following members were present: Mary Beth Hammond, Tonya Rider, Rich Rowe and Diana Talmage (4).

**Adjournment** – As there was no further business to discuss, Trustee Rowe declared the meeting adjourned at 4:45 p.m.

ATTEST

*Patricia Jezak*

Secretary to the Board of Trustees

*Approved 4-21-16*