

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
June 16, 2015

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 Ed Nagle called the meeting to order at 3:05 p.m., and directed the record to show the meeting of the Finance Committee was held in accordance with Ohio Revised Code and the policies of the Board of Trustees.

Roll Call – Roll Call was taken, and the following committee members were present: Ed Nagle, Rich Rowe, Dee Talmage and Tom Uhler (4).

Attendees – The following administrators, staff and guests were in attendance for the meeting: President Mike Bower, Patricia Jezak, Natalie Jackson, Betsy Johnson, Steve Robinson, Jack Witt, Laurie Sabin, Jennifer Fehnrich and Jared Meade.

Approval of Minutes – The minutes of the May 14, 2015 meeting were previously distributed, and hearing no corrections, Mr. Nagle declared the minutes approved as submitted.

Budget Review – President Bower commented on the Ohio Association of Community Colleges (OACC)/Ohio Board of Regents (OBR) report of draft distribution of Ohio Senate's additional investment in higher education that may be added into the SSI. President Bower commented that the SSI calculations *might be*: a) initial increase/no formula ~ 19 percent for community college sector pool or about \pm \$694,000 for Owens; or, b) in SSI formula ~ 23 percent for community college sector pool or about \pm \$990,000 for Owens in year 1.

Jennifer Fehnrich commented on timing of the State budget process with respect to the conference committee and the full senate for the State budget to be in effect, July 1.

Mr. Nagle invited Laurie Sabin to present the College budgets for FY 2015, as revised for how the College may end the fiscal year, and FY 2016, preliminary to begin the fiscal year. She also commented on the State Auditor's staff review of the financial procedures and processes as part of the financial recovery plan. Betsy Johnson commented on the summer enrollment trend and noted that open houses are scheduled in June. In response to Mr. Rowe's question on a budget impact from College Credit Plus (CCP), Laurie Sabin responded that CCP targets have been built into the FY 2016 budget, and Dr. Robinson commented on working with school districts that may not have been represented in prior years.

Mr. Nagle asked the members to underline the budget line item, "Operating Loss after Depreciation" on both budget documents. He expressed his concern of the Board accepting a budget that predicts an operating loss after depreciation, and the line item of capital appropriations, which seems to "balance" the budget when it becomes factored into the line item of net gain (loss) in position. He commented on the budget projections of: \$3.7 million operating loss after depreciation for FY 2015; and, \$2.9 million operating loss after depreciation for FY 2016. He commented on the necessity of the Board to pass a FY 2016 budget prior to July 1.

Mr. Nagle proposed that the Board Finance Committee supports the FY 2015 and FY 2016 budget recommendations for the June 17 regular meeting of the Board of Trustees, and that the Board Finance Committee request College administration to develop a budget amendment for FY 2016 to close the gap by about 50 percent; and, for the financial recovery plan projection for FY 2017 to close the gap. He commented on the difficult decisions that have been and will continue to be made; “If the College is to be viable in the future, we have to make changes now, including increasing the reserves.” He emphasized there is more hard work to be done.

Dr. Robinson commented on quantifying the operational items in the development of the financial recovery plan in order to move the needle on the Senate Bill 6 ratios; he noted the State’s requirements of developing a contingency plan, as part of the financial recovery plan. President Bower commented on supporting the administrative team and the delicate balance of fiscal health and minimizing the impact to students. President Bower commented on the potential to improve the College’s fiscal health through educational collaborations where there is capacity.

Mr. Rowe made a motion to recommend the Finance Committee Chair’s proposal to support the FY 2016 preliminary budget recommendation, effective July 1, for the June 17 regular meeting, with the expectation of a permanent budget for FY 2016 to be recommended for the July 15 special meeting with the financial recovery plan recommendation that will close the projected \$2.9 million loss by about 50 percent, which was seconded by Ms. Talmage. Following a voice vote, the motion was adopted.

EXECUTIVE SESSION

Finance Chair Nagle announced an executive session for discussion of personnel issues pursuant to the employment of public employee(s). Mr. Uhler made a motion to adjourn to executive session as specified. Mr. Rowe seconded the motion, and the Chair called for a roll call vote. Roll Call: Edwin Nagle, yea; Rich Rowe, yea; Diana Talmage, yea; and, Thomas Uhler, yea (4).

Upon return from executive session, roll call was taken and the following members were present: Edwin Nagle, Rich Rowe, Diana Talmage and Thomas Uhler (4).

Other – Mr. Nagle presented and accepted the 2015-2016 Finance Committee meeting schedule.

Adjournment – As there was no further business to discuss, Mr. Nagle declared the meeting adjourned at 4:25 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

Approved 8-20-15