

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
February 20, 2008

A meeting of the Finance Committee was held in the President's Office conference room #215 of Administration Hall on the Owens Community College Toledo-area Campus.

Call to Order – Finance Chair Jack Sculfort called the meeting to order at 3:05 p.m., and directed the record to show that the Finance Committee meeting was held in accordance with the Ohio Revised Code, Chapter 3358, and the policies of the Board of Trustees.

Roll Call – Roll Call was taken and the following committee members were present: Mr. Jack Sculfort, Dr. Ron McMaster, Mr. Allan Libbe and Mr. Rich Rowe (4).

Also present were Chair John Moore and Vice Chair Dee Talmage.

Adjustment of the Agenda – Mr. Sculfort stated that the agenda would be adjusted to consider agenda item Compensation Structure Review before the Executive Session.

Approval of Minutes – The minutes of the November 5, 2007 meeting were reviewed and approved.

Attendees – The following administrators were in attendance at today's meeting. Dr. Christa Adams, Mr. John Satkowski, Ms. Pat Jezak, Ms. Laurie Sabin, Mr. Brian Paskvan, Mr. Gene Lapko, Dr. Cynthia Eschenburg, and Dr. Paul Unger.

Compensation Structure Review – Mr. Lapko provided background from the former Fox Lawson compensation study. One of the findings from that study was that Owens salaries were not in line with the marketplace, and in fact, there was about a 20 percent to 25 percent lag. In 2005, Sullivan Cotter conducted a study that was more in focus with the Owens organizational structure. Their findings also concluded that lag existed, about 30 percent, between the Owens salaries and the marketplace. Beginning in July 2006, and every 6 months through to January 2008, the Board approved equity compensation adjustments for non-bargaining unit staff consistent with the phased-in plan that addressed market competitiveness. Mr. Lapko continued and said that Human Resources is now at the last step of the plan, which is to establish internal equity and to identify where each position is on the salary schedule. The new salary schedules allow the College to be competitive in recruitment and retention of employees.

Dr. Cynthia Eschenburg introduced the new non-bargaining unit staff compensation plan with grades ranging from 1 to 22. She stated that this plan is working toward a broadband approach and flexibility in hiring and retention. Human Resources is also auditing what positions are eligible for overtime. Mr. Moore asked how vacant positions are advertised with the salary ranges. Dr. Eschenburg responded that the base salary is advertised. Mr. Moore confirmed that the last salary increase brought all non-bargaining employees up to marketplace. Dr. Eschenburg

confirmed yes, and the new salary schedules are a big step toward internal equity, especially for those employees with lengthy service records when new hires come on board. Dr. Eschenburg then introduced the salary schedules for adjunct faculty and for part-time employees involved in non-credit programs.

Mr. Sculfort reviewed language for a resolution to be presented at the April Board of Trustees meeting. He requested that additional language be included to relate that the compensation plan and salary schedules effective as of January 1, 2008, were part of a long term equity plan, as recommended by a professional study and within the College's ability to fund.

Mr. Libbe made a motion for the Finance Committee to recommend the compensation plan and salary schedules for non-bargaining unit staff to the full Board of Trustees on April 1, 2008. Mr. Rowe seconded the motion. The motion was adopted following a voice vote.

EXECUTIVE SESSION

Mr. Sculfort announced an executive session for discussion of matters related to property. Dr. McMaster made a motion to adjourn to executive session for the reason specified. Mr. Libbe seconded the motion, and Mr. Sculfort called for a roll call vote. Roll Call: Jack Sculfort, yea; Ronald McMaster, yea; Allan Libbe, yea; and Rich Rowe, yea; (4).

Upon return from executive session, roll call was taken and the following members were present: Mr. Sculfort, Dr. McMaster, and Mr. Rowe (3).

Mr. Libbe departed during Executive Session. Mr. Moore and Ms. Talmage departed at 4:30 p.m.

Mr. Sculfort commented that the Finance Committee members appreciated the update on property, and he directed that Mr. Satkowski and President Adams continue to proceed with property negotiations, as originally directed by the Trustees per resolution 2007-08-07-25.

HR Audit Planning – Mr. Satkowski distributed a memorandum requesting that Plante and Moran review procedures and processes in the area of Human Resources. Mr. Sculfort requested confirmation of Plante and Moran's qualifications to conduct a Human Resources audit, and Mr. Satkowski confirmed that Plante and Moran has a specialization in Human Resources. Mr. Sculfort commented that the Finance Committee members will anticipate hearing the outcome of the HR audit in the near future.

State Funding Update – Mr. Satkowski reported that State revenue is down about \$7 million to \$1.9 billion for the end of fiscal year 2008 and into fiscal year 2009. He said that reductions were announced and that the higher education system status is protected to honor the Governor's Compact and the two-year tuition freeze. He said that if there is a reduction in SSI for FY 2009, we will need clarification on what it means to the tuition cap.

Senate Bill 6 Ratios – Mr. Satkowski reviewed the College’s FY 2007 scores for financial accountability to the State:

Primary Reserve	Viability	Net Income	Composite Score
3	5	3	3.6

Mr. Satkowski’s informal explanation of what the scores mean:

- The primary reserve is unrestricted funds divided by what is budgeted for operating expenses.
- The viability score indicates covering debt.
- The net income score is the change between total net assets divided by total revenue.

He said that Owens viability score of 5 means that the College is light in debt. Mr. Sculfort asked if the universities were taken out of the comparison graphs would the College be above average? Mr. Satkowski responded yes, the College is above average in comparison of the two-year colleges. Mr. Satkowski commented that Cincinnati State Community College and the University of Cincinnati are both heavily in debt.

Current Financials – Mr. Satkowski presented the financial statements for the period ending January 31, 2008. Ms. Sabin commented that the College is ahead of the income target, and there are still some timing differences between payables of last fiscal year and this fiscal year. Mr. Satkowski commented that recordings are timelier for this fiscal year. Mr. Sculfort confirmed with Mr. Satkowski that the College financials are still on track with the FY 2008 budget. Mr. Satkowski replied, yes. A discussion was held on bookstore inventory being on the shelves. Ms. Sabin explained that the Bookstores now purchase and shelve books earlier so that students can buy what they need before classes begin. Ms. Sabin commented that with the help of Auxiliary Services, Finance is re-doing the auxiliary budget with the goal of running Auxiliary Services, as proprietary funds by FY 2010. Mr. Sculfort agreed with the approach, as it is a retail operation.

Next Meeting – Ms. Jezak will check on dates for the next Finance Committee meetings. An executive session on property will be scheduled for the March 11 Board Retreat.

Adjournment – As there was no further business to discuss, Committee Chair Sculfort declared the meeting adjourned at 5:15 p.m.

ATTEST

Patricia M. Jezak

Secretary to the Board of Trustees

APPROVED 4-23-2008