

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
April 23, 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 2:05 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, Mr. Allan Libbe, and Dr. Ron McMaster (3).

Also present was Vice Chair Dee Talmage.

Attendees – The following administrators and visitors 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. Paul Unger, Mr. Brad Meyer, Ms. Meghan Gilbert, Blade Reporter, and Ms. Marie Thomas, Sentinel-Tribune Reporter.

EXECUTIVE SESSION

Mr. Sculfort announced an executive session for discussion of matters related to property. Mr. Libbe made a motion to adjourn to executive session for the reason specified. Dr. McMaster seconded the motion, and Mr. Sculfort called for a roll call vote. **Roll Call: Jack Sculfort, yea; Allan Libbe, yea; and Ronald McMaster, yea; (3).**

Upon return from executive session, roll call was taken and the following members were present: Mr. Sculfort, Mr. Libbe, Dr. McMaster, and Mr. Rowe (4).

Mr. Rowe arrived during Executive Session.

Approval of Minutes – The minutes of the February 20, 2008 meeting were previously reviewed and stand approved as submitted.

Facilities/Capital Improvements – Chair Sculfort announced to the attendees that during Executive Session, the Finance Committee members had a discussion on matters related to property. He stated that the Finance Committee listened to a report from Mr. Satkowski, and he invited Mr. Satkowski to make remarks.

Mr. Satkowski commented that the College has a purchase agreement for Penta Career Center property that is being reviewed by legal counsel at the present time. The purchase agreement is dependent upon the approval of the State Controlling Board and the completion of other due diligence items. Mr. Sculfort said that based on the assumption of the successful conclusion of approval by the Controlling Board, the Finance Committee would hope to bring a recommendation to the full Board of Trustees. Mr. Sculfort invited Mr. Paskvan to make comments on the master plan study. Mr. Paskvan stated that the College conducted an 18-month study that demonstrated the Penta facilities would meet the projected future needs of the College.

Mr. Sculfort reiterated that only the full Board of Trustees can approve the acquisition of property. He said that should administration elect to bring resolution language to the full Board of Trustees, the Finance Committee has reviewed the details of the pending transaction and would support it. Mr. Libbe made a motion for the Finance Committee to recommend a resolution to the full Board of Trustees, pending the President's recommendation, that the President and Treasurer be authorized to sign a purchase agreement with Penta County Joint Vocation School District upon the approval of the Controlling Board. Dr. McMaster seconded the motion. The motion was adopted following a voice vote.

State Funding Update – Mr. Satkowski stated that the Executive Branch did cut State funding for most state agencies and that higher education was held harmless for fiscal year 2008. For fiscal year 2009, a tuition freeze is tied to a 10 percent increase in the State Share of Instruction for public colleges and universities. He stated that Governor Strickland has requested other state agencies to look at their State funding to be at the 95 percent level for fiscal years 2009 and 2010. The State is tightening down for projected deficits in State revenue for fiscal year 2010. It is not known what the final outcome for higher education will be.

Tuition Review – Mr. Satkowski recommended resolution language on State funding similar to the College's resolution of the Governor's Compact last year. Mr. Sculfort stated that only the full Board of Trustees can take action. Mr. Rowe made a motion for the Finance Committee to recommend a statement on tuition resolution to the full Board of Trustees. Dr. McMaster seconded the motion. The motion was adopted following a voice vote. Chair Sculfort commented that he would introduce the motion at the May 6, 2008 regular meeting of the Board of Trustees.

FY 2009 Budget Review – First Glance – Mr. Satkowski stated that the FY 2009 budget will continue to be conservative. He reviewed the budget assumptions as follows:

Revenue Budget Assumptions	Increase Over Prior Fiscal Year
Tuition and Fees	0 percent increase
State Share of Instruction	8 percent increase
Enrollment Growth	Toledo, 2 percent; Findlay, 2 percent
Expenditures Budget Assumptions	
For Transparency	Local funds of State capital appropriations are built in at 10 percent of project costs for architectural and other fees
Operational Costs	Identified for all campus sites
For Transparency	Strategic planning costs are built in
Electricity	Increased by 10 percent;
Cost Savings Expected	Gas and Electricity – due to consortium Health care
Reduced	Fringe Benefit Rates

Ms. Sabin commented that more assumptions were identified and included to make the budget more transparent. Mr. Satkowski commented that negotiations will begin with all three bargaining units during fiscal year 2009; therefore, negotiations regarding fringes and wages were made rather than included on budget line items since the outcomes will be negotiated. He said

that the budgeted amounts for health care were reduced based on the current trend of cost savings being experienced from self-insuring Workers' Compensation.

Mr. Satkowski reviewed the funding for the Capital Plan. He stated that a Capital Advisory Committee is being formed that will be representative of all stakeholders. Mr. Sculfort asked if the new Capital Advisory Committee is an outgrowth of the exploration of shared decision making. Mr. Satkowski confirmed that it was. President Adams commented that this is an important advancement at the College and employees appreciate being involved in decision making at the College.

President Adams and Mr. Lapko commented on Interest Based Bargaining (IBB) training being planned for all three bargaining units. Mr. Lapko commented that an overview of IBB was provided by Mr. Rick Terpinski and Mr. Kevin Moyer of Federal Mediation and Conciliation Service.

Current Financial Statements – Mr. Satkowski reviewed the current financial statements for the month ending March 31, 2008 and the FY 2008 Revised Budget, as it stands currently. Mr. Satkowski stated that the revised projected operating balance of \$1,089,314 is due to cost savings initiatives. Mr. Satkowski said that the Budget Analyst will begin reconciling and adjusting fiscal year budget accruals on a quarterly basis.

Ms. Sabin said that recommendations will be made at the June regular Board of Trustees meeting to approve the FY 2008 Revised Budget and the FY 2009 Preliminary Budget.

Mr. Sculfort asked at year-end, how much construction-in-progress (CIP) will be relieved and put in as plant? Mr. Satkowski responded that he will know more after the pre-audit meeting with Plante and Moran and will follow up with him.

Next Meeting – Scheduled for June 4 at 3 p.m.

Adjournment – As there was no further business to discuss, Committee Chair Sculfort declared the meeting adjourned at 3:45 p.m.

ATTEST

Patricia M. Jezak

Secretary to the Board of Trustees

APPROVED 6-4-08