

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
August 21, 2012

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

Call to Order – Trustee Rich Rowe called the meeting to order at 2:30 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: Allan Libbe, Ronald McMaster and Rich Rowe (3).

Attendees –The following trustees and administrators were in attendance for all or part of the meeting: Trustees Edwin Nagle, Thomas Uhler. Administrators John Satkowski, Renay Scott, Pat Jezak, Natalie Jackson, Laurie Sabin, Pam Beck and Michael McDonald.

Approval of Minutes – The minutes of the May 14, 2012 meeting were previously received, and Mr. Rowe declared that the minutes stand approved as submitted.

Financing Options for Facilities and Capital Planning – Mr. Satkowski presented the draft plan for FY 2013 Capital Borrowing, which listed estimated project costs and borrowing for Heritage Hall Phase II, Energy Conservation Phase II, Ellucian Banner Relationship Management system and the Findlay Child Care Center. Total estimated borrowing is \$5.5 million. The planning includes the offset of the annualized fiscal year debt service through the academic program revenue that can be generated in the renovated space. For example, if the Heritage Hall space is utilized to expand the culinary arts program, a conservative estimate of 80 FTE students will generate \$192,760 additional tuition net of instructional cost, thereby offsetting the FY 2014 estimated debt service of \$182,616.

The 32,000 square feet of space located at the north end of Heritage Hall is being planned for 30 classrooms and a culinary kitchen; there is space for potential expansion for two more culinary kitchens, as needed. Mr. Satkowski commented that the capital projects have been delayed for two years due to the State's delay in approving a biennial capital budget. Ms. Sabin commented that a request for proposal was sent to eight banks last week; this is not a bond issue, but it is a borrowing issue. She commented that current rates are about 1.2 percent. They are hoping to receive proposals for bank qualified placement like a tax exempt capital lease for the conservative period of 15 years. The renovations are targeted for space that will provide a revenue stream, plus the College will pick up additional energy savings with the implementation of the energy conservation phase II project including the installation of controls for lighting, heat, air conditioning and upgrades to the chiller plant that will service Heritage Hall. Mr. Satkowski commented that energy cost savings will also offset the annualized debt service.

Mr. Satkowski commented that the addition of general classrooms will alleviate the space issue and enable growth for programs in demand. Dr. Scott added that the College is submitting a request to the Chancellor for the approval to offer a magnetic resonance imaging (MRI) program. She said that Heritage Hall has the type of space that will accommodate the equipment and the enrollment for the program. Mr. Satkowski relayed that the timeline to complete construction of Heritage Hall II is prior to Fall Semester 2013.

Dr. McMaster made a motion for a recommendation to be prepared for an option to finance the renovations for Heritage Hall Phase II, Energy Conservation Phase II, Ellucian BRM and Findlay Child Care Center. Mr. Libbe seconded the motion. The motion was adopted following a voice vote.

EXECUTIVE SESSION

Mr. Rowe announced an executive session for a matter of attorney-client privilege. Mr. Libbe made a motion to adjourn to executive session as specified. Dr. McMaster seconded the motion. Mr. Rowe called for a roll call vote. Roll Call: Allan Libbe, yea; Ronald McMaster, yea; and Rich Rowe, yea (3).

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

Adjournment – As there was no further business to discuss, Trustee Rowe declared the meeting adjourned at 3:20 p.m.

ATTEST

Patricia M. Jezak

Secretary to the Board of Trustees

Approved 10-11-12