

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
November 5, 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 2:00 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).

Board Vice Chair Dee Talmage was also present.

Attendees – The following administrators were in attendance at today's meeting: Dr. Christa Adams, Mr. John Satkowski, Ms. Pat Jezak, Dr. Paul Unger, Dr. Cynthia Eschenburg, Mr. Brian Paskvan, Ms. Laurie Sabin. Ms. Natalie Jackson, Assistant Attorney General, was in attendance.

Mr. Robb Rose, Partner, and Ms. Jennifer Kujawski representing Plante and Moran for the presentation of the FY 2008 audit, and Ms. Karine Stover representing Rahmberg Stover and Associates for the presentation of the Human Resources processes audit were also in attendance.

Approval of Minutes – The minutes of the September 18, 2008 meeting were previously reviewed and Mr. Sculfort declared that the minutes stand approved as submitted.

EXECUTIVE SESSION

Mr. Sculfort announced an executive session for discussion of matters related to imminent and pending court action. 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; 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 and Dr. McMaster (3).

Ms. Jackson left the meeting.

EXECUTIVE SESSION

FY 2008 Audit Presentation – Mr. Sculfort announced an executive session for an audit conference with the College's independent public accountant, Plante and Moran, for an audit conference with Ms. Karine Stover on the review of Human Resources processes and for matters related to collective bargaining. Dr. McMaster made a motion to adjourn to executive session for the reasons specified. Mr. Libbe seconded the motion and the Chair 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 and Dr. McMaster (3).

Exempt and Non-exempt Employment Classifications – Dr. Eschenburg distributed a proposed non-bargaining unit salary schedule with an effective January 1, 2009 that has been modified to represent non-exempt and exempt employment classifications to be in compliance with the Fair Labor Standards Act (FLSA). A recommendation will be made to the Board of Trustees at the December regular meeting. The professional staff and administrator classifications will transition into the exempt employment classification. The support staff classification will transition into the non-exempt employment classification. This proposal will change the accrual for vacation from 14.67 to 15.33 for exempt positions. There will be no change of accrual for sick time for exempt positions. There is no change to the accruals for vacation, sick and personal leave for non-exempt positions. Mr. Sculfort asked about cost implications, and Ms. Sabin responded that there are no out-of-pocket costs unless an employee leaves the College. The modified salary structure is competitive for higher education.

403(b) Retirement Plan – Dr. Eschenburg reviewed draft resolution language proposed to bring the College into compliance with the requirements of the Internal Revenue Code Section 403(b). She stated that the College has been working with the Attorney General’s Office. A recommendation will be made to the Board of Trustees at the November regular meeting.

DRAFT 403(b) RETIREMENT PLAN ADOPTION RESOLUTION LANGUAGE

WHEREAS, Owens Community College (the “Institution”) has sponsored a retirement plan arrangement under Internal Revenue Code Section 403(b); and

WHEREAS, the Internal Revenue Service has promulgated regulations under Code Section 403(b) that require the Institution to adopt a written plan document; and

WHEREAS, the written plan document must be adopted on or before January 1, 2009; and

WHEREAS, the President and the Treasurer recommend that the College proceeds with adopting a written plan on or before January 1, 2009; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, that

1. The Institution’s Executive Vice President/Chief Financial Officer and/or Vice President of Human Resources are each individually authorized and empowered by the Board to adopt the Plan and each such administrator is further empowered to make such administrative changes to the Plan as are required to effect compliance with the Internal Revenue Service 403(b) regulations;

2. Executive Vice President/Chief Financial Officer has the authority to sign the final Plan on behalf of this Board, with the corresponding full weight and effect;

3. All formal actions of this Board of Trustees relating to the enactment of this resolution were taken and adopted in open meetings, and all deliberations of this Board or any of its committees which resulted in such formal actions, were in full compliance with the law.

Energy Strategic Plan - Mr. Satkowski reviewed draft resolution language proposed to bring the College into compliance with the statutory requirements of House Bill 251. Mr. Sculfort asked about financing the proposed \$8.9 million cost estimate for implementing the four phases. Mr. Satkowski responded that it would be a future decision to be discussed with the Board Finance Committee. The resolution will only approve the strategic energy plan.

DRAFT STRATEGIC ENERGY PLAN ADOPTION RESOLUTION LANGUAGE

WHEREAS, the statutory requirements of House Bill 251 call for an overall reduction in energy use of 20 percent by 2014, relative to use levels of 2004; and

WHEREAS, the College created a comprehensive energy planning team of Garforth International LLC, Toledo; Owens Corning, Toledo; and MVV Energie, Mannheim, Germany; to conduct a feasibility assessment of an integrated energy master plan; and

WHEREAS, College administration and the energy planning team made several presentations to the Board of Trustees; and

WHEREAS, the College desires to achieve even greater reductions of energy use and greenhouse gas emissions for reasons of operational efficiencies, reliability, accountability, excellence; and

WHEREAS, the College desires to integrate the strategic energy plan with quality educational experiences for students, faculty, staff and the community; and

WHEREAS, the President and the Treasurer recommend the adoption of the strategic energy plan which supports continuous energy improvements in four key areas: developing a building management system; transforming the culture through energy awareness, practices, responsibility and education; installation of building envelope retrofits; and, redesigning a system of combined heat and power;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Trustees adopts the strategic energy plan and authorizes the Treasurer to file the strategic energy plan with the Ohio Board of Regents and to present financing options to the Board of Trustees Finance Committee;

BE IT FURTHER RESOLVED that the Board of Trustees commends the members of the energy planning team, especially the College's staff members for sharing their vast knowledge of the College's operations and the representatives of Garforth International, Owens Corning and MVV Energie for sharing their local and global perspectives and experience.

State Funding Update – Mr. Satkowski distributed the Ohio Board of Regents Preliminary Headcount enrollment comparison for Fall Semesters 2007 and 2008. The spreadsheet was sorted to show that Owens Community College combined headcount is the ninth largest enrollment among Ohio's public 4-year and 2-year colleges. Mr. Sculfort made an observation on Findlay Campus' headcount performance. Mr. Satkowski reviewed the written observations made by Jennifer Fehnrich, Special Assistant, Government Relations, on the Ohio Board of Regents Preliminary Headcount chart: "Owens campuses contributed 871 additional headcounts from 2007 to 2008. This represents 7 percent of the total enrollment growth by all 2-year and 4-year public institutions. In terms of actual numbers, Owens (20,425) is the fourth largest 2-year college behind Columbus State Community College (24,237), Cuyahoga Community College (23,744) and Sinclair Community College (23,259)."

Dr. McMaster stated that Owens Community College needs to have a 4 percent increase per year in headcount to meet our share of the State's enrollment goal of 230,000 more students. Mr. Sculfort observed that space and technology will be needed state-wide to sustain this enrollment goal.

Mr. Satkowski distributed the Ohio Board of Regents Fall Survey 2008 results and the comparison spreadsheet of annual full-time undergraduate fees for 2-year colleges. Terra Community College charges \$113 per credit hour through a full-time load of 15 credit hours. Only Owens Community College, Lorrain Community College and Southern State Community College have the 12-18 credit hour tuition window of no increase in per credit hour fees.

Other – Mr. Satkowski reviewed the College's financial statement for the unrestricted fund for the period ending September 30, 2008. The Finance staff is keeping a close watch of the reserved funds for open positions.

President Adams asked about tuition levels for FY 2010-2011. Mr. Satkowski responded that presently, there is no tuition freeze being called for; however, the Chancellor wants to look at another freeze for community colleges and what would the State need to provide to the community colleges to implement it. Mr. Satkowski stated that the Ohio Association of Community Colleges (OACC) is looking at a 3 percent increase for inflation; 4 percent increase for enrollment growth and a 3.5 percent increase for freezing tuition for the 2-year college sector. Overall, this would add up to an 11 percent increase of state support for no increase in tuition. This proposal is still up for judgment.

Mr. Satkowski stated that he would review the FY 2008 financial audit with the Board of Trustees once it is certified by the State Auditor's Office. Mr. Sculfort reviewed the trend of the income (loss) before other revenues and expenses line item on page 5 and stated that when Mr. Satkowski makes his presentation to report on how they are addressing this trend and his projection of this line item for FY 2009. Ms. Sabin stated that Finance will work more closely with Academic Services with regard to the number of small-sized classes being taught. Dr. McMaster asked where the health care savings are reflected in the financial report, and Ms. Sabin responded that the savings are included in the fringe benefits line item.

Adjournment – As there was no further business to discuss, Mr. Sculfort declared the meeting adjourned at 4:30 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

APPROVED 1-15-2009