

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
December 1, 2014

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 9:02 a.m., and directed the record to show the audit conference and meeting of the Finance Committee was held in accordance with Ohio Revised Code Section 121.22, 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: Mary Beth Hammond, Ed Nagle, Rich Rowe, Dee Talmage and Tom Uhler (5). Trustee Ron McMaster was also in attendance.

Attendees – The following trustees, administrators, staff and guests were in attendance for the meeting: President Mike Bower, Patricia Jezak, Natalie Jackson, Laurie Sabin, Pam Beck, Jennifer Fehnrich, Betsy Johnson and Jared Meade. Clark Schaefer Hackett Auditors: Brad Billet, Manager and Larry Weeks, Shareholder. Introductions were made.

AUDIT CONFERENCE

Mr. Nagle announced an audit conference with Clark Schaefer Hackett in accordance with Ohio Revised Code Section 121.22(D)(2), and Mr. Uhler made a motion to enter into the audit conference, which was seconded by Ms. Talmage. Roll Call: Mary Beth Hammond, yea; Ed Nagle, yea; Rich Rowe, yea; Dee Talmage, yea; and, Tom Uhler, yea (5).

Upon return from the audit conference, roll call was taken and the following members were present: Trustees Hammond, Nagle, Rowe, Talmage and Uhler (5).

Approval of Minutes – The minutes of the November 10, 2014 meeting were previously distributed, and hearing no corrections, Mr. Nagle declared the minutes approved as submitted.

Senate Bill 6 Ratios – Laurie Sabin, Treasurer, distributed a spreadsheet, which showed the GASB 34/35 financial statements with the formula breakdown of the Senate Bill 6 Ratios: Page 1 showed the actual calculations for fiscal years 2011, 2012, 2013 and 2014; and, Page 2 reflected the projected and targeted calculations for fiscal year 2015. In reviewing the spreadsheets, the discussion centered on the following question and response.

- Question: What aspect has the greatest effect on the composite score?
 - Response: The expendable net assets. Short-term, immediate focus can be made by reducing expenses (salaries/wages is the greatest expense item); long-term focus can be made by increasing revenue or increasing capital expenses.

Ms. Sabin commented that she met with Dave Cannon, Ohio Board of Regents Vice Chancellor, Finance and Data Management on November 21, 2014 to review the items that negatively impacted the fiscal year 2014 net position change of the audited financial statements. She commented that a reduction in force is projected to have a significant impact for the fiscal year financial statements. With respect to tuition revenue and State Share of Instruction, she commented on developing with-and-without-stop loss scenarios in drafting the three-year fiscal recovery plan. She projected that a 2.4 composite score may not be achieved unless there is relief through the collective bargaining agreements.

Mr. Nagle commented on the concern of achieving student retention and supporting the at-risk student population, which are basic elements of the community college mission. He asked how might the State provide support to the College's mission and at-risk student population when the State no longer provides Access Challenge funding. He requested talking points on these concerns to be provided for the trustees so that they may consistently address the state legislators when in the community. Dr. McMaster asked if the College's cost of providing remedial education could be calculated, and he commented on Tennessee's model.

EXECUTIVE SESSION

Mr. Nagle announced an executive session for discussion of personnel matters of employment of public employees and the elimination of positions. Mr. Uhler made a motion to adjourn to executive session as specified. Ms. Talmage seconded the motion, and Mr. Nagle called for a roll call vote. Roll Call: Mary Beth Hammond, yea; Edwin Nagle, yea; Rich Rowe, yea; Diana Talmage, yea; and, Thomas Uhler, yea (5).

Upon return from executive session, roll call was taken and the following members were present: Trustees Hammond, Nagle, Rowe, Talmage and Uhler (5).

Other – President Bower commented on gross margins for Workforce and Community Services (WCS), which included the accounting practices of a) skilled trades revenue being on the side of credit programs when expenses are on the non-credit side of WCS; and, b) Findlay Campus expenses being included under the Toledo Campus. He stated that the Executive Director, WCS is developing a plan to break-even with a minimal profit margin.

President Bower commented on plans to review tuition, including the processes of recommending either an increase or a modification for full-time enrollment of 15, 16, 17 and 18 credit hours.

Mr. Uhler requested to be informed of efforts to recruit students and the projected impact of College Credit Plus (dual enrollment) program. President Bower responded that he will provide an update at the next meeting of the Finance Committee, and Dr. Johnson will be asked to make an enrollment activity update report at the regular meeting, December 2, 2014.

Mr. Uhler inquired as to the progress of Burges & Burges Strategists, and Mr. Nagle responded the College is continuing on the groundwork for the initiative.

Adjournment – As there was no further business to discuss, Mr. Nagle declared the meeting adjourned at 11:00 a.m.

ATTEST

Patricia M. Jezak

Secretary to the Board of Trustees

Approved 1-22-2015