

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
January 30, 2018

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 – Ed Nagle called the meeting to order at 3:00 p.m., and directed the record to show the meeting of the Finance Committee was held in accordance with the Ohio Revised Code and the policies of the Board of Trustees.

Roll Call – Roll Call was taken, and the following committee members were present: Jason Johnson and Ed Nagle (2).

Approval of Minutes – The minutes of the December 4, 2017 meeting were sent in advance and hearing no corrections, Mr. Nagle declared the minutes approved.

REPORT OF THE TREASURER

ORC 3358.06 Performance Bond or Insurance Coverage Discussion – Jeff Ganues, Vice President of Business Affairs, Chief Financial Officer and Treasurer, shared the insurance coverage information, as requested. The College presently uses Travelers Insurance and the annual pricing for employee theft insurance coverage of \$1 million limit was \$7,985, for insurance coverage of \$2 million limit, it was \$8,991 and for insurance coverage of \$3 million limit, it was \$9,863. Currently, the College has \$3 million insurance coverage. There was discussion, which included cash on hand, daily operations of ACH and wires, accounting controls, the oversight of the Finance Committee and deductible amounts, in order to determine the insurance limit. **Mr. Nagle called for a motion for the determination of the amount of the employee theft insurance coverage to \$1 million, which the motion was made by Mr. Johnson and seconded by Mr. Nagle.**

Monthly Financial Statements – Mr. Ganues commented on financial statements for the period ending December 31, 2017. He noted that the month was quiet and the tuition from the Fall Semester was nearly complete. On page 2 of the All Funds, he noted the contingency/capital line items where there were more purchases than were initially indicated in the budget process; an internal adjustment was made on the Statement of Net Position. He commented that in February, the staff will work on a preliminary projection for contingency/capital for the Fiscal Year 2019 budget development. Mr. Ganues continued the review with the financial dashboards and enrollment, which he noted that the spring semester enrollment actual is trending upward when compared to the budget projection. There were 277 students dropped for non-payment of tuition, which is considered a lower number than prior semesters. Mr. Ganues reviewed the reserve requirements and noted that he may propose an adjustment to the reserve requirements for the next meeting, which Mr. Nagle commented on the continuance of prudent judgment and justification for proposed adjustments. Mr. Ganues reviewed the investments for December and January of five-year certificates of deposit with step increases; all CD's under the \$250,000 for FDIC purposes. Mr. Ganues commented that there was no changes for the projection of the Senate Bill 6 composite ratio for Fiscal Year 2018. On the Statements of Net Position, Mr. Ganues commented on the accounts receivable and deferred revenue, which was not as far behind as in prior years; also lower declines, spring over spring.

Capital Assets Discussion - There was discussion of the \$5,000 capitalization amount of fixed assets, the review and approval processes of the purchase/lease of capital items, based on levels of \$5,000, \$10,000, \$25,000, \$50,000 and more, from the Vice President/CFO, the President/CEO and the other Vice Presidents. Mr. Johnson suggested the consideration of additional controls in place with the process, as to be cautionary when increasing fixed costs when enrollment is decreasing. Mr. Johnson asked how detailed is the review process, which Denise Smith, Vice President, Academic Affairs, commented that in the fiscal year budget development, each capital item is labeled with a cost estimate for a specific purpose. **Mr. Nagle requested for the Finance Committee to receive a description of the review process for the consideration of capital items at \$25,000 and more (not to address when for safety or emergency purposes). Note if the review process includes documentation of a discussion, the purpose of the capital item and the return on investment. Mr. Nagle commented that the information request is for the Board's assurance that a process is in place.**

Budget Transfers and Purchases Reports – Mr. Ganues asked if there were any questions on the reports. In response to a question from Mr. Johnson, Mr. Nagle commented on the historical background and the Board's oversight of reviewing both reports, which came from the fiscal watch process.

EXECUTIVE SESSION

Mr. Nagle announced an executive session for the discussion of collective bargaining and compensation of public employees. Mr. Johnson made a motion to adjourn to executive session as specified, which was seconded by Mr. Nagle. A Roll Call Vote was taken: Jason Johnson, yea; Edwin Nagle, yea (2).

Upon return from executive session, roll call was taken and the following members were present: Jason Johnson and Edwin Nagle (2).

Other Reports – Mr. Nagle asked if Steve Robinson, Interim President, had any updates for the Finance Committee, which Dr. Robinson provided an update on the exploration of a potential hosting arrangement for Rossford High School when the district undergoes a major construction project beginning, academic year 2018-2019. Dr. Robinson noted that the exploration status was not where it was anticipated to be at this point in time. Mr. Ganues commented on potential impacts as related to the College budget.

Adjournment – As there was no further business, the meeting was adjourned.

ATTEST

Patricia M. Jezak
Secretary to the Board of Trustees

Approved 4-27-18