

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
September 17, 2015

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 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: Mary Beth Hammond, Ed Nagle, Rich Rowe, Dee Talmage and Tom Uhler (5).

Attendees – The following administrators, staff or guests were in attendance for all or part of the meeting: President Mike Bower, Patricia Jezak, David Cannon, Steve Robinson, Betsy Johnson, Laurie Sabin, Pam Beck, Jennifer Fehnrich, Sarah Long and Jared Meade.

Approval of Minutes – The minutes of the August 20, 2015 meeting were previously distributed, and hearing no corrections, Mr. Nagle declared the minutes approved as submitted.

Report of the Treasurer – Dave Cannon, Vice President/CFO/Treasurer, commented on the September 15, 2015 filing of the Auditor of State Financial Accounting Report, and he noted there were no changes from the review. He said that progress has been made on the majority of the recommendations except the five-year budget, which will be included in the next fiscal year budget development.

Mr. Cannon presented the financial report for the period ending August 31, 2015. In response to a suggestion from Trustee Nagle, the members of the Finance Committee concurred that the financial report in its entirety may be presented on a quarterly basis.

Mr. Cannon reviewed the financial dashboard through August 31, 2015. He noted that summer revenue was slightly below target; fall revenue is not yet complete. Steve Robinson, Vice President of Academic Affairs, commented on verification of the skilled trades' program enrollment with the state-wide joint apprenticeship and training committees. Betsy Johnson, Vice President of Student Services, commented on varying start times of the College Credit Plus program students. Mr. Cannon commented that the 14th day census of enrollment is no longer relevant to the new State Share of Instruction funding formula, which is now based on student progress toward completion. Mr. Cannon reviewed the expense metrics for all funds; he noted the actual YTD is below the budget YTD, and he commented that purchases and encumbrances are being tracked. Mr. Cannon reviewed the financial standards metrics; he asked if any other items need to be included on the dashboard. Feedback included: the forecasted SB 6 composite score with the quarter; operating income and net income after depreciation and student enrollment.

Mr. Cannon reviewed the financial statements for the period ending August 31, 2015. On the "all funds" statement, he highlighted a (\$1.4 million) operating loss after depreciation, a capital appropriation of \$3.2 million with an outcome of a \$1.7 million net gain in position. In response

to a question from Trustee Uhler on revenue, Mr. Cannon clarified that spring semester revenue is currently not included in the budgeted FY16, and President Bower commented on working with the Chancellor's Office on the adopted tuition schedule. Mr. Cannon reviewed the expenses and the projection for transfers out with respect to transportation fees. Mr. Cannon is striving to pull data at the departmental level for developing the projections. Mr. Cannon commented on the "auxiliary services funds" and "plant funds" and noted areas, such as the Center for Fine and Performing Arts, which does not generate revenue to cover costs and the process of reviewing transfers from the unrestricted fund. Mr. Cannon suggested a future conversation with the members of the Finance Committee as to priorities, and he noted that the individual funds in auxiliary services or in plant should be self-balancing for revenue and expenses. At the present time, a review in progress of the "big picture" of how each fund ended the fiscal year (FY15). Trustee Nagle commented on the detail of the financial report, reviewing the major priorities, and anticipating early 2016 for data to assist with planning and projections. Mr. Cannon commented on beginning with the Information Technology department on developing a strategic plan for funding needs.

Mr. Cannon provided a follow up to the trustees on additional information with respect to skilled trades' revenues and costs, and he noted the work-in-progress analysis reflecting a positive bottom line. Trustee Nagle commented on the analysis providing a better understanding of the annual impact of the workforce contracts. Trustee Uhler suggested including student FTE to the analysis. In response to a question from Trustee Rowe, Dr. Robinson commented on the instructional component and that the agreements were originally based on the former State Share of Instruction (SSI) funding formula. Dr. Robinson added that improvements to the curriculum will also support and align with the current SSI funding formula based on completion and credentials.

Draft Policy Review – Mr. Cannon requested trustee feedback on the proposed changes to the Purchasing Policy and the proposed new Construction Purchasing Policy. Mr. Cannon noted that the changes support improved purchasing controls. In response to a question from Trustee Uhler, Mr. Cannon noted that contracts for design work would be included in the Purchasing Policy, under professional services. Mr. Cannon confirmed for Trustee Hammond that the policy review process includes employee feedback.

Other – Trustee Nagle commented on a personal schedule conflict for the October Finance Committee meeting, and the trustees provided consensus for the Finance Committee to next meet on November 19, 2015.

At Mr. Cannon request, the Finance Committee accepted the August financial report. Mr. Cannon commented that he will schedule a meeting with representatives of the Auditor of State Office, the Department of Higher Education and the Office of Budget Management to review the financial report.

Adjournment – As there was no further business to discuss, Trustee Nagle declared the meeting adjourned at 4:04 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

Approved 11-19-15