

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
May 22, 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, Ed Nagle and Rich Rowe (3).

Approval of Minutes – The minutes of the April 27, 2018 meeting were sent in advance and hearing no corrections, Mr. Nagle declared the minutes approved.

DRAFT FISCAL YEAR 2019 BUDGET REVIEW

Jeff Ganues, Vice President of Business Affairs, Chief Financial Officer and Treasurer, distributed a FY 2019 budget revision snapshot. Details included the Summer Semester 2018 enrollment fourteenth day numbers. Administration was cautiously optimistic that the enrollment shortfall may be 15 FTE's, which, with fees, showed a decrease of (\$98,000). Workforce Community Services added 1,100 credit hours, mainly through partnerships with unions. However, due to the union check exchange, there was a negative effect.

Mr. Johnson asked Mr. Ganues to identify the variables that can be eliminated to mitigate the budget shortfall. Mr. Ganues and President Robinson commented on adjunct faculty and space utilization. Mr. Ganues noted that fewer summer FTEs, approximately a headcount of 75 students, would reduce fees, which would mainly impact course and lab and IT expenses.

Mr. Nagle asked if an established number of students is needed to run a class. Denise Smith, Vice President, Academic Affairs, Provost, replied that some classes, by nature, are designated guaranteed to run due to the program workload. The advanced physics and chemistry courses may run in summer months for Owens students and/or University of Toledo students with only 2-3 students because of program requirements. In general, classes do not run with fewer than 10 students. It was noted that Summer Semester classes are primarily taught by adjunct faculty.

There has been an increase of enrollment at the Findlay Child Care Center, with the potential for more students. The cost of adding an assistant manager position, estimated at \$44,000 annually, and purchasing a second bus for transportation, estimated at \$7,000 annually. There is an estimated \$15,000 annual savings from food services from a change in vendor. It is anticipated to be a break-even opportunity. There was discussion of the child care operation, rates, utilization and capacity.

Board Chair Diana Talmage asked about the success of the Findlay Child Care Center. President Robinson noted the community's robust need for a five-star child care program in Hancock County, the proximity to industry and activities. President Robinson also commented that the children are growing up accustomed to the Findlay Campus; their parents are familiar with the campus and bringing community people to the campus will be helpful going forward.

Mr. Johnson suggested to proceed in operating the Findlay Child Care Center as a business with growth targets.

Mr. Ganues reviewed the operating gain in Salaries and Benefits. This gain was primarily due to employee turnover or retirements. Mr. Johnson suggested the gain may help close the gap of the shortfall from the Findlay Child Care Center investment and FTE variables.

Mr. Ganues provided an analysis of what might the budget be, if the \$10 per credit hour tuition increase was not implemented; a potential risk of \$1.3 million tuition revenue. At this point, it is fully anticipated the State will allow the increase for Fiscal Year 2019.

Mr. Ganues presented the FY 2019 Financial Dashboard. The item of note was the one-time revenue from the hosting arrangement with Rossford High School, \$68,787,790, and the Revenue without Rossford lease \$68,128,938. This represents a roughly 1 percent difference.

Mr. Ganues presented a current Deferred Maintenance listing per Mr. Nagle's request. The two sections being building upgrades and classroom furniture upgrades. Local funds are being used for improvements that will make a visible and meaningful difference to our students. The Facilities Services department is actively working on the building upgrades and soliciting new quotes as time and funds allow. The list will be reviewed annually.

Mr. Ganues reviewed the capital budget for FY 2019. These included interior renovations and envelope repair to College Hall, interior renovations for the Advanced Manufacturing area, a camera system and door-locking system for IT Campus Security, HVAC renovations in Founders Hall, College Hall and Math/Science, roof renovation to Health Technologies, Bicentennial Hall and Veterans Hall, completion of the parking lot on the Findlay Campus and addressing the humidity issues in Math/Science. This \$7.1 million is expected to be completed in the FY 2019 – FY 2020 timeframe. Mr. Ganues is working with Facilities Services to establish a long term plan for HVAC, roofing, etc. to ensure the schedule on aging. Architects SSOE have been consulted about preparing a facilities utilization plan and a building/equipment aging report. As the team identifies needs and uses, centralizing program specific courses in designated areas helps to improve operational efficiencies. Mr. Nagle agreed the planning and review processes are very important to college operations.

Mr. Nagle asked if the committee was comfortable with the FY 2019 Budget as presented. With assent, Mr. Nagle requested a motion for the Treasurer to finalize the budget recommendation for presentation to the full Board of Trustees, June 5, 2018. Mr. Rowe made a motion as specified, which was seconded by Mr. Johnson, and following a voice vote, the motion was carried.

REPORT OF THE TREASURER

Mr. Ganues commented on a brief review of the April 2018 financials. The Senate Bill 6 projected score was improved to 4.5 from the 3.8 projection in the prior month. He highlighted the controls in place to monitor the bottom line. Mr. Johnson remarked that implementing a strategic plan will help with striving for financial goals. President Robinson gave a brief overview of the strategic plan activity in progress.

Reserve Requirements – Mr. Ganues commented that he will continue his review of the reserve requirements. His current plan is to review the College’s ability to reinvest back into the plant.

Mr. Rowe asked about the opportunity to pay off the \$310,000 notes payable that will be due in March 2019. Mr. Ganues will verify if the notes payable allows for the College to pay of the remainder early. If the contract does allow the College, he will verify the early pay off penalty is less than the remaining interest to be paid.

Capital Asset Purchasing – Mr. Nagle asked the Board Finance Committee members, if they were comfortable with the capital asset purchasing process. It was agreed they were.

Adjournment – As there was no further business, the meeting was adjourned. 4:04 p.m.

ATTEST

Patricia M. Jezak
Secretary to the Board of Trustees

Approved 11-8-18

/kh