

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
November 29, 2022

A meeting of the Finance Committee was held in accordance with the policies of the Board of Trustees, Ohio Revised Code, Section 121.22 and Chapter 3358, in Administration Hall 224 and by videoconference. A public link to the videoconference was provided on the public meeting notice on the College's website.

Call to Order – Rich Rowe called the meeting to order at 9:02 a.m.

Roll Call – Roll Call was taken, and the following committee members were present: Sherina Ohanian and Rich Rowe (remote) (2). Rita Russell (remote) arrived at 9:07 a.m. (3)

Approval of Minutes – The minutes of the September 27, 2022 meeting were sent in advance and hearing no corrections, Mr. Rowe declared the minutes accepted as submitted.

AUDIT CONFERENCE

Mr. Rowe announced a closed-session audit conference with auditors, Clark Schaefer Hackett, in accordance with Ohio Revised Code Section 121.22(D)(2), and Ms. Ohanian made a motion to enter into the audit conference as specified, which was seconded by Mr. Rowe. Mr. Rowe called for a roll call vote. Roll Call: Sherina Ohanian, aye; and, Rich Rowe, aye. (2).

Upon return from the audit conference, roll call was taken and the following members returned to open session: Sherina Ohanian, Rich Rowe, and Rita Russell (3).

THEN AND NOW APPROPRIATION DETAIL FOR REVIEW

Jeff Ganues, Vice President of Business Affairs, Chief Financial Officer and Treasurer, commented on the listing, noting the time period, beginning with the start of Fiscal Year 2023, which is an awkward transition period of prepaid transactions or holding an invoice in between fiscal years. The listed items met the prepaid category; will continue to education budget authorities for July fiscal year start up. He noted that for next fiscal year, prepaid transactions will be implemented on new Workday platform.

The review was concluded and Mr. Rowe directed to move the Then and Now Certification Listing forward to the next regular meeting agenda of the Board of Trustees.

TREASURER'S REPORT

Monthly Financial Report – October Fiscal Year 2023 – Mr. Ganues reviewed the October financial report as a quiet month; the true-up for the State Share of Instruction to be finalized in mid-December. He noted:

- YTD compared to Budget Dashboard – Page 2.
 - Wages and fringes are up by 7.5 percent. The new health plan with UHC is working well as projected. He is working with Human Resources and the consultant on the Aetna claims; Aetna's term expired at end of March. He noted that some of the Aetna claims were from 2021. The \$1 million in claims will hit the bottom line for FY 2023.

- Operating expenses. Mr. Ganues noted the smoothing out from August on the operating expenses.
- Senate Bill 6 composite score is below budget as net income is down.
- YTD comparison of FY 2023 to FY 2022 Dashboard – Page 3. Mr. Ganues commented on the variance of total revenue between the fiscal years, due to HEERF and Pell funding. He noted that the Chart of Accounts is being revised and will include a new Pell account.
- Cash Flow – Page 6. Initial projected and actual are within \$20,000 and smoothed out.
- Investments – Page 7. Some at higher returns; starting to accelerate and invest back in with commercial paper.
- Balance Sheet – Page 9. Mr. Ganues commented that accounts receivables were down, as Workforce and Community Services worked diligently on the union check exchange process.

Follow Up from 9-27-22 Finance Meeting – Mr. Ganues provided a follow up to Mr. Rowe’s question from the September meeting on WCS-Contracted Services. Mr. Ganues provided a comparison of FY 2021 and FY 2022 of headcount and credit hours of the state-wide union apprenticeships. There are about 20,000 credit hours that are non-matriculating. What Owens pays is based on either a one-year or a five-year contract with the agency. The agency is paid for providing the facility and instruction (about \$1.7 million) and Owens receives SSI revenue (about \$2.4 million).

Capital Planning – Update on the School of Nursing and Health Professions Renovations Project Presentation – Mr. Ganues provided a general update. There was a delay in the schematic design phase. This item will continue to be reviewed with the Finance Committee. He noted the following:

- Pre-construction is complete.
- Initial AV technology projected between, \$2.4 million to \$3.5 million.
- Initial lab equipment projected, \$2.1 million in new/replacement costs. To be funded through the lab/course fee funding models; saving up for the move.
- A consultant and the academic chairs created an inventory list for the equipment; it was also coded for end of life or for moving to the new space.
- The budget includes a cost estimate for the move.
- Controlling Board approved the \$1.5 million in state funding.
- Gilbane was selected as the construction/risk manager.
- Timeline, Fall 2024 is projected for completion of construction.
- Project funding is being reviewed with state funds, projected cash flow and continuing to work on a projected yearly income of tuition (from nursing, health and other programs), and anticipated new students.
- A SB 6 projection exercise was shown if there may be some debt for funding the project. A hybrid approach would have a better impact on the SB 6 projected score.
- He reviewed debt financing scenarios for a \$25 million project over 20 years.

Mr. Ganues noted the following next steps:

- Select a final floorplan with cost estimates.
- Finalize a plan for financing (cash reserves, debt, fundraising, grants) for a recommendation to the Board in 2023.

Mr. Ganues asked for feedback from the members of the Finance Committee. Mr. Rowe suggested Ohio Higher Education Authority.

Ms. Ohanian asked about building the program for 2024 for student admissions, which Mr. Ganues replied in the positive and that the College is still investing in equipment and its programs that are more portable and working with partnerships. Dave Shaffer, Executive Director, Student Services, commented on the prospective students' excitement that is expressed when seeing the current SNHP facilities. Denise Smith, Provost/Vice President, Academic Affairs, commented on the clinical experiences that provide exposure of a variety of equipment to our students.

Budget Update – Mr. Ganues commented on a recommendation being developed for the December regular meeting of the Board for merit-based compensation adjustments. He noted that the FY 2023 budget projection for the merit program was \$366,000 and the potential for an overage of about \$4,000; however, when he reviewed it with Human Resources, the actual merit amounts seemed to be keeping pace with the projected amount. He noted that about 224 employees were in the merit-based program and some employees were in a unique situation due to from when the merit process started, and lump sum amounts may be recommended for some employees.

Other – Mr. Rowe asked if there were any concerns about the proposed draft 2023 schedule for the Finance Committee. Hearing no objections, Mr. Rowe accepted the meeting schedule and requested the Board Secretary to post the meetings on Outlook calendars.

Adjournment – As there was no further business, Mr. Rowe declared the meeting adjourned at 10:18 a.m.

Accepted 1-31-23