

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
May 23, 2023

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

Call to Order – Rich Rowe called the meeting to order at 9:03 a.m.

Roll Call – Roll Call was taken, and the following committee members were present: Sherina Ohanian (remote), Rich Rowe, and Rita Russell (remote). (3).

Approval of Minutes – The minutes of the April 25, 2023 meeting were sent in advance and hearing no corrections, Mr. Rowe declared the minutes accepted as submitted.

TREASURER'S REPORT

Draft FY 2024 Budget Report for Second Review – Mr. Ganues noted that development of the draft in progress budget proposal continued, and the second review of the proposed budget for Fiscal Year 2024, was as follows. Mr. Ganues walked through the changes made since April's Finance Committee meeting; overall \$3.1 million in adjustments since the first review.

- Proposed budget reflected a bottom line of \$308,921 Net Gain in Position.
- Vacancy factor at \$4 million; working through the process and timing.
- Fall revenue reflects the \$5.00/credit hour increase to tuition, pending approval from the Board and the State of Ohio. Overall gain in tuition, \$282,000. Semester breakdown is noted in the dashboard. Mr. Ganues commented that the tuition increase impact on Fall semester is projected, \$435,000. In response to Mr. Rowe, Mr. Ganues confirmed that there would be no impact to College Credit Plus program students with respect to their tuition.
- Revenue, overall, projected to be flat.
- Expenses, overall, projected to be an increase over FY 23 projected expenditures.
- SB6 composite score, projected to 4.4, which is an improvement over FY 23 projected.
- Financial Walkthrough – page 5
 - State Share of Instruction SSI, projected to be up, 2 percent, from the most recent update. When final, will work through a plan on how to handle the potential increase of funding. This has been the best news in the CFO 7-year tenure at the College.
 - Expenses reviewed. Maintenance services reflect WorkDay expenses; utilities are up.
- Anticipating closing costs for the bond process to likely be in July; not reflected in the proposed budget, estimated impact, \$240,000. Details will not be known until a later date.

Mr. Rowe asked about the decrease in investments, which Mr. Ganues replied, due to projected decrease in cash position from to ERP (WorkDay) project and other expenses. There were no other questions from the Finance board members.

Monthly Financial Report – April Fiscal Year 2023 – Mr. Ganues reviewed the April financial report. He noted:

- Open purchase orders totaled \$1.9 million and will work with the budget authorities on what funds may be released to the bottom line. Six weeks until the end of the fiscal year.
- Timing for the insurance claims run off and \$1 million reimbursement will be in mid-June; continuing to monitor.
- YTD Dashboard – Page 4.
 - Spring revenue variance with timing for CCP is now in line.
 - Wages and fringes are moving down with help from vacancies.
 - YTD operating expenses is up year-over-year; expect to see it reduced when encumbered funds are reclaimed.
 - Projected year-end Net Loss in Position, (\$429,503).
 - Overall the balance sheet looks good.
- Financial Walkthrough – Page 6.
 - Expenses - cost of sales reflect the reduction in lab/course fees.
 - Remaining expenses sweep was \$461,000. Mr. Ganues commented on timing and unencumbered, non-used funds from the purchase orders; it is a high, outstanding amount; it should line up. President Somerville commented on the cash position, due to investments made into the College.
- Balance Sheet – Page 10. Mr. Ganues commented on variances working out; Accounts payable timing and will work its way out.

Capital Planning – Project Update ~ School of Nursing and Health Professions Renovations – Mr. Ganues provided an update, as follows.

- The Moody bond rating call is scheduled for May 24. He noted that final numbers were still being worked on, and there was some volatility in the bond market; will wait and see for how it may be in June.
- The College’s application for Ohio Credit Enhancement program was pending review. Moody waiting for determination from Ohio Credit Enhancement.
- Construction costs will be updated when the project goes out to bid.

Mr. Rowe addressed the members of the Finance Committee that if there were no questions on the proposed budget for Fiscal Year 2024, he requested a motion for the budget to be finalized for recommendation at the next regular meeting of the Board of Trustees, which was moved by Sherina Ohanian, and seconded by Rita Russell. Following a voice vote, the motion was carried.

Annual Investment Policy Review – Mr. Rowe commented for the annual review of the investment policy, there were no recommended changes from College administration and the policy has been working. Mr. Ganues commented that the staff works with Fifth Third Bank to

optimize the interest rates and liquidity for next year. Mr. Rowe commented on adding to Item M, Internal Controls, of the policy, a new item for “Rating,” which there was general agreement. **Mr. Rowe asked about Item J, Diversification, of the policy, if everything on the current investment report is under 75 percent. Mr. Ganues replied there is a limit on certificates of deposit with Fifth Third Bank, and that he and Jenny McVicker would look into it.**

The Board Secretary will edit the policy and prepare it for recommendation at the next regular meeting of the Board of Trustees.

Adjournment – Mr. Ganues thanked everyone for their time and for the reports provided. As there was no further business; nor any good of the order, Mr. Rowe declared the meeting adjourned at 9:35 a.m.

Approved 9-26-23 pj