OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
May 24, 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 – Jason Johnson called the meeting to order at 9:01 a.m.

Roll Call – Roll Call was taken, and the following committee members were present: Jason Johnson, Sherina Ohanian, Rich Rowe (remote) and Rita Russell (remote). (4) Mary Beth Hammond (remote) was also in attendance.

Approval of Minutes – The minutes of the April 26, 2022 meeting were sent in advance and hearing no corrections, Mr. Johnson declared the minutes accepted as submitted.

Then and Now Certification Appropriation Detail for Board Review – Jeff Ganues, Vice President of Business Affairs, Chief Financial Officer and Treasurer, commented on the listed items. Mr. Ganues also commented on an interpretation of the Ohio Revised Code regarding if the delegated authority of the Then and Now Certification could be transferred to the Chief Fiscal Officer, which Lorain County Community College requested the Attorney General's Office to review, from the Board of Trustees. Mr. Ganues commented that he does not recommend making any changes and to continue the College's process of the Board's approval for the Then and Now Certifications.

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

TREASURER'S REPORT
Draft FY 2023 Budget Report for Second Review – Mr. Ganues provided an overview of the changes of the FY 2023 draft budget from the April Finance Committee meeting.
Mr. Ganues noted:

- Bottom line changed from $1.2 million to $1.032 million Net Gain in Position.
- Proposed budget includes projected expenses for the enterprise resource platform (ERP) system vendor; professional services; and CRM solution in the proposed budget. Mr. Ganues noted that the ERP implementation costs were added to the unrestricted budget; and it will be included on the balance sheet, under net capital assets.
- Updated projected revenues for state share of instruction (SSI).
- There was discussion on enrollment for summer term visiting student population. Dave Shaffer, Executive Director, Student Services, commented on the universities making a strong push to keep their students at their home institutions for summer term with discounted tuition. Mr. Shaffer commented on trends in continuing student population for summer and fall terms. Mr. Shaffer commented on the importance of the Colleges strategic

enrollment management plan, and he commented that the area colleges are competing to keep their students, which is a key factor for Owens to consider students' needs for scholarships.

- Reduced the projected expenses for non-payroll; and, the vacancy factor moved from 5 percent to 6 percent. Reviewed all vacant positions to hold for a longer length of time. Mr. Johnson asked a question of doing without the unfilled positions, which Mr. Ganues commented that all unfilled positions were reviewed and there were some that cannot be done without, such as the leadership position for Marketing and Communications.
- Increased projected expenses for institutional operations and maintenance due to inflation.
- Cash and investments reflected a $5 million drawdown of HEERF federal funds that ended in Fiscal Year 2022.
- There was a comment made on the deferred maintenance plan, which Mr. Ganues commented that maintenance/repair projected expenses were not reduced due to the aging buildings.
- Finalized the projected state share of instruction (SSI) revenue from a 4.3 percent decrease to a 1.8 percent decrease per the Ohio Department of Higher Education projection.
- Mr. Johnson commented on the bottom line of $1.032 million Net Gain in Position, and he noted that college administration will need to be very diligent in monitoring monthly; there is no room for surprises; and, he noted maintaining the projected SB 6 4.6 composite ratio. Mr. Ganues commented on the margin for the SB6 score based on what the goals are with the net assets. Mr. Johnson commented that the College's projected composite score does not have to be 5.0; however, he counseled administration to be more strategic in decisions and investments that are not based on enrollment revenue. Dr. Somerville agreed with Mr. Johnson and noted the example of the strategic decision for compensation/wages for the budget; she confirmed the due diligence of monitoring enrollment, historical and projected targets, and the initiatives of the strategic enrollment management plan, to offset a risk of a surprise.

Mr. Johnson asked if the members of the Finance Committee were comfortable with the proposed FY 2023 budget, which all members responded in the affirmative. **Mr. Johnson asked for a motion for the Treasurer to finalize the budget recommendation for the June 7 regular meeting of the Board of Trustees, which was moved by Sherina Ohanian, and seconded by Rich Rowe. Following a voice vote, the motion was carried.**

April Financial Report – Mr. Ganues reviewed the April FY 2022 financial report, and he noted:

- Dashboards.
    - Revenue projections, no change; monitoring Workforce, which is down. He noted that the truck driving program is doing well. President Somerville commented on the request for the development of a strategic plan for Workforce and Community Services, as an area of potential growth and in readiness for leveraging the Dana Center, Innovation Hub, other grant opportunities. Mr. Johnson commented on the private sector need for training and the visibility of the Dean, WCS. Mr. Ganues commented on the WCS staff on both campuses.
    - Expense, year-to-date, are being monitored with wages/benefits impacted due to health insurance claims and the cash separation program for 2022. He noted that operating expenses are 15 percent down; $315,000 in unused funds were swept into

the bottom line, excluding WCS, as they work on their plan and the WCS budget is based on a profit margin.

- Cash Flow. Mr. Ganues commented on the timing as related to the cash draw down from federal HEERF funds.
- Balance Sheet. Mr. Ganues noted that accounts receivable was down, as students paid down their tuition balances with the HEERF funding.

Capital Planning – School of Nursing and Health Professions Renovations Project Presentation – Mr. Ganues provided background on the project, as related to the 2019 facility index that The Collaborative Inc., developed for all of the buildings on the Toledo Campus. Mr. Rowe asked about the student fill rate in the programs, which President Somerville commented that the health profession programs, including the nursing program, fill to capacity. Mr. Johnson asked when a full year of new income would be recognized. Mr. Ganues commented that the key is to prioritize the Nursing and Dental labs to be up and running, and the balance of the programs to be in a phased approach, about 1.5 years/estimated 2025. Mr. Ganues commented on the interprofessional and hospital setting as a forefront of educational design. Mr. Ganues commented on funding and he noted the delay in the state capital appropriation, which would have covered the architect/engineer fees and utility preparation; also, there is a request to use state HEERF one-time funds to invest into the programs but no update on status. He briefly commented that other financial options may need to be considered. Mr. Ganues commented on the time line to start either in July or September 2022, depending on the timing of the state capital appropriation. He suggested a potential recommendation to request the Board's prior authorization for the use of local funds for the architect/engineering fees in order to keep to a July start on the time line. President Somerville commented that a 3-month delay would translate into a semester delay for the occupancy of the renovated space. Mr. Shaffer commented on the health selective process and timing for student cohorts. Mr. Johnson commented that he is supportive, and to also review how to take advantage of funding options, including reviewing space options for the square footage …such as reducing additional new space and to concentrate on renovating existing square footage. President Somerville commented on the State auditor's statewide space audit that supports renovations of existing square footage.

Annual Investment Policy Review – Mr. Johnson conducted the annual policy review, and there were no changes suggested.

Adjournment – As there was no further business, Mr. Johnson declared the meeting adjourned at 9:57 a.m.

Accepted 9-27-22