

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE MEETING
October 20, 2016

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 Tom Uhler 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, Dee Talmage and Tom Uhler (3). Board Chair Ed Nagle was in attendance.

Approval of Minutes – The minutes of the September 15, 2016 meeting were sent in advance and hearing no corrections, Trustee Uhler declared the minutes approved.

REPORT OF THE TREASURER

Monthly Financial Statements – Mr. Cannon commented on financial statements for the period ending September 30, 2016, and he noted a strong financial projection for FY 2017. He commented on the September projected year-end FY 2017 net gain, \$3.1 million, which exceeded the budgeted projected net gain, \$2.4 million, due to actual summer and fall enrollments and tuition revenue being better than projected. He noted the improvement of the projected operating gain (loss) after depreciation, (\$887,722).

He commented on projected total FY 2017 revenue of \$74,500,109. He commented that the September year-to-date FY 2017 total expenditures were significantly lower than the September year-to-date FY 2016 due to payroll and timing of pay periods.

On the FY 2017 Unrestricted General Fund, Mr. Cannon commented on the percentages for FY 2017 collected/expended being in the 25 percent range and having a better cash position.

On the FY 2017 Auxiliary Fund, Mr. Cannon commented on better control and direction with three self-sustaining accounts of Events, Copy Center and Findlay Child Care Center. He commented on the continued improvement of the Findlay Child Care Center from unable to break-even two years ago to the present time of exceeding anticipated revenue due to the enrollment program. Mr. Cannon commented on the fee schedule increase, which he would like to explore the process of fee schedule adjustments.

On the FY 2017 Statement of Net Position (balance sheet) for the period ending September 30, 2016, Mr. Cannon commented on the \$14 million cash/investment position, as compared to June 30, 2016 at \$8.3 million. He commented on the August net assets, unrestricted, being misleading due to timing of posting revenue. As of September, the net assets, unrestricted, are up-to-date at \$8.5 million. Mr. Cannon commented on the September 2016 to September 2015 comparison of the cash position, which reflected an increase from \$5 million in 2015 to \$14 million in 2016, which he noted was due to the hard work of controlling expenditures.

On the Investments for the period ending September 30, 2016, Mr. Cannon noted the 1.15 percent interest rate for the certificates of deposit for two years. He commented that Star Ohio has been built up to assist with cash flow liquidity.

FY 2016 Audit – Mr. Cannon commented on an anticipated 3.0 Senate Bill 6 ratio for FY 2016, which has been shared with the Office of Budget Management, Ohio Department of Higher Education and the Ohio Auditor of State Office. He emphasized the continued need to build the reserves. He noted that the FY 2016 audit was finalized; however, still pending certification from the Ohio Auditor of State. He commented that to exit from fiscal watch, the State has other subjective criteria; he noted that the College has made progress on the recommendations from the September 2015 Auditor of State Financial Accounting Report due to the fiscal watch. He commented on inviting Dave Thompson, Office of the State Auditor to the Audit Conference in November.

Report of Budget Transfers – Mr. Cannon reviewed the report of budget transfers for September through November 1. In response to Mr. Uhler with respect to the budget authorities, Mr. Cannon commented the majority of budget authorities have been very good with budget transfers; however, a better handle is needed, account by account; and, the Business Affairs staff has to meet with departments for discussion and input on budget transfers. He noted that the institution will need to select priorities; there is no new money for the budget. Mr. Cannon commented on budget transfers at the beginning and at the end of the fiscal year; he would like to have budget transfers early in the fiscal year to make sure the coding and campus designations are accurate for tracking costs. Mr. Cannon commented on the new practice for the Follett Bookstore to require a college purchase order prior to chargebacks.

Cash Transfer Recommendation – Mr. Cannon commented on the Cash Transfers From the General/Unrestricted to 1) Plant, \$2 million; and, 2) Scholarships, \$500,000. The first, Plant, is for the deferred maintenance of facilities and infrastructure such as roofs, boilers, HVAC, etc., which have aged and are costly to replace. The intent is to have a plan on funding deferred maintenance as needed and to establish a cycle. The Executive Director of Operations will prioritize and develop a schedule.

The second transfer, Scholarships, is for the Federal financial aid scholarships, now being packaged in October (earlier from the former January). Mr. Cannon noted that at this time it is not known what the College will get from the Feds to back up the early student commitment on Federal student loans/financial aid. It is to be an unrestricted fund and earmarked to cover Federal financial aid needs. Mr. Nagle referenced how to reduce the budgeted \$1.2 million bad debt expense for FY 2017, and Mr. Ganues commented on the college student population, the enrollment rate and being a the business operation.

Non-General Fee Phase In – Mr. Cannon commented on the balance of affordability and quality of instruction. He provided handouts of:

1. Ohio public college instructional fee amounts for full-time enrollment
2. Sorted by two-year college, the instructional fee amounts for full-time enrollment
3. Ohio public college summary of general and other fees for full-time enrollment
4. Local area college comparison of fees
- 5/6/8. Fee review – Owens expenditure of fees by activity code
7. Community college comparison of fees

Mr. Cannon noted that Owens tuition and non-general fees, as compared to the local area colleges, is on par and slightly less than the area’s community colleges.

Mr. Cannon noted that the Owens expenditures of fees by activity code reflects what is needed to operate. Feedback was provided from the Student Activities operations and the recommended increase is on par with the continued review and the student support services provided, which include the Student Health and Activities Center, the student newspaper, mental health services and more.

Mr. Cannon noted that the registration fee of \$20 is charged to students having less than 12 credit hours, and he recommended an increase to \$25 to cover the services provided.

Mr. Cannon noted that the technologies fees help with the replacement and maintenance costs of equipment, software and hardware for academics and administrative operations. He commented that it is slightly higher than the comparison but overall tuition and fees at Owens are affordable. There was discussion of the loss reflected from the academic tech fee and the potential to increase to the \$9.00 per credit hour level in order to minimize the loss over the fiscal year, which consensus was provided.

Mr. Cannon commented on the need to plan and develop the FY 2018 budget and due to the uncertainty of revenue from the State of Ohio, he would like to recommend a non-general fee increase, effective for Spring Semester 2017. He also commented on a recommendation to include language to increase tuition contingent upon the State’s allowance in the State budget, effective for Fall Semester 2017.

Ms. Talmage made a motion, which was seconded by Ms. Hammond, to forward a recommendation to increase non-general fees to the full Board of Trustees at the next regular meeting, November 1, 2016. Following a voice vote, the motion was adopted.

Table 1 – Non-General Fees Phase-In

Non-General Fees	<i>(Since inception 1990’s, 2000’s) FY 2015</i>	<i>(Board adopted 12-1-15 – Effective Fall Semester 2015) FY 2016</i>	<i>(Board adopted 4-5-16 – Effective Summer Semester 2016) FY 2017 (Current)</i>	<i>(Recommendation 11-1-16 – For Spring Semester 2017) FY 2017 (Proposed)</i>
		6 or more credit hours:	6 or more credit hours:	6 or more credit hours:
Academic Technology	\$1.75/Credit Hour	\$6.00/Credit Hour	\$7.00/Credit Hour	\$9.00/Credit Hour
Administrative Technology	\$1.25/Credit Hour	\$10.25/Credit Hour	\$15.00/Credit Hour	\$19.00/Credit Hour
Student Activities/Engagement	\$.50/Credit Hour	\$2.00/Credit Hour	\$4.00/Credit Hour	\$4.50/Credit Hour
Computer Usage	\$.50/Credit Hour	\$2.00/Credit Hour	\$4.00/Credit Hour	\$6.00/Credit Hour
E-Learning Fee (on-line class)	\$5.00/Credit Hour	\$20.00/Credit Hour	<i>(No change proposed) (\$20.00/Credit Hour)</i>	<i>(No change proposed) (\$20.00/Credit Hour)</i>
			12 or less credit hours:	12 or less credit hours:
Registration Fee	\$10.00 per semester	\$10.00 per semester	\$20.00 per semester	\$25.00 per semester

2016-2017 Schedule of Finance Committee Meetings – Mr. Uhler stated the meeting schedule was amended from the previous meeting discussion. Hearing no further comments, Mr. Uhler stated the schedule is accepted.

EXECUTIVE SESSION

Mr. Uhler announced an executive session for discussion of the sale of property and for personnel, specifically for compensation of public employees. Ms. Talmage made a motion to adjourn to executive session as specified. Ms. Hammond seconded the motion, and Mr. Uhler called for a roll call vote. Roll Call: Rich Rowe, yea; Diana Talmage, yea; Thomas Uhler (3).

Upon return from executive session, roll call was taken and the following members were present: Mary Beth Hammond, Diana Talmage and Thomas Uhler, (3).

Good of the Order – Mr. Cannon commented on the Auditor of State Office reports of the audit of the College’s School Employees Retirement System (SERS) and the State Teachers Retirement System (STRS), which there were no findings. He noted that the College’s withholdings for SERS and STRS are accurate.

Adjournment – As there was no further business to discuss, Mr. Uhler declared the meeting adjourned at 4:40 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

Approved 11-17-16