

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE
November 2, 2009

A meeting of the Finance Committee was held in the President's Office conference room #215 of Administration Hall on the Owens Community College Toledo-area Campus.

Call to Order –Finance Chair Rich Rowe called the meeting to order at 2:05 p.m., and directed the record to show that the Finance Committee meeting was held in accordance with the Ohio Revised Code, Chapter 3358, and the policies of the Board of Trustees.

Roll Call – Roll Call was taken and the following committee members were present: Mr. Allan Libbe, and Mr. Rich Rowe (2). Dr. McMaster arrived after roll call.

Attendees – The following trustees were in attendance at today's meeting: John Moore, Board Chair, and Dee Talmage, Vice Chair. The following administrators were in attendance at today's meeting: Mr. John Satkowski, Ms. Pat Jezak, Dr. Paul Unger, Dr. Cynthia Eschenburg, Mr. Michael McDonald, Mr. Brian Paskvan, Ms. Laurie Sabin and guest, Mr. Robb Rose, Partner, Plante and Moran LLC.

Approval of Minutes – The minutes of the September 1, 2009 meeting were previously received, and Trustee Rowe declared that the minutes stand approved as submitted.

Recognition of Visitors – The Trustees greeted Mr. Robb Rose, Partner, Plante and Moran.

EXECUTIVE SESSION

Mr. Rowe announced an executive session for the annual fiscal year audit review with Mr. Rose. Mr. Libbe made a motion to adjourn to executive session for the reason specified. Mr. Rowe seconded the motion. Mr. Rowe called for a roll call vote. Roll Call: Allan Libbe, yea; and Rich Rowe, yea (2).

Mr. Moore and Dr. McMaster arrived at 2:07 p.m. in executive session.

Upon return from executive session, roll call was taken and the following members were present: Mr. Libbe, Dr. McMaster and Mr. Rowe (3).

Facilities Update - Mr. Paskvan and Mr. McDonald arrived at the meeting. Mr. Satkowski reviewed the projects and fund balances for basic renovations, and Mr. McDonald reviewed the renovations and fund balances related to the facilities purchased from Penta. Mr. Satkowski reviewed the project proposals of a wind cube and of a photovoltaic (solar) array. Dr. Unger stated that the College can use administrative fees from the federal stimulus grant funds to offset the alternative energy projects that will be utilized as learning laboratories.

Mr. McDonald explained the wind cube concept, and he noted that a partnership has been offered by Green Energy Technology of Akron, Ohio. The wind cube can increase the speed of the wind by shrouding the area around the propeller to generate about 8 times more energy. Green Energy Technology has guaranteed to the State of Ohio that they will utilize Ohio-based suppliers. Green Energy would like to place a wind cube on top of Health Technologies Hall.

The existing O's would be removed and later placed in the alumni mall space. He noted that the steel structure on top of Health Technologies is similar to the structure that would be used to support the propellers. The diameter of the wind cube would be 20 feet, and it would generate 50 kilowatts of energy, which would offset about 15 percent of the electric consumption in that building. The wind cube would be unique to a campus of higher education. A partnership with Green Energy Technology would provide a donation of the wind cube. Mr. Satkowski noted that they are currently investigating the structure and roof integrity of Health Technologies. If the structural tests pass, then a recommendation to install a wind cube would be forwarded to the Board of Trustees.

Mr. Satkowski reviewed a proposal to install a photovoltaic (solar) array field next to the Industrial/Engineering Technologies (IET) building on the east side of campus. This would be a partnership with First Solar Corporation of Perrysburg, as they have agreed to discount the price of the panels utilizing their "thin film" design. The photovoltaic array field would provide approximately 11 percent of the electric consumption of the IET building, which could also be coupled with the 14 percent efficiency expected from the wind turbine. In addition, Dr. Unger noted that the solar array would be used to enhance the College's academic and training programs in alternative energy. The cost of the project is not to exceed \$250,000, and it will be funded through the State's capital appropriations for basic renovations. John Satkowski has noted that the photovoltaic array will provide a payback in 14 years. Mr. Satkowski will forward a recommendation to the Board of Trustees for the November 10 meeting.

Mr. McDonald reviewed the status of implementing the Energy Strategic Plan. He stated that requests for proposals were issued for energy systems on campus. The return on investment over the long term will be based on the performance contract, which will guarantee the savings. Business Affairs is working with the Attorney General's Office on contract language. Dr. McMaster asked if the selected proposal would exceed the State requirements on energy, and Mr. McDonald confirmed that it would. At the conclusion of his report, Mr. McDonald left the meeting.

State Budget and Funding Update – Mr. Satkowski stated that no news is good news. He said that the State's revenues have been meeting the targets. The Governor's video lottery terminal proposal was turned down. There still is a hole in the 2nd year of the biennial budget. The State is now looking at deferring income tax revenue to the second year to plug the hole in the budget. At this time, there are no rumblings about any executive order cuts. He stated that the College still has a cushion in its current fiscal year budget. Mr. Satkowski stated that there is nothing new with respect to future capital appropriations; however, it will be structured for less funding. The College usually receives between \$4 million to \$5 million for capital appropriations. Mr. Satkowski noted that on September 28, the Controlling Board approved the recommendation to modify the College's tuition schedule for the 13th and 14th credit hours. He noted that the next Finance Committee meeting should be scheduled in December or January to review tuition for summer semester.

Compensation and Benefits – Dr. Eschenburg reported that every two years the salary schedule is adjusted for adjunct faculty and part-time instructional staff teaching credit classes. Dr. Eschenburg noted that a pool of dollars will give Human Resources the flexibility to adjust compensation to be competitive, especially in the disciplines where it is more challenging to recruit qualified candidates for adjunct faculty and part-time instructional positions. Mr. Satkowski noted that for the remainder of the current fiscal year, a pool of \$210,000 could be established in the budget. Mr. Rowe asked if it is difficult to recruit adjunct faculty and is the

College short in any areas. Dr. Unger responded, yes it is difficult to recruit, and we'd like to adjust the differential amounts between the credentials of degrees for bachelor's, master's, or even to attract Ph.D. prepared candidates.

Dr. McMaster made a motion for the Finance Committee to present to the Board of Trustees at the November 10 regular meeting, the President's and Treasurer's recommendation of a compensation pool not to exceed \$210,000 for the current fiscal year for the adjustment of the per credit hour and per contact hour rates of pay, effective January 1, 2010, for non-bargaining unit adjunct faculty and part-time for credit instructional employees. Mr. Libbe seconded the motion. The motion was adopted following a voice vote.

Mr. Satkowski stated that a recommendation will be made to the Board of Trustees at their December meeting to consider establishing a compensation pool, not to exceed a determined amount for the current fiscal year budget for salary adjustments to full-time exempt and non-exempt staff, who are not part of any bargaining unit, based on savings from a more cost effective health care benefits plan. The increases would be within the parameters of the increases negotiated, based on health care plan savings, for the bargaining unit employees. Mr. Satkowski noted that agreements have been executed with new health care providers: Medical Mutual of Ohio and EHPCO/Caremark. The College is now in the process of enrolling employees.

Other – Mr. Moore asked for an update on the facility in Arrowhead Park. Mr. Satkowski stated that the landlord will make the November 15 construction deadline. Everything has gone very smoothly. Dr. Unger noted that classes at Arrowhead will begin as a 14-week semester with a start date in mid-January.

Adjournment – As there was no further business to discuss, Trustee Rowe declared the meeting adjourned at 3:20 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

APPROVED 12-14-2009