

CLARK STATE COMMUNITY COLLEGE BOARD OF TRUSTEES REGULAR MEETING

Minutes
October 16, 2012

The Clark State Community College Board of Trustees met in regular session in the Boardroom of the Sara T. Landess Technology and Learning Center on Tuesday, October 16, 2012. Chairman Andy Bell presided and called the meeting to order at 6:08 p.m.

Roll Call: Present: Jim Doyle, Sharon Evans, Bill Mercurio, Peggy Noonan, Brad Phillips, Élise Spriggs, Heather Tiefenthaler, Chairman Andy Bell, and President Rafinski

Excused: Heather Corbin

Others Present: Jane Cape, Dean of Business and Applied Technologies; Martha Crawmer, Dean of Arts and Sciences; Kris Culp*, Vice President of Advancement; Julia Daniels, Administrative Assistant for Health, Human and Public Services/Staff Senator; David Devier, Vice President of Academic and Student Affairs; Theresa Felder, Interim Dean of the Greene Center; Joe Jackson, Vice President for Business Affairs; Dee Malcuit, Associate Professor, Arts and Sciences/Faculty Senate President; Marvin Nephew, Director of Human Resources; Mellanie Toles, Assistant to the President; and Jacqueline Woods*, Presidential Search Consultant, Academic Search, Inc.

Recognition of Guests

Chairman Bell welcomed the guests, and President Rafinski introduced them.

Public Comment

There were no public comments.

Approval of Minutes

Chairman Bell asked for a motion to approve the minutes of the Regular Board Meeting held on September 18, 2012. Trustee Spriggs made a motion to approve the minutes as presented; Trustee Phillips seconded, and the motion passed unanimously.

Presentation

The scheduled presentation on the Employee Benefit Package was delivered by Marvin Nephew, Director of Human Resources, during the Work Session instead.

2011-2012 Unaudited Financial Report

The audit report for the College and the Foundation was submitted to the Auditor of State for review on October 15, 2012. Until this review is complete and the Auditor of State has certified the report with the Clerk of the Bureau, the report is not considered to be public information.

Statement of Net Assets – Total net assets increased \$2.7 million (6.5%). This increase was the result of a combination of the following increases and decreases:

- Total current assets decreased \$0.6 million
- Capital assets increased \$1.8 million
- Current liabilities decreased \$1 million
- Non-current liabilities decreased \$0.5 million

Statement of Revenue Expense and Changes in Net Assets – The \$2.6 million increase in net assets is \$3.2 million less than FY 2011 due to:

- Total operating revenues decreased \$2 million
- Total operating expenses decreased \$0.2 million
- The total operating loss of \$21.4 million is \$1.8 million more than the FY 2011 operating loss
- Non-operating revenues increased \$0.3 million
- Capital grants, gifts and appropriations decreased \$1.7 million
- Net assets at the end of the year totaled \$43.5 million

Preliminary Senate Bill 6 ratios composite score held steady at 3.9.

An exit conference is scheduled with the Board Finance and Facilities Committee and representatives from Clark Schaefer Hackett & Co., for November 6, 2012, at noon in TLC 113.

Action on the audit report will be requested by the full Board at the November 20, 2012, meeting after it has been reviewed by the Board Finance and Facilities Committee.

Greene Center Year-End Finances

Revenue and expenditure information for the year ended June 30, 2012, reflecting actual versus budget was distributed to Trustees prior to the meeting. The following was noted:

Revenue

OBR State Share of Instruction (SSI) and Student Tuition revenue reflects the fact that actual enrollment exceeded budget enrollment by 42%. Enrollment at the Greene Center comprised 16% of the total College enrollment for FY 2012.

As we continue to segregate the Bookstore operation for the Greene Center, we continue to have difficulty getting the numbers to match up. We are looking into whether revenue is understated or expenses are overstated.

Total revenue is showing a positive variance from budget due to the enrollment increase.

Expenditures

Faculty and staff salaries exceeded budget due to ramping up the academic support services available at the Greene Center sooner than expected. Adjunct faculty salaries exceeded budget in order to handle the increased enrollment.

The security firm was contracted for additional hours in order to provide a presence for the Weekend College initiative where classes were held on Friday nights and Saturdays.

The building maintenance contracts budget was overspent because we omitted budgeting for the building controls contract.

Actual revenues exceeded budget by \$1,074,000 while actual expenditures were less than budget by \$194,000. This resulted in a surplus of a little over \$1.2 million.

Quarterly Financial Reports

The quarterly revenue/expenditure report along with the Balance Sheet and the Statement of Restricted Income and Charges were distributed to Trustees prior to the meeting.

Revenue

Ohio Board of Regents State Share of Instruction (SSI) – The FY 2013 budget is based on preliminary enrollment numbers for FY 2012 for the entire two-year college sector. These enrollment numbers will soon be certified by the Ohio Board of Regents.

Student Fees – Summer enrollment was projected to decrease 20%. Actual enrollment shows a decrease of 22% which has a negative budget impact of \$25,400. Fall enrollment was projected to decrease 5.6%. Actual enrollment shows a decrease of 7.2% which has a negative budget impact of \$101,600. We continue to enroll students for the compressed eight-week academic term which begins in October.

All other revenue line items are lagging budget.

Total revenue is up \$1.9 million (20.9%) from the previous fiscal year. However, the increase in student fee revenue is due to the timing of fee receipts under the semester calendar. SSI has increased about \$170,000 (8.9%).

Expenditures

Instruction – Expenses increased \$321,000 (12.7%). Full-time faculty salaries and adjunct faculty salaries are up \$191,000 compared to last year due to accelerating payroll by two weeks because of the earlier academic year start-up.

General Expenses – Expenses increased \$166,000 (17.6%). Marketing expenses are up \$61,000 and expenses for IT maintenance contracts are up \$43,000.

General Administration – Expenses decreased \$213,000 (28.6%). This decrease is the result of a timing difference in that last year's expense reflected a \$350,000 debt service payment while this year that payment will be reflected in October.

Public Service – Expenses decreased \$51,000 (14.6%). Full-time and part-time salary/benefits for the department are down \$33,000. Expenses related to Code Blue job training are down \$23,000.

Total expenses are up \$220,000 (3.8%).

Auxiliary Enterprises

Bookstore – Revenue is close to the expectation at this time of the year. It has been challenging to project the timing of revenues due to conversion to the semester calendar which entails not only the major academic terms but also implementing eight-week classes. We are currently looking into the expenditures through September as they seem to be higher than what was expected. It appears that we currently have higher inventory levels than we normally would at this time of year and are investigating on whether we over-ordered or if students are choosing to purchase books from other sources.

Commercial Transportation Training Center – Revenue is down \$40,000 (31.3%). The average class size has been around 6 students versus 10. There are two classes scheduled to start in October and the first class has 10 students enrolled. September expenses included repairs, new tires, higher fuel costs and the quarterly yard lease payment. These expenses totaled \$26,000 that all hit during the month of September.

Balance Sheet

Total current funds have increased \$2.75 million (15.6%) compared to the first quarter of FY 2012. This increase is a result of a \$2.1 million (16.5%) increase in General Funds (cash increased \$1.4 million; accounts receivable increased \$200,000), a \$437,000 (18.5%) increase in Auxiliary Funds (cash increased \$385,000), and a \$259,000 increase (9.4%) in Restricted Funds.

Total Investment in Plant is just under \$46 million compared to \$44 million last year at this time. This increase is due to the construction and capitalization of the fire training tower, renovations at the Greene Center, interior renovation of the PAC, and the water/sewer infrastructure projects.

Restricted Statement

The restricted budgets, along with the grantor stipulations, were approved by Trustees at the September 2012 Board meeting. Any grants/contracts where the expended/encumbered amount exceeds the received amount is the result of a timing issue. Many programs require quarterly billings which will go out during the month after quarter end. The student financial aid Pell grants are drawn monthly on the 15th. In September, we drew down \$3.9 million which was all that was available at that time. Additional grants have been approved and \$1.1 million was drawn down the week of October 8. A description of all of the programs reflected can be found in the attachment to the Restricted Statement.

Greene Center Quarterly Financial Report

A report reflecting the first quarter financial information at the Greene Center was distributed to Trustees prior to the meeting. The following was noted:

- Revenues and expenditures are tracking favorably with budget.
- There seems to be a problem with the September Actual Bookstore revenue reported which we are currently looking into.
- Enrollments at the Greene Center were down slightly during the summer but are up in fall.
- The renovations that took place over the summer included creating an additional science lab and allied health lab, which are now fully operational. Academic support spaces were renovated and created including constructing offices and hiring additional staff. Ten full-time faculty are now located at the Greene Center in private offices.

- The total annual expenditure budget has increased from \$2.9 million to \$3.5 million (20%) to accommodate this full array of academic and support services for students attending at the Greene Center.

Human Resources Update

Filled Positions:

Non-Exempt:

- *Catherine L. Smith*, Customer Service Specialist, (.50 FTE), effective October 1, 2012
- *Kelly E. Neriani*, Research and Analysis Specialist, (1.0 FTE), effective October 15, 2012

Retirements:

Instructional Faculty:

- *Professor Lynn Mealy*, Arts and Sciences Division, effective January 1, 2013

Open/Advertised Positions/Searches/Interviews:

Non-Exempt:

- Maintenance Technician (1.0 FTE)

Exempt:

- Academic Affairs Coordinator-Greene Center (1.0 FTE)
- At-Risk Student Advisor (1.0 FTE)

Liaison Reports

Clark State Foundation/Circle of Friends

- The Foundation fund balance as of 6-30-12 is \$13.0 million.
- The Foundation has three new Board Members: Clete Buddelmeyer (Beavercreek Chamber of Commerce), David Lamb (Speedway) and Steve Neely (Armoloy),
- Interviews for the next class of Champion City Scholars will take place during the week of October 8.
- Preparations are nearing completion for the Circle of Friends dinner and concert honoring Dr. and Mrs. Nicholas Pavlatos on October 13. More than \$39,000 in sponsorships has been secured. Tickets are still available.

Council of Governments

- Center enrollment is at 86% of capacity, with 103 children enrolled. Staffing levels are adequate at this time.
- The unaudited 2011-2012 year-end financial reports indicate a net gain of approximately \$52,000. Once the financials are finalized, the Council will analyze the cost-sharing efforts of both entities and determine whether reimbursement can be made. This will be discussed at the December meeting.
- Council Chair Karen Rafinski will work with Director Deb Kimble to establish her goals for the year; they will be presented for approval at the December meeting.

Action Item

The following item was presented for Board approval:

Personnel Recommendation ~ Instructional Faculty

In accordance with established hiring procedures and after approval by President Rafinski, the following recommendation for instructional faculty is being presented to the Board of Trustees for formal approval:

Retirement:

- *Lynn Mealy*, Professor, Arts and Science Division (1.0 FTE), effective January 1, 2013

Impact on students and/or student learning: Position will not be filled at this time. Teaching duties will be covered by Adjunct Faculty.

Implications for budget, personnel, or other resources: No impact on budget as this position is already built into the 2012-2013 budget.

It was requested that the Board of Trustees move to accept the personnel recommendation as indicated.

Trustee Spriggs made a motion to accept the personnel recommendation as indicated. Trustee Mercurio seconded, and the motion passed unanimously.

Report of the President

President Rafinski reported the following:

- On October 21 and 22, we will have a short HLC Site Visit to get approval to offer degrees at the Miami Valley Career Technology Center and Ohio Hi-Point Career Center, including the Urbana campus. Dr. Devier is coordinating the visit and approval process. The visit itinerary was shared with Trustees.
- Chancellor Petro is holding a statewide Complete Ohio Conference on November 13, 2012, from 9:00 a.m. to 4:00 p.m. at Columbus State Community College. Trustees are encouraged to attend.
- The Association of Community College Trustees Federal Relations Update was recently released and was distributed to Trustees. The document details the Pell grant, which is the most critical for our students. Reform is definitely being considered; it is the biggest issue on the legislative agenda. The document also lists a variety of programs for which funding will be cut should sequestration occur. The status of the Workforce Investment Act and Dream Act are also outlined.
- The College's annual Campus Crime Report was recently completed and submitted to the federal government. The largest number of incidents involved theft in buildings and vehicles. The report was distributed to Trustees and is available on our website.
- A recent newspaper article indicated that Wright State plans to refinance \$14.5 million of outstanding debt at 2.91 percent, down from their current rate of 4.5 percent. Our 2010 bonds cannot be refinanced, but Vice President Jackson is checking into the possibility of refinancing our 2006 bonds, which are currently at 4.2 percent.

Report of the Board Chair

Chairman Bell reported that Trustees Phillips, Spriggs, and Tiefenthaler have agreed to serve on this year's Nominating Committee.

*Kris Culp and Jacqueline Woods entered the meeting at 6:36 p.m.

Chairman Bell also reported that the STEM School Board met for the first time and is off and running. RFPs have been sent out for various services, and the lease is under development. It is hoped that the curriculum will be finalized by December. The next step will be recruiting students.

Chairman Bell encouraged Trustees to attend Association of Community College Trustees (ACCT) conferences if possible. He noted that the people are top notch, and the sessions are very informative. The themes of the recent conference he and others attended in Boston were collaboration and student success, which may be discussed at the next Work Session.

Trustees' Open Forum

Trustee Mercurio indicated that this would be his last meeting on the Board since his term expires November 30th, and he will be out of state during the November Board Meeting. He noted that he has enjoyed his time on the Board and is very pleased with the growth of the Greene Center, which has exceeded everyone's expectations. He felt that President Rafinski and the staff should be commended for that. He also noted that he does not feel that the College gets as much credit as it deserves; it is a true gem that has helped Greene County and the larger community we serve, and we should pat ourselves on the back more by widely publicizing our offerings and accomplishments. He cautioned the group about continuing to try to do all things for all people and encouraged cautious growth management by controlling costs. He noted that he would love for Clark State to lead the pack in reducing tuition in the future. The group wished Trustee Mercurio well in his future endeavors and noted that his presence will be missed on the Board.

Executive Session – Personnel Matters

Trustee Mercurio made a motion to move into Executive Session to discuss personnel matters. Trustee Noonan seconded, and the motion passed 8-0 by a roll call vote. Executive Session commenced at 6:48 p.m.

Trustee Phillips made a motion to exit Executive Session and return to general session at 8:01 p.m. Trustee Doyle seconded, and the motion passed 8-0.

Adjournment

Trustee Phillips made a motion to adjourn the meeting, and Trustee Tiefenthaler seconded. The motion passed unanimously, and the meeting adjourned at 8:02 p.m.