

# CLARK STATE COMMUNITY COLLEGE BOARD OF TRUSTEES REGULAR MEETING

## Minutes November 18, 2014

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, November 18, 2014. Chairman Jim Doyle presided and called the meeting to order at 6:18 p.m.

**Roll Call:** Present: Andy Bell, Sharon Evans, Mike McDorman, Brad Phillips, Vice Chair Peggy Noonan, Chairman Jim Doyle, and President Jo Alice Blondin

Excused: Heather Corbin and Pam Strickler

Others Present: Adele Adkins, Executive Director of the Performing Arts Center; Ed Busher, Dean of Student Support Services; Jane Cape, Dean of Business and Applied Technologies; Martha Crawmer, Dean of Arts and Sciences; Kris Culp, Vice President of Advancement; Dixie Depew, Controller; Julia Daniels, Administrative Assistant to the Dean of Health and Human Services/Staff Senator; Jennifer Dietsch, Director of Marketing; Theresa Felder, Vice President of Student Affairs and Greene Center Operations; Matt Franz, Director of Information Technology; Duane Hodge, Director of Workforce Development, Sales and Outreach; Joseph Jackson, Vice President for Business Affairs; Teresa Kelble, Payroll Specialist/Staff Senator; Dee Malcuit, Associate Professor, Arts and Sciences/Faculty Senate President; Matthew Malcuit, Health/Sciences Lab Assistant/Staff Senator; Daniel Malone, Student Senate President; Jim Miller, Assistant Attorney General, Education Section, State of Ohio; Mary Murphy, Human Resources Specialist/Staff Senator; Twila Murray, Career Specialist/Staff Senate President; Toni Overholser, Director of Business and Community Development; Cindra Phillips, Manager, Center for Teaching and Learning/Staff Senator; Dr. Amit Singh, Vice President of Academic Affairs; Amy Sues, Director of Strengthening Student Success and Completion; Mellanie Toles, Assistant to the President; Laura Whetstone, Acting Director of Human Resources; Kathy Wilcox, Dean of Health, Human and Public Services; Nina Wiley, Dean of Enrollment Services; and Vinnie Zicoello, Senior IT Executive, CampusWorks

### Recognition of Guests

President Blondin welcomed the guests and asked them to introduce themselves.

### Public Comment

There were no public comments.

### Approval of Minutes

Chairman Doyle asked for a motion to approve the minutes of the Regular Board Meeting held on October 28, 2014. Trustee McDorman made a motion to approve the minutes as presented; Trustee Phillips seconded, and the motion passed unanimously.

## **Board Finance and Facilities Committee Report**

The Board Finance and Facilities Committee met Tuesday, November 4, 2014, at 7:30 a.m. in the TLC Boardroom. Those present included: Peg Noonan, Committee Chair; Committee Members Andy Bell and Brad Phillips; Jim Doyle, Board Chair; Dr. Blondin, President; Theresa Felder; Laura Whetstone; Dixie Depew; and Joe Jackson. Guests in attendance from Clark Schaefer Hackett included Larry Weeks, Shareholder in Charge, and Brad Billet, Manager in Charge. Agenda items included:

- Exit Conference with Clark Schaefer Hackett
  - 2013 – 2014 Audited Financial Report
- Annual Planned Allocation for Use of Reserve Funds
- Compensation Resources, Inc. Market Analysis
- Other
- Next Meeting - TBD

Minutes of the meeting have been distributed to all Trustees.

### **Financial Statements through October 2014**

Revenue and expenditure information for the General Fund and each of the Auxiliary Enterprises through October 2014 were distributed to Trustees prior to the meeting; the following was noted:

#### Revenue

Ohio Board of Regents (OBR) State Share of Instruction (SSI) – The FY 2015 budget is based on course completion (50%), success points (25%) and completion milestones (25%). The most recent projection from the OBR of \$11,045,000 is \$41,000 above budget. FY 2014 enrollments are in process of being certified by the OBR with the expectation that final SSI revenue for FY 2015 will be communicated to all institutions by late November.

Student Fees – Enrollment for this fiscal year was budgeted based on an increase of 2.5%. Actual enrollment for Fall Semester is approximately 1.7% above Fall Semester 2013. Registration for Spring 2015 Semester began October 20<sup>th</sup>. Through October 31<sup>st</sup> registrations are at 28% of total Spring 2014 Semester final enrollments.

Total revenue is up \$2.1 million from the previous fiscal year. This increase is a result of an increase in student fee revenue (due to beginning Spring registration two weeks earlier than last year), Business and Industry training activity, non-credit continuing education enrollments and lease receipts.

#### Expenditures

Instruction – Expenses increased \$649,000 (22.6%). Even though expenses have increased, we are tracking within 2.1% of budget. The increase is due to adding assistant dean positions and new faculty positions.

Academic Support – Expenses increased \$28,000 (24.3%). The increase is due to upgrading the software for video streaming for on-line learning and the timing of payments for our internet service connection.

Operation/Maintenance of Plant – Expenses increased \$74,000 (6.2%). Even though expenses have increased, we are tracking favorably to budget. The increase is due to building and grounds maintenance

expenses, increase in electric utility costs and the purchase of a College vehicle.

Student Services – Expenses increased \$158,000 (21.1%). The increase is due to software expenses for career services and enrollment tracking previously paid by Title III. There were also increases in staffing related to the Student Services reorganization, including the addition of a Director at the Greene Center and an increase in the number of advisors. Lastly, some of the advising salary and benefit expenses previously paid by the Title III grant are now being picked up by the general fund.

General Expense – Expenses increased \$491,000 (36.9%). The increase is due to expenses related to consulting charges for the Marketing/Branding Project and the IT Project. Also, there were cost increases for our administrative software system and the upgrade of the helpdesk computerized system. The increase was also a result of an increase in trustee scholarships and the timing of recording of dual enrollment scholarships.

Public Service – Expenses decreased \$67,000 (10.8%). The decrease was caused by the elimination of a support position in Business and Industry, the vacancy of the PAC Executive Director position and the timing of the payment of fees to PAC performers.

Total expenses are up \$1.3 million (18.5%). Approximately \$480,000 of this increase is because there were three payrolls in October (last year this occurred in November).

#### Auxiliary Enterprises

Bookstore – Revenue is up \$178,000 (10.1%) and expenses are up \$205,000 (12.0%). The increase can be attributed in part to an increase in the cost of temporary employees to increase staffing at peak times so there was less of a student wait. The increase is also the result of a restructuring of staffing, cost increases associated with textbooks, along with additional class sections added at the Greene Center and Logan County. We fully expect all bookstore operations to operate in the black for this fiscal year.

Commercial Transportation Training Center and Parking – Both of these auxiliary enterprises are showing net surpluses.

#### **Performing Arts Center Endowment Report**

The Foundation agreed to invest the Performing Arts Center (PAC) Endowment funds that were transferred from the College as a restrictive endowment fund known as the Clark State Performing Arts Center Endowment Fund. Eligible investments are spelled out in the agreement. The income generated from these funds must be used for the purpose of operating, programming and maintaining the PAC. The Foundation agreed to issue quarterly reports to the Clark State Board of Trustees regarding the status of the investment of the funds. Following is a recap at 9/30/14:

|  |             |
|--|-------------|
| Investment @ Cost (2002 - 2004)                              | \$1,267,243 |
| Interest Earnings (June 2002 to present)                     | \$940,039   |
| Commonfund Management Fees (June 2002 to present)            | \$(59,250)  |
| Foundation Management Fees(2007 - 2014)                      | \$(126,727) |
| Transfer to College for Hollenbeck-Bayley Center (June 2012) | \$(220,000) |
| Expenditures for Performing Arts Center(Aug 2009-Present)    | \$(225,408) |
| Market Gain/(Loss) (June 2002 to present)                    | \$194,923   |
| Balance 9/30/14  | \$1,770,820 |
| Quarterly (Jul-Sep) Rate of Return                           | 0.41%       |
| Barclays Aggregate Bond Index (Jul-Sep Quarter)              | 0.17%       |

|   |        |
|---|--------|
| September Return                          | -0.56% |
| Barclays Aggregate Bond Index (September) | -0.68% |

The Foundation Board approved transferring these funds into the High Quality Bond Fund at its June 2003 meeting. In August 2006, the Foundation Board approved assessing management fees to endowment accounts it manages. This figure (\$126,727) represents the 1.25% fee for eight fiscal years (FY 2007 – FY 2014). Marc Bernhardt from The Commonfund met with the Foundation Finance/Investment Committee on October 15, 2014, to review fund performance, asset allocation, spending policy, and provide a market forecast.

### **Board of Education of the Springfield City School District Lease Agreement**

[This item was removed from the agenda, and no information was presented on the subject.]

### **Human Resources Update**

#### *Filled Position:*

- Jeremy Linn, Interim Fire Training Coordinator, Corporate and Public Services (.75 FTE), effective 11/3/2014

#### *Promotion:*

- Leslie Ray, promoted from Event Management and Communication Specialist, PAC, (1.0 FTE), Grade Level 5 to Conference Services Manager, PAC, Grade Level 5, effective October 27, 2014

#### *Open/Advertised Positions/Searches/Interviews:*

#### Exempt:

- Director, Planning and Risk Management, Business Affairs (1.0 FTE)
- Fire Training Coordinator, Corporate and Public Services (1.0 FTE)
- Project Manager, TAACCCT Grant, Business and Applied Technologies Division (1.0 FTE)
- Assistant Dean, Arts and Science Division (1.0 FTE)
- Dean, Business and Applied Technologies Division (1.0 FTE) – search on hold until Spring 2015 per Dr. Singh

#### Non-Exempt:

- Custodian, Night Shift, Physical Plant (1.0 FTE)
- Data Research Coordinator (.50 FTE)

#### Faculty:

- Instructional Faculty – RN Program – two positions (1.0 FTE)
- Instructional Faculty, Geospatial Technology (1.0 FTE)

#### *Retirement:*

- Greg Ping, Custodian, Physical Plant (1.0 FTE), effective December 31, 2014

#### *Resignations:*

#### Exempt:

- Steve Goheen, Fire Training Coordinator, Corporate and Public Services, (1.0 FTE), effective October 31, 2014

### Non-Exempt:

- Jayna Brown, Academic Advisor, Student Support Services, (1.0 FTE), effective November 14, 2014

### **Compensation Philosophy**

The Board Finance and Facilities Committee discussed the compensation philosophy for the College, and the following is a draft for Board consideration:

Through its mission, Clark State Community College (hereinafter "CSCC" or the "College") seeks to provide access to high-quality education and related services that foster individual and community success. Through its guiding principles of Learning, Community, Partnerships, Innovation, and Diversity, the College seeks to use the power of education to change people's lives.

To that end, the College relies on a team of dedicated employees who contribute to its success, through their knowledge, expertise, and adherence to its mission, vision, and principles. CSCC's compensation and program is designed to help the College achieve these goals, which are consistent with the basic compensation objectives of attracting qualified job candidates, motivating current employees to be more effective, and retaining employees that can contribute to short- and long-term success. To ensure that CSCC's compensation program is consistent with its direction and stated mission, the College has adopted this Compensation Philosophy.

1. CSCC will strive to provide competitive compensation that supports its mission and recognizes the labor markets from which it draws talent, while helping to attract highly qualified individuals necessary to continue to serve the College, its students, and the community. The compensation program shall be sufficiently flexible in response to changing conditions such as market demands, organizational structure, and human capital needs.
2. Total compensation may consist of a variety of components that are designed to provide value in exchange for performing job duties, contributing to organizational success, developing new skills, etc. Each component of total compensation will reflect individual and organizational performance, competitive conditions, and CSCC's overall financial situation.
3. The College will maintain a salary structure that establishes a pay range for base salary for each position that reflects on the value of the position against similar organizations, while accounting for internal equity. This salary structure will be reviewed at a minimum of every five years.
4. Benefits offerings will be targeted at the competitive market, based on the College's ability to maintain such benefits.
5. From time to time, CSCC may implement various recognition awards (either monetary or non-monetary) that are intended to recognize behaviors and/or outcomes that are valued by the College and support the accomplishment of its business and strategic goals.
6. The College strives to provide a quality, flexible, and supportive work environment with challenging career opportunities and the necessary resources to enhance growth in order to attract, retain, and motivate its qualified and experienced employees.
7. The Compensation Program is governed and administered on the basis of merit, qualifications, and competence and is not influenced or in any manner affected by race, religion, national origin, color, sexual orientation, age, disability, marital status, status as covered veterans, or any other characteristics protected by federal, state, or local laws and regulations.

8. CSCC will conduct all business in a moral and ethical fashion, and maintain the highest levels of personal conduct and professional standards.
9. Clark State Community College commits to this Compensation Philosophy. The Board of Trustees will provide the college with vision and goals regarding compensation benchmarks, and the college will be charged with identifying strategies to achieve these goals, based on financial resources available.

## **Liaison Reports**

### Clark State Foundation

- The fund balance as of September 30, 2014, is \$12.6 million.
- The Clark State Foundation Board has not met since the previous Liaison Report.
- The Foundation Scholarship Committee met to review and score scholarship applications for second semester. They will meet with student services staff this month to discuss how to best coordinate College and Foundation scholarships so to streamline the process for students and maximize scholarship funds.
- The Circle of Friends Committee met and gave Adele Adkins input on securing a performer for the gala on April 24, 2015. Adele will begin contacting agents and emailing the committee with potential artists.
- Forty-one (41) new Champion City Scholars were inducted into the program on November 4, 2014.

### Council of Governments

- The Early Childhood Education Center's enrollment is currently at 79% of capacity, and staff continues working to build additional full-time and half-day enrollment.
- Director Clark was selected to participate in a selective ten-month seminar called "Developing Early Childhood Leaders" sponsored by 4C for Children in Dayton. The seminar will include monthly leadership sessions surrounding early child care.
- The Center is providing documentation to support its Step Up to Quality the Five-Star review, which is slated to occur between December and January.

## **Action Items**

The following items were presented for Board approval:

### ***Personnel Recommendations ~ Exempt Employees***

In accordance with established hiring procedures and after approval by President Blondin, the following recommendations for exempt employees are being presented to the Board of Trustees for formal approval:

#### *Filled Position:*

- Jeremy Linn, Interim Fire Training Coordinator, Corporate and Public Services (.75 FTE), effective 11/3/2014

#### *Promotion:*

- Leslie Ray, promoted from Event Management and Communication Specialist, PAC, (1.0 FTE), Grade Level 5 to Conference Services Manager, PAC, Grade Level 5, effective October 27, 2014

#### *Resignation:*

- Steve Goheen, Fire Training Coordinator, Corporate and Public Services, (1.0 FTE), effective October 31, 2014

Impact on students and/or student learning: The Fire Training Coordinator is a replacement position and is critical to the firefighter training offered by Clark State. This position is also responsible for designing, scheduling, and marketing the curriculum.

Implications for budget, personnel, or other resources: All positions are in the 2014-2015 budget.

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

### ***2013-2014 Audited Annual Financial Report***

The audit report for the College and the Foundation was submitted to the Auditor of State for review on October 15, 2014. This review is now complete and the Auditor of State has certified the report with the Clerk of the Bureau, the report is now considered to be public information.

An exit interview was held with the Board Finance and Facilities Committee on November 4, 2014. Following are items that were highlighted at that meeting:

- Unmodified (clean) opinion that the financial statements are presented fairly (page 1)
- Schedule of expenditures of federal awards (page 43) totaling \$36.7 million
- Notes to the schedule of expenditures of federal awards (page 44)
- Report on internal control (page 45-46) – No deficiencies in internal control over financial reporting were identified
- Report on compliance and other matters (page 47-48) – The results of auditing procedures disclosed one instance of noncompliance. A deficiency in internal control over compliance was identified that the auditors considered to be a significant deficiency.
- Schedule of findings/questioned costs (page 49-50) – Three students, in a sample size of sixty, were over-awarded Federal Direct Loans totaling \$852
- There was no management letter with recommendations

A graph showing financial ratios and composite score over the past 10 years was distributed with the minutes from that meeting. The composite score of 4.2 (on a scale of 5.0) increased from a composite score of 4.0 for FY 2013.

The Board Finance and Facilities Committee recommends that the Board of Trustees accept the FY 2013–2014 audit report. (A copy of the report is on file in the office of the Vice President for Business Affairs.)

Impact on students and/or student learning: There is no direct impact as a result of this audit engagement. However, the prudent and efficient use of assets does have a resulting positive effect on student learning in the way of providing adequate state-of-the-art equipment and facilities as well as retaining qualified professional faculty and staff. Clean audits also reflect positively on the reputation of the College, are beneficial during fundraising campaigns, Moody’s ratings reviews, accreditation reviews and bond ratings (for issuing debt).

Implications for budget, personnel, or other resources: The total cost of the audit was \$48,000. The portion attributable to the College (\$41,375) is included in the current year operating budget. The portion attributable to the Foundation (\$6,625) is included in the Foundation’s operating budget.

It was requested that the Board of Trustees accept the FY 2013-2014 audit report.

### ***Annual Planned Allocation for Use of Reserve Funds***

The Financial Condition policy of the Policies and Governance document establishes a target for reserve funds of 15% of the current operating budget. As of June 30, 2014, College Reserves are 35.5% of the

2014-2015 Educational and General Budget. Attached is the proposed annual allocation plan for reserve funds in compliance with the Financial Planning/Budgeting section of this document. Please note that taking action on this plan does not authorize these expenditures.

Several items that were included in last year's Plan have been completed and removed including the Branding/Marketing initiative, Technology replacements, and start-up costs for the New Media and Diesel Tech academic programs. Other projects were significantly completed during last fiscal year but final payments are being made from the current fiscal year, including water/sewer infrastructure, security camera installations, property purchases and demolition.

New projects include the LRC Renovation match, Restroom Renovations, Instructional Equipment for Precision Agriculture new academic program, 350 S. Fountain Renovation, GISA Renovation, and Signage.

This plan was presented to the Board Finance and Facilities Committee at its November 4, 2014, meeting. The Committee recommends that the Board of Trustees approve the annual allocation plan for Reserve Funds as presented. (A copy of the plan is available in the office of the Vice President for Business Affairs.)

Impact on students and/or student learning: The projects listed under Appropriated Reserves are initiatives that are not funded in the annual operating budget due to the fact that they are expenditures for capital or nonrecurring items.

Implications for budget, personnel, or other resources: None. Reserve funds are separate and distinct from operating funds.

It was requested that the Board of Trustees approve the annual allocation plan for the reserve funds as presented. Actual expenditure of appropriated amounts for these initiatives will require Board action in accordance with the College's Purchasing Policy.

*Trustee Bell made a motion to approve the above items as presented. Trustee Phillips seconded, and the motion passed unanimously.*

## **Report of the President**

President Blondin indicated that a sheet containing possible Board retreat dates was being circulated for Trustee input. She then deferred to Student Senate President Daniel Malone, Faculty Senate President Dee Malcuit, and Staff Senate President Twila Murray for Senate updates.

Mr. Malone reported that Student Senate has a number of initiatives they are working on, including improving communication with the student body, placing student representatives on several all-college committees, hosting Town Hall meetings of their own, and increasing awareness regarding college policies and procedures. Mr. Malone also noted that the Senate's denim drive on the Leffel Lane campus was so successful they plan to hold them at the Brinkman Education Center and Greene Center as well. Sinclair Community College's Phi Theta Kappa Chapter has also agreed to begin collecting donations.

Ms. Malcuit reported that Faculty Senate will present the revised Faculty Constitution and bylaws to Faculty Assembly for approval next week. The first draft of the principles of teaching and learning is in development with a great deal of dialogue amongst faculty members during the process; it is anticipated that the draft will be completed by December 1.



Ms. Murray reported that a Staff Assembly was held on October 30, during which feedback was collected from staff. Staff Senate will be working with all-college committees to address the issues shared, and they will focus on increasing effective communication and engagement across campus. The Feed a Family initiative is underway; utilizing the proceeds from the annual poinsettia sale, five to seven families will receive meals this year.

### **Report of the Board Chair**

Chairman Doyle reported the following:

- There will be no Board meeting in December, and the Reorganization Meeting will be held in January. He and Trustee Bell will comprise the Nominating Committee.
- Chairman Doyle, several Trustees, and President Blondin attended a statewide conference for two- and four-year college trustees in Columbus today, during which they heard about a new safety reporting law that is getting somewhat onerous.

Chairman Doyle also commented that the Fallen Warrior Memorial Dedication event was absolutely spectacular, and the Phi Theta Kappa induction ceremony was also a wonderful event.

### **Trustees' Open Forum**

Vice Chair Noonan indicated that the Phi Theta Kappa induction ceremony was a very nice event, and she was very impressed with the students.

### **Executive Session ~ Personnel and Compensation**

Vice Chair Noonan made a motion to move into Executive Session to discuss personnel matters and compensation. Trustee Phillips seconded the motion, and it passed 6-0 by a roll call vote. Executive Session commenced at 6:40 p.m.

Vice Chair Noonan made a motion to exit Executive Session and return to general session at 7:30 p.m. Trustee Evans seconded, and the motion passed 6-0.

### **Adjournment**

Trustee Phillips made a motion to adjourn the meeting, and Trustee Bell seconded. The motion passed unanimously, and the meeting adjourned at 7:34 p.m.