

COLUMBUS STATE COMMUNITY COLLEGE
Board of Trustees Committee of the Whole
Franklin Hall Board Room
January 15, 2004

MINUTES

Present:

| | |
|-----------------------|---------------------------------------|
| Dwight E. Smith | Tim Wagner |
| William A. Antonoplos | Jeanne Patton |
| Pete Grimes | Dr. Deborah Coleman |
| Paula Inniss | Mandy Gollhofer, Ex Officio Staff |
| Michael C. Keller | Vivian Hill, Ex Officio Student |
| Priscilla D. Mead | Cheryl Hacker, Asst. Attorney General |
| Dr. Val Moeller | David Fitch |
| Dr. Michael Snider | Ann Helfrich |
| Terri Gehr | Jan Ellis |
| Hamid Danesh | Dennis Obyc; Crowe, Chizek & Co., LLP |

Mr. Dwight Smith, Chairman of the Board, called the meeting to order and introduced and welcomed the new member of the Board of Trustees, Michael C. Keller.

(1) Auditors' Report

Dennis Obyc, auditor with Crowe, Chizek and Company, LLP, gave an overview of the auditing process and pointed out that this is the fourth year that he and his company have been doing Columbus State's audits; and it is the second year using the new type of reporting required by the Governmental Accounting Standards Board, Statement 35 (GASB 35). The three most significant changes in this type of reporting are (1) the focus on an "entity" concept, i.e., looking at the college as a whole rather than individual fund balances; (2) depreciation is now listed; and (3) state subsidy appropriations are now shown as non-operating revenue.

Mr. Obyc advised the Board of Trustees that for the year ended June 30, 2003, the financial statements of the college have been fairly presented, in all material respects, in accordance with generally accepted accounting principles. The results of their tests disclosed no instances of non-compliance with laws, regulations, contracts, and grants. The college received an unqualified opinion.

He reviewed one finding regarding the return of student financial aid funds wherein a financial aid student withdrew and the refund was not calculated properly. This was a minor incident which was corrected and does not affect the auditor's opinion. He also reviewed the two recommendations contained in the letter to management: (1) that the college automate the system used for preparing the monthly financial statements, and (2)

that the college improve the timeliness of financial aid refunds upon a student's withdrawal to meet the 30-day refund period specified by the lenders.

The college is requesting that the Board of Trustees accept, as presented, the Reports of the Independent Auditors in the financial statements as of June 30, 2003, of the college and the Development Foundation as prepared by Crowe, Chizek and Company, LLP.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(2) Allocation of Series 2003 Bond Proceeds

Ms. Terri Gehr, V.P. for Business and Administrative Services, explained that in November 2003 the Board had authorized the college to issue bonds in an amount not to exceed \$17.2 million. Those bonds were sold and proceeds received in December 2003, and now the college is requesting that the Board of Trustees allocate those bond proceeds as follows:

| | |
|--|----------------------|
| Bookstore/Retail Complex | \$7.0 million |
| Facilities Move Plan Projects/Land Acquisition | \$3.4 million |
| Child Development Center | \$3.0 million |
| Refunding/Series 1993 Bonds | <u>\$3.4 million</u> |
| Total | \$16.8 million |

And that the Board reallocate funds in the college's general fund as follows:

| | <u>Current Allocation</u> | <u>Revised Allocation</u> |
|--------------------------|---------------------------|---------------------------|
| Child Development Center | \$ 3.0 million | \$0 |
| Facilities Move Plan | \$12.97 million | \$9.57 million |

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(3) Aquinas Hall Renovation

It was explained that this renovation is part of the *Facilities Plan for 2002-2004* as approved by the Board in May 2002, which called for the renovation of the ground and first floor in Aquinas Hall to accommodate the Testing Center and the Counseling and Advising program. The asbestos abatement work in this building has been completed,

and now funds must be allocated for the completion of the renovation process.

The college is requesting that the Board of Trustees approve a total project budget of \$1,633,030 and enter into contract with each contractor noted below, for total construction costs of \$885,720.

| <u>Contract</u> | <u>Contractor</u> | <u>Actual Bid</u> | <u>Bid Estimate</u> |
|-------------------------|-------------------|-------------------|---------------------|
| General | J & M Bennett Co. | \$399,000 | \$409,120 |
| Plumbing | Speer Mechanical | \$45,400 | \$59,520 |
| HVAC | J.A. Guy Inc. | \$277,000 | \$279,750 |
| Electrical | Mid City Electric | \$151,820 | \$219,550 |
| Total Base Bid Cost | | \$873,220 | \$967,940 |
| Total Alternate Cost | | <u>\$ 12,500</u> | Flooring Condition |
| Total Construction Cost | | <u>\$885,720</u> | |

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(4) Revised Operating Budget for Fiscal Year 2004

Ms. Gehr advised the Board that the college revises its operating budget, if necessary, at mid-year based upon activities and events which have occurred since the original budget was adopted. This revision primarily addresses enrollment growth and the changes in costs in the budget, while also reflecting the actual subsidy received from the state. Tuition income is higher than previously budgeted because of increased enrollments. Regarding the golf course, it was pointed out that the Bookstore will now be contributing from its funds to help support the golf course. Also, it was pointed out that the golf course is on a calendar-year budget cycle rather than the college's July 1-June 30 fiscal year. The Board discussed the operations of the golf course and the continuing concern that it loses money each year. It was agreed, however, that this property can have many beneficial uses, and the college will continue its operation to see how it can be utilized and improved over the next two years.

In addition to the college's budget, included are revised budgets for the Bookstore and the Child Development Center, and a 2004 operating budget for Bridgeview Golf Course, Inc. The college is requesting that the revised operating budgets for Fiscal Year 2004 be approved as presented.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(5) Emeritus Status for Dr. Lee Willis

Dr. M. Valeriana Moeller, President, advised that Dr. Lee Willis has been a valued employee at the college for 27 years, starting as an Admissions Counselor and finishing her career as Associate Provost in charge of all student services areas. She is highly recommended for the honor of emeritus status.

The college is requesting that the Board of Trustees grant emeritus status to Dr. Lee Willis effective February 1, 2004.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(6) Personnel Information Items

There was no discussion of the personnel information items. They are presented to the Board for information only.

The Committee of the Whole agreed to refer this item to the Board of Trustees for information.

(7) Financial Statements

Ms. Gehr pointed out that as of December 31, 2003, revenues showed an unfavorable variance of -0.2 percent (\$87,963); expenditures showed a variance of 8.2 percent above estimates. Both variances are due to timing-related issues.

The Development Foundation had total assets of almost \$3.6 million, and the President's Discretionary Fund had a balance of \$17,290.

The college is requesting that the financial statements as of and for the six months ended December 31, 2003, be accepted as presented.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

- (8) Mr. Dwight Smith, Chairman of the Board, requested that during the next Board of Trustees meeting, he would like President Moeller to include as part of the President's Report an enumeration of the many accomplishments throughout the college which have taken place during the past year. There were many incidents of excellent accomplishments, and he felt it would be beneficial for the Board to be made aware of the highlights.

President's Office

jp

01/20/04