

## EXECUTIVE COMMITTEE MEETING

### PHOENIX CENTER

Saturday, February 8, 1992

Trustees Present: Eldon Addy, Carol Allen, Roy Browning, Jr., Charlene Lister, Anne Mills, Jim O'Dell, Justus O'Reilly, Bob Schendel, Ramon Schmidt, Marvin Wilson.

Faculty and Administration Present: Jim Billick, June Clark, Marsha Denniston, Hal Germer, Maxine Rossman, Peter Sandstrom, Jim Smith, Wilbur Wheaton, Fred Zook.

Jim O'Dell called the meeting to order at 9:11 a.m. Charlene Lister opened the meeting with prayer.

Phoenix Presentation: Fred Zook welcomed the Executive Committee and asked Maxine Rossman and June Clark to make brief presentations. Rossman spoke as the Director of the Tempe Center noting that that Center had grown from 80 people in 6 pro-seminars in 1990-91 to 146 people in 6 pro-seminars in 1991-92. She commented that that represents an 82.5% growth. She also shared the community college articulation agreement that had been worked out with the Maricopa District. Clark reported on the exploration of Tucson as a new site for the Center. She indicated that officials at the Pima Community College District were very enthusiastic about the possibility of Ottawa's location in Tucson. She noted that the City of Tucson was similar to Phoenix with a population of about 500,000 and a great deal of growth anticipated in both population and industry. Zook commented that the Phoenix Center has been growing rapidly this year but that this takes up energy and space. He did comment that the Center has a "handle" on accounts receivable which are down to \$90,000, of which \$70,000 is in credit balances. This compares to \$160,000 with \$10,000 in credit balances last July. He also noted that the Center is not allowing any new accounts receivable. He commented that the failure of faculty to receive raises this year had been very depressing and encouraged the correction of that in years to come. He noted that the new concentration in the Master's Program on counselling had had a significant impact on enrollment in that program.

Ward Science Hall: Wheaton noted that the contract for Ward Science Hall Renovation was signed on January 17. In order to meet the anticipated short-fall in cash precipitated by the fact that pledges will not all be paid by the time the bill is due, he noted that the University had arranged for taking \$200,000 out of the construction contract on a temporary basis and had arranged to borrow \$200,000 by virtue of lease/purchase agreements for the mechanical and lab equipment. This money will then be paid back as pledges come in. He noted that the Operations Committee had approved of this action and indicated that he hoped the Executive Committee would ratify that approval. Construction will begin immediately on the north end of the building. Asbestos removal will take place during the spring break, the building will close on April 15 and reopen when the renovation is completed in October. In the meantime equipment and furnishings will be stored in



the old Town and Country store downtown in Ottawa. Mills noted that \$40,000 had been collected on pre-payments on subsequent year pledges and indicated that this was a sign that some of the outstanding \$200,000 might be paid in ahead of time by October 1. The lease/purchase agreements will be the last option because they are very expensive. Short term borrowing would be between 9.5 and 11.5% as of now. She also noted that she is making use of the new computer system to manage the pledges.

Ray Schmidt moved and Justus O'Reilly seconded a motion to ratify the Operations Committee decision by unanimous vote the administration is directed to sign the contract for the renovation of Ward Science Hall after at least two hundred thousand dollars (\$200,000) had been deleted to be on a separate contract; the separate contract to be approved and signed at a later date. The action was approved after the administration was able to assure that at least two hundred thousand dollars (\$200,000) in loan or lease purchase could be obtained. This assurance was provided to Marsha Denniston by Mid-Continent Leasing to Purchase certain laboratory and mechanical equipment through a lease/purchase arrangement.

The motion passed.

In response to a question it was noted that delays may be occasioned by unforeseen structural problems, strikes, etc. Wheaton noted however that most of the trade people involved in the renovation are from Ottawa or near Ottawa. He also noted that delay might be caused by the building of cabinetry which is on a very tight schedule. In response to a question as to whether there was a contingency provision for cost overruns, Wheaton noted that there is 10% built into the contract and that pledges are still greater than the actual contract. Classes will be relocated to various places on campus.

Development Update and Plans: Smith shared copies of the new Tauny Talk that had come out and reported that the Feaste this year was in the black for the first time. He commented on collections for the Ward Science Hall project and handed out a donor income summary statement. He noted that unrestricted funds were about \$94,000 below where they were last year at this time and indicated that his office is trying to overcome this shortfall with the phon-a-thon and other activities. Restricted gifts are at \$634,000 as opposed to \$707,000 last year but he noted that last year's gifts included a substantial estate with no comparable estate present in this year's figure. He commented on a very positive December due to Ward Science Hall collections but noted that this does have an impact on unrestricted giving. He felt that the total of 1.03 million dollars compared favorably to the 1.2 million last year in that the last year's figures included the estate. He also commented that the Franklin County campaign will take place in April and will be an effort yet to come. At this point he is projecting between \$860,00 to \$900,000 for the year in unrestricted gifts noting that the budget is \$900,000. He commented that his



office is also undertaking a radio station mini-campaign and is involved in the campaign for the Milwaukee Center. He reminded the committee of the auction on April 25 and the Meeker Awards Banquet on April 24. The Braves Hall of Fame induction ceremonies will take place on Saturday of commencement weekend. Jim O'Dell suggested a golf tournament in Colorado and Smith responded positively.

Enrollment: Sandstrom circulated a retention report that detailed the campus experience at the end of first semester. He broke down the various categories of students who had left, commenting briefly on the comparison of this with previous years. Germer reminded the committee that the figures reviewed had to do with head count as opposed to full time equivalents and were therefore somewhat distorted. He also noted that there had been considerable discussion as to the impact of the Neosho County Community College branch in Ottawa but noted that not all of the students attending that facility are realistic potential for Ottawa University. He reminded the Committee that the campus wants to be a residential college and its success depends upon its ability to recruit over 25 miles outside of Ottawa. Wheaton remarked on the future indicating that compared to last year things look very good, that applications and acceptances are 50% above last year though he reminded the Committee that the staff had not been on board for very long last year at this time. The goal is a 10% improvement over actual experience last year and he indicated that Tim Adams feels this is very possible. There was some discussion as to whether Dagley and Company should be asked to put Spring goals in in light of the poor showing of new students for the Spring semester. A new agreement with ATEC, a confederation of American colleges that recruit abroad, was also noted. There was some discussion as well about recruiting former returning students.

Milwaukee Report: Germer reported that the latest visit to Milwaukee was very encouraging with the Deans of Instruction at the Milwaukee area Technical College and the Waukesha Technical College being very positive about Ottawa's probable location in that city. George Daniels of the Wisconsin Baptists will arrange for a presentation to Wisconsin Baptists in May. There was also a visit to the minority community where there is a definite potential for students among para-professional educators and middle class minorities. There has been discussion of site locations in very specific terms. The search for finances continues with a plan in place which is being implemented. At present \$203,000 is still needed. Finally, the provost search is under way with selection anticipated by April and the person being located in Milwaukee by July. O'Dell made the comment that the Community Reinvestment Act which affects banks might enable the center to locate in space provided by a bank for a period of time.



Kansas City Report: Billick reported that the Kansas City Center is doing well and is on plan or ahead of plan in all programs. He noted that the failure to give raises this fall was a problem for his faculty and especially his support staff, particularly in light of the increases in health insurance premiums. He reported that the largest number ever received diplomas in January. He noted increases in the Independent Learning Program operated in conjunction with the Nashville group which provides educational materials while OU provides tests has grown considerably. During the first year the Center issued 32 tests while this year so far it has issued 137 tests. He commented on the continuing education for in-service teachers, courses that are given in Kansas City noting that one on student gangs had enrolled over 200 and will be offered again this spring. Enrollment has been closed now at 262. He also noted that the Center is working with a variety of school districts to offer courses to teachers helping them to teach writing skills. Currently there are 80 teachers involved. With respect to resources, he noted that Bob Haynes will leave the employment of the Center this year. The Center is looking at how it will fill his position. He noted again that support staff are under increasing strain as enrollments increase. He also noted that computer software and hardware are being upgraded and that space is near the limit with not much more available in this area.

Human Resources: Wheaton introduced this report by noting that it is in response to a Board directive of October, 1991. The report circulated by Germer summarized what has happened to date. He noted that the whole issue of compensation has been reopened. An examination of what has happened to the University compensation over the past five years in relation to the Kansas Independent Colleges has been very revealing indicating that the University has lost considerable ground in virtually every category. The administration is looking at the reality in a number of different areas and that compensation may have to be different in each of those areas. Germer noted that the budget planning process for 1992-93 builds in a 7.5% increase in compensation but cautioned that health care costs would deflate the pool of available dollars. He also noted that there would henceforth be a common format for all personnel manuals. He also noted that marketplace information has been used to revise the staff compensation grid in Kansas City. Consideration of new targets is being undertaken and also what is needed to reach them. In discussion of this report there was some consideration of the health insurance issue and various options that might be approached. Wheaton noted that while it is important for the University to be concerned with targets and wages within cohorts, it is also important that it be concerned with individuals. The numbers that the University deals with are so small that simply to be concerned with averages is often not very helpful. He also noted that the Committee should remember that the administration is committed to announcing salary changes in April.

At this point the meeting broke for lunch.



Management Reports: Anne Mills explained the reports that she is proposing which will enable the Trustees to get better information in order to evaluate performance. She noted that the Administrative Council has reviewed them beforehand and she is now seeking input from the Executive Committee. She briefly noted that the color scheme is such that reports on blue paper has to do with students and academics, green with development, and yellow with finances.

Admissions Summary Report. This is an annual report and will be circulated to the Student Affairs Committee of the Board. She highlighted a number of changes in the way data are shown. The upper half measures the way Dagley is accountable and the bottom half highlights students with certain characteristics. It was noted that minority students need to be added to that portion of the report.

Financial Aid Summary. This is an annual report circulated to the Student Affairs Committee. Mills noted that the data for this report is very hard to get but she is working at it. She indicated that she is trying to get depth and breadth of the financial aid picture, noting the average award and also the percent of the student body that is served. She noted that she has included a loan default status portion because this is important for the University not simply internally but externally as well.

Student/Faculty Summary. This is an annual report distributed to the Academic Affairs and the Student Affairs Committees. It summarizes data on students, faculty and curriculum. Under the curriculum she noted that she is trying to look at ways to deal with academic productivity by investigating students per faculty member, not courses or credit hours per faculty member. On the second page she indicated that the same kinds of issues are being explored for the Centers. She indicated that there is some need for the centers and the campus to agree as to what counts as full-time faculty.

Development Summary. This is an annual report distributed to the Resources Committee. In discussion of the data summarized here it was noted that the problem with deferred giving is that the University does not know what those deferred gifts are worth until they are received.

Current Unrestricted Fund. This is an annual report distributed to the Executive Committee and to the total Board. Mills noted that this is a simplified version of what has already been received on a systematic and routine basis by the Board. She noted that she had culled out leases and mortgages and building maintenance as separate items. The operations line refers to non-personnel expenses. She also noted that student wages have been separated because of the importance of that item. She noted that the surplus/deficit line is what the Ad Hoc Committee of the Board wants to see reduced to \$500,000 in five years, and this is also being shown as a percent of



total revenue. On the second page the same information is shown for the Centers and on the third page is presented for the International Program and the university-wide activities. In this connection she noted that the interest on loans includes the interest on the line of credit primarily with other interest items being included under leases and mortgages in the particular sites. A request was made in discussion that the balance sheet be included with the reports. Mills also noted that she is working on a balance sheet for the plant fund.

Mills noted also the page concerning budget allocations asking for feedback on this page.

Finally, Mills noted that the two monthly reports for Development and the financial report are included in the packet.

Financial Report: Mills noted that with respect to the financial report the campus needs to control expenses and expand revenues. The effort is being made to move towards the \$500,000 deficit limit. The effort is being made not to constrain the centers beyond a reasonable allocation. In response to a question Denniston noted that capital expenditures had included the boilers in the commons and the roof on the union. Scholarships are always a problem and we need to continue to improve funding from the endowment. As of December it was noted that the main campus is \$145,000 behind, \$94,000 of which are expenditures and \$48,000 the result of the development revenue short fall. It is not clear how the campus will come out although it is clear that the University as a whole will balance. The main campus will probably experience a shortfall. Mills indicated she thought this might be between \$100,000 and \$300,000. O'Reilly indicated there are two sources of income for the campus but that one of them is no longer available for the year (enrollment). Since gift income is the only option for correcting the main campus shortfall, he asked whether it would be important to address the question of how we might target gift solicitation. He indicated it is important to remember that the university cannot rely on the retired community any longer because of the larger economic scene and must look at those who are still employed.

With respect to cash flow, it was pointed out that the budget plan indicated the University would be \$650,000 short in December where it was actually \$245,000 on the positive side. In January the University was able to repay \$400,000 short term debt and set aside \$600,000 in cash, of which only \$150,000 was spent at the end of January. It was noted that this was possible because Kansas City is \$180,000 ahead of plan and Phoenix is \$570,000 ahead of plan. Accounts receivable continue to improve. Kansas City is at \$11,000, Phoenix has improved by \$90,000. The main campus is \$100,000 behind last year at this time, primarily because of the increased activities from the Centers requiring the staff in the business office to be unable to give adequate attention to collections.



Mills reported that she is now trying to look at cash flow on a month by month basis. She circulated a graph showing a cash plan where experience indicates will typically be short by \$650,000 in December. Another line on the graph indicates the actual cash for the year to date is \$700,000 better than expected. Projections for the remainder of the year indicate there will be little need to borrow before June.

1992/93 Budget: Denniston reported that the process so far seeks to reach towards the \$500,000 deficit limit. She noted that all of the numbers have not been allocated out by line item at this point. Right now this remains a target. The plan does include all of the administrative changes that are projected with the changing structure of the University. It was noted in discussion that if the expansion to Tucson took place, it would have to be funded out of Phoenix revenues.

Marvin Wilson moved with Ramon Schmidt seconding that the Executive Committee authorize the extension of Ottawa University Phoenix to operations in Tucson reserving judgement concerning additional space and permanently located faculty depending upon the results of a business plan prepared by Phoenix Center personnel. The motion passed.

Justus O'Reilly moved with Carol Allen seconding an approval of the first draft of the 1992/93 tentative budget. The motion passed.

Task Force Report: Sandstrom reported briefly on the activities of the three academic task forces concerned with focus programs on the campus in Business, Education, and Human Services.

North Central Accreditation: Sandstrom reported briefly on the plans that are beginning to be made for the North Central Accreditation self study and the site visit which will take place in December of 1993. He circulated a re-statement of educational program purposes noting that this was the product of a campus committee and was now being discussed by a broader committee including personnel from the Kansas City and Phoenix Centers. He indicated that this revision was felt to be necessary because the focus of the North Central accreditation review will be on the University's ability to document academic achievement by students. In light of this focus it was felt that the academic program purposes needed to be spelled out as clearly as possible.

Committee on Trustees: Marvin Wilson reported that one new trustee has agreed to accept appointment, Kent Granger, an attorney in Kansas City who was originally from Ottawa and went to Ottawa University for one year. He appears to be very pleased to be a part of the Board and will be an excellent appointment. Wilson went on to note that there will be two other individuals contacted before the April meeting.

Management Reports: Mills again requested feedback and input concerning the management reports that had been discussed earlier.



Next meeting: After discussion it was agreed that the Executive Committee will meet at 4:30 Thursday, April 23 followed by dinner at 6:30. An orientation session with Nita Myers presiding will take place at 7:30 for new Trustees. It was agreed that the new President would be announced Friday morning between 8:30 and 9:30. The Ward Science Hall ground breaking will take place Friday afternoon, and the Meeker Awards Dinner will be Friday evening. The Saturday meeting will be finished by noon at which time Wheaton indicated that he and Ellen Ann would like to host the Board for lunch. The auction will take place in the afternoon. The Executive Committee will meet in Phoenix next year, 1993, on February 6.

Wheaton Report: Wheaton noted that while in Washington he talked to a great many people from colleges and universities across the nation and that this is a very difficult year nation wide. In connection with the higher education bill re-authorization, he noted that it would be likely that the Pell Grant will increase by \$1,000 to \$1,200. He also noted that it continue to be important to keep tuition growth under control.

Wilbur announced that he and Ellen Ann have accepted a two year volunteer assignment with the International Ministries. They will begin in August and will be stationed in Thailand.

Marvin Wilson gave a report of the timetable of the Presidential Search Committee. Some questions were raised by the committee. Following discussion, the meeting was adjourned.

Submitted by  
Charlene Lister, Secretary