

Outlook report: The outlook report is based on the same format as the monthly financial report with projections for the end of year based on the University's four year history. Mills pointed out that the bottom line indicates a \$580,000 positive surplus but that this is an accounting surplus and pressure needs to be put on accounts receivable to make it a cash surplus. The increased short fall on the campus will be largely due to gift income performance. There was discussion concerning federal dollars noting that about 2 million dollars passes through the University of Federal Financial Aid funds and that the Title III grant supplies \$500,000 a year until it runs out after two years. With respect to the Kansas City and Phoenix surpluses these include reinvestment of a portion of the surplus.

Motions: Mills brought motions from the executive Committee to the Board as follows:

Motion 1: That the Board authorize a special payment of \$500 each for full time staff of Ottawa University in celebration of Wilbur Wheaton's leadership of this University.

This motion was made in recognition that faculty and staff received no raise this year but did experience an increase in health care costs and in recognition that this has been an exceptionally good year financially. Mills went on to point out that this \$500 will be pro-rated for part time faculty who are half time or more and will be pro-rated for those who were hired after July 1, 1991. The net cost to the campus will be an additional \$50,000. The idea is to distribute this check before commencement. It was noted that while the surplus is considerably more than this, it is still an accounting surplus and also that the University needs to acquire \$650,000 in borrowing capability to meet cash needs through December. There will be a \$350,000 line of credit with Boatmen's Bank but there also needs to be an additional \$300,000 in the bank and this will be the University's first priority. The motion passed.

Motion 2: That the Board authorize the Operations Sub-Committee of the Executive Committee to transfer the following to restrict accounts prior to June 30, 1992. The specific amounts will be determined based upon appropriate cost estimates and year end budget projections.

Phoenix investment: Tucson Center start up expenses  
Amount to be determined

University Investments:

Enhance Administrative Systems to Support Milwaukee Center:  
\$45,000 - \$50,000

Refurbish the Rockwood Drive Home and Establish University Wide Offices  
\$20,000 - \$30,000



The first item concerning the Tucson startup will be within the Phoenix budget. The second item, University investments, concerns first of all the upgrading of the TEAMS software to serve the Centers with installation at Milwaukee as a pilot project. The third item concerns refurbishment of the President's house and offices for the new President. The dollar figures are estimates and Operations Committee is being authorized to transfer funds at the end of the year from this year's budget to accommodate these needs. The motion passed.

1992/93 budget: Mills presented a first look at the '92/93 budget. With respect to the campus the student FTE is being projected at 515. Tuition increases are included as announced. In response to a question Mills indicated she would be looking at the campus tuition in relation to Center tuition. She noted that expenses for campus are primarily in personnel and operations. The deficit for next year is set at \$697,000 which would be a considerable improvement over the \$960,000 for 91/92. The budgeting assumes no increase in faculty size but does assume an increase in salary for all employees at 4% plus merit. The budget also includes the expenses for transition to the new administrative system. There was some discussion of building maintenance and Mills indicated that it was necessary for her to present a better view of this to the Trustees in the near future. She added, however, that it was important for the campus Provost to set priorities relative to budget and expenditure. In looking at the Kansas City and Phoenix operations it was noted that surplus has been figured at 17% of revenues for each location. The International Program surplus, however, is figured at 35% of revenues. She pointed out that the bottom line surplus was \$213,000. The budget assumes a \$950,000 gift income. She also noted that the bottom line is "upward exposed" meaning that it is a minimum projection. In response to questions it was agreed that the Board would finalize budget approval in October but that this action was needed in order to make expenditures beginning in July. It was noted that the important thing was to note that the right process for modification of the budget during the year is in place.

The motion to adopt the tentative budget presented by the Business Affairs Committee was passed.

Ward Science Hall: The Business Affairs Committee brought a motion from the Executive Committee and the Business Affairs Committee that the administration be authorized to complete contracting for the Ward Science Hall project.



In discussion it was pointed out that when the original contract had been signed in January there had been a short fall in funding because of the lag in collections of pledges. At present, however, pledges have been prepaid at a sufficiently high rate that the monies are available for completing the contract.

The motion passed.

Investment Committee: Mills reported on the Investment Committee which has three areas of responsibility namely managing the endowment, managing any plan gift instruments, and managing short term cash. There are three funds, the endowment fund, and the federal endowment funds from 1985 and 1986. These are invested differently because of different regulations. Her point was that the Trustees need to know that the University is managing its endowment funds.

Debt refinancing: Denniston reported that the University is seeking to refinance debts through the Kansas Independent College bond fund. This would be a means of tax exempt financing which would refinance a \$530,000 debt with Boatmen's which is currently at 9.5% interest to be amortized over ten years but which will need to be renegotiated after three years. In addition there is a \$230,000 loan from Franklin Savings which is at 12% interest with 14 years left with a fluctuating rate over every 3 years. Also there is a \$315,000 loan from Southwest Bell at 10.5% interest with 7 years left. The proposal would be to refinance on a ten year bond at 7.5% interest. This would provide a comparable debt service cost to what is being currently paid.

Schlick moved with Gangwish seconding that the Board authorize pursuit of this refinance strategy. The motion passed.

Centers Committee: Froning reported that there has been a lot of dynamic movement and growth in the Centers but cautioned that the focus should not be simply on the dollars raised but on the human beings served. He noted that the Committee had discussed the Milwaukee Center progress and the idea of shifting control of the International Program to the Kansas City Center.

Billick reported on the Kansas City Center noting that the reimbursement of Kansas City students by external companies was not uniform and that about half the students did not receive tuition reimbursement. The tuition level is, therefore, a crucial issue and there is constant fear of pricing tuition out of the market. There is an increase in the use of federal financial aid by Kansas City students but many of them are not eligible. He also urged the Trustees to remember that behind the numbers there are real people who are being served by the Center.



He gave particular examples from the Health Care program which is now being expanded to include non-health care professionals because there are no other alternatives, and also noted the credit by assessment program which is allowing people who have no other options to get credit which they can then use to finish degrees. There is evidence that they are very grateful for this opportunity.

Fred Zook reported for the Phoenix Center noting, also, that the financial bottom line is the result of the University doing what it is trying to do, namely provide quality education for adults. He urged that that goal never be lost sight of. He noted that being 1200 miles away from the campus makes it more difficult to understand the Center and he thanked the Board for coming to Phoenix and invited them to continue to do so as a group and as individuals. He thanked Wilbur Wheaton for his support of the Centers and the Selection Committee and Board for choosing Hal Germer as the new President. He noted that the team concept is very important for the management of Ottawa University, and that it is particularly important at this time to work as one University. He also expressed his appreciation for the Phoenix faculty and staff who have done an incredible job under very trying circumstances.

The Board expressed its unanimous approval for recognizing the outstanding work of Jim Billick and Fred Zook as Provosts of the campus Centers. There was also commendation to the Executive Vice-President and President-to-be for his role in supporting the external Centers.

The Centers Committee brought a motion to the Board that the University proceed with plans to establish the Milwaukee Center and hire a Milwaukee Provost. The motion passed.

Student Affairs: Carol Allen reported that the Student Affairs Committee had met with students early in the morning and that a number of items concerning student life had been discussed. The Committee brings a proposal to the full Board as follows:

The Student Affairs Committee moves that the Board recommend that the Administration demonstrate its desire to cooperate with the student body by including a line item in the budget to match the Student Senate funds for projects agreed upon mutually.



These projects would include such items as refurbishing the University lobby and snack bar, a follow up on the Mabee Center floor, Martin Hall renovation, library updating, etc. There was discussion as to the wording of the motion. Mills moved and Schmidt seconded that the Board affirm the Student Affairs Committee's recommendation. The motion passed.

National Greek system on campus: Burke reported on the examination of the Greek system for the University campus. This proposal when completed, will be reviewed by the Student Life Council, the Student Senate, the faculty, and the Administrative Council. The student committee is asking permission to invite fraternities and sororities on campus next year to see if there is a match so that at the end of the spring offers can be extended to fraternities and sororities to establish campus chapters.

Mills indicated that she thought that the Executive Committee and/or the full Board needed to have a look at the final proposal as a part of the review process prior to any final commitments being made to Greek organizations. A motion was made that the Executive Committee be involved in the review process before Greek clubs are invited to put chapters on the campus. Discussion involved concern that students not see the passage of this motion as an approval of the Greek system. It was urged that the Dean of Students make this clear in communicating the results to the student body. The motion passed.

Rans Bennett commented on what an unusual meeting this one had been and commended Wilbur Wheaton for his outstanding job noting that perhaps his greatest achievement was the administrative team that he is leaving behind on his retirement, noting in particular Hal Germer, Jim Smith, Jim Billick, and Fred Zook. The remark was greeted with applause.

Bill Ballinger extended a word of appreciation to the Board on behalf of the faculty and staff for the Board's untiring and devoted loyalty to Ottawa University. The comment was greeted with applause.

Ramon Schmidt noted that he was no longer discouraged as a Board member to be associated with Ottawa University. He asked that Board members remember the sacrifices of faculty and staff and Trustees who have given generously to the University. He noted that the Meeker awards celebrated those who sacrificed for the good of others. He asked that each of the Board think seriously about his or her level of commitment to Ottawa University.



Constitution: O'Dell announced the appointment of a Task Force made up of Roy Browning, Jr., Nita Meyer, Randy Gauger, along with Anne Mills to look at the Constitution in light of the administrative changes and the extension of the University to the Milwaukee site. They will report back to the Executive Committee in July.

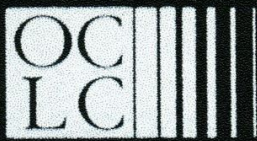
Future Meetings: The Board will meet October 23 and 24, 1992, April 23 and 24, 1993, and October 22 and 23, 1993. The Executive Committee will meet July 20, 1992, September 21, 1992, October 22, 1992, December 4, 1992, February 6, 1993 and April 22, 1993.

The meeting adjourned at approximately 12:23 p.m.

Submitted by  
Charlene Lister, Secretary



# PRISM SERVICE



Trustee mtgs  
OU RG 13.06.1991-1997



MINUTES  
OPERATIONS COMMITTEE  
OTTAWA UNIVERSITY

January 17, 1992

Anne Mills, Ranson Bennett and Charlene Lister

The Operations Committee, by prior agreement, met via telephonic communication conducted by Anne Mills.

By unanimous vote the administration was 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.

Submitted by  
Charlene Lister

*Charlene Lister*