

**Minutes  
Sinclair Community College  
Board of Trustees**

May 11, 2010

3:30 p.m., Building 12, Room 131

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**I. ROLL CALL (VERBAL)**

**Trustees Present:** Ms. Mary Boosalis, Mr. Richard Chernesky, Mr. Robert Connelly, Mr. Robert Corbin, Mr. Gregory Edwards, Mr. Lawrence Harkness, Ms. Katherine Hollingsworth, Ms. Paula MacIlwaine, Mr. Lawrence Porter, Mr. Bernard Wright

**Trustees Absent:** Ms. Marva Cosby

**Also Present:** Ms. Natasha Baker, Director of Communications; Mr. Jeff Boudouris, Vice President and Chief Financial Officer; Mr. Michael Carter, Interim Senior Vice President; Dr. Kathleen Cleary, Dean of Liberal Arts, Communication and Social Sciences; Dr. David Collins, Dean of Life and Health Sciences; Dr. Mary Gaier, Vice President for Organizational Development; Dr. Helen Grove, Senior Vice President and Provost; Mr. David Hare, Faculty Senator; Ms. Victoria Hemphill, Staff Senate President; Ms. Madeline Iseli, Chief of Staff, President's Office; Dr. Steven Johnson, President; Dr. Ken Kohlenberg, Faculty Senate President; Ms. Megan Laughter, Assistant to the President; Ms. Patty Lavy, Director of Advancement; Dr. Sue Merrell, Dean of Business and Public Services; Dr. Kenneth Moore, Senior Vice President and Chief Information Officer; Ms. Deb Norris, Vice President for Workforce Development and Corporate Services; Mr. Tom Raga, Vice President of Advancement; Ms. Lauren Ross, Esq., General Counsel; Dr. George Sehi, Executive Dean, Courseview Campus Center and Dean of Science, Mathematics and Engineering; Dr. Nancy Thibeault, Dean of Distance Learning.

**II. WELCOME TO SPECIAL GUESTS – LAWRENCE PORTER**

Chair Lawrence Porter welcomed special guests.

**III. APPROVAL OF MINUTES**

A motion was made to approve the minutes of March 9, 2010, by Trustee Wright and seconded by Trustee MacIlwaine. The motion carried.

#### **IV. CHAIRPERSON'S REPORT AND RECOGNITION OF AWARDS AND NOTABLE ACCOMPLISHMENTS – LAWRENCE PORTER**

##### **A. Sinclair Wind Symphony Music CD**

Dr. Ken Kohlenberg, conductor of the Sinclair Wind Symphony, shared copies with the Board members of the latest Wind Symphony CD, recorded at the Ohio Music Educators Association (OMEA) conference. This is only the seventh time the Sinclair Wind Symphony has been selected by the OMEA to perform at conference.

##### **B. Phi Theta Kappa All-USA and All-Ohio Students**

Two Sinclair students have been recognized as top students in Ohio. Jeffery Gerken was recently recognized at the national AACCC Conference in Seattle, Washington as both a New Century Scholar (one of only 52 in the nation, each representing a state or territory) and as an All-USA Academic First Team student (one of only 20 in the nation). He will be graduating in June with a degree in Surgical Technology. In addition, both Jeff and Akmaljon Ergashev were named All-Ohio, First Team students at an awards luncheon at the Statehouse in Columbus where Jeff delivered the keynote address as the state's New Century Scholar. Akmaljon will be graduating in June with a degree in Liberal Arts with an emphasis in sociology and psychology.

##### **C. NASPA – Student Affairs Administrators in Higher Education Gold Medal for Sinclair's Early Alert Program**

Sinclair's Early Alert Program won the NASPA – Student Affairs Administrators in Higher Education's highest award, the Gold Medal. In early December, the program received the Gold Award with nine other winners. From this group, Sinclair was then presented with the top Gold Medal honor. The Early Alert Program is a software tool that allows extensive collaboration between academic advisors, counselors and faculty for students in development and selected college level courses.

##### **D. Dayton Area Chamber of Commerce Public Partner Award**

Sinclair received the Jonathan Dayton Public Partner Award at the Annual Dayton Area Chamber of Commerce Meeting on April 13, 2010. In commemoration of Dayton's namesake, this award recognizes the importance of the public and private sectors working together for the common good. Sinclair was chosen by the Chamber for the college's many efforts in workforce development.

### **E. Introduction of Michael Carter, Interim Senior Vice President**

After receiving valuable input from staff and faculty about the needs of the college following the departure of Dr. Robert Johnson, President Steven Johnson has named Michael Carter to fill the Senior Vice President role on an interim basis. Michael will serve through the coming academic year. His appointment brings a great deal of experience and stability to a division that continues to rise to the demands of increasing enrollment. Michael has served as a high school principal, coach, teacher, and probation officer. He holds a bachelor's degree in history from Wittenberg University and a Master's degree in Educational Leadership from Wright State University.

## **V. PERSONNEL-CURRICULUM COMMITTEE REPORT TO THE TRUSTEES— MARY BOOSALIS**

### **ITEMS FOR BOARD DISCUSSION AND/OR RESOLUTION**

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#### **A. FY 2009-10 Performance Pay Recommendation (Based on Key Performance Indicators)**

- The outcomes being reported to the Board are for those Key Performance Indicators (KPIs) which were previously approved at the September, 2009 Board meeting, Resolution #2009-15.
- The President annually presents these results to the Trustees for information in setting the level of collegewide incentive pay for all eligible employee groups.
- All full-time support staff, professional staff, and administrators (except the President) are eligible for incentive pay based on the KPIs.
- Of the 46 KPIs
  - 1 KPI (2%) is rated at Below Threshold
  - 7 KPIs (15%) are at Threshold
  - 17 KPIs (37%) are at Target
  - 21 KPIs (46%) are at Maximum
- When the weighting formula is applied to the results of the KPIs, the scorecard suggests a one-time incentive pay percentage of 5.3% (372 of the possible 492 points) based on a maximum allowable incentive pay of 7%.

- Incentive Pay trends for the last 6 years:

FY 2009-10	FY 2008-09	FY 2007-08	FY 2006-07	FY 2005-06	FY 2004-05	FY 2003-04
Recommended 5.3%	4%	4.4%	4.4%	3.9%	4%	5%

- This recommendation is included in the Salary Plan Summary, FY 2010-11.

**B. FY 2010-11 Employee Compensation Recommendations  
(Resolution #2010-12)**

- Annually, the Sinclair President makes a compensation recommendation to the Sinclair Board of Trustees for overall employee compensation as contained within the operating budget of the college.
- Sinclair is experiencing an all-time high student enrollment, very good results on the key performance indicators (KPIs), and has greatly surpassed a number of positive operations records. Full-time employee position numbers have largely been maintained or lowered over the past three years to control college costs (and have effectively lowered the costs per student). The employees have performed extraordinarily during this time of double-digit student growth. Therefore, it is recommended:
  - Complete the last year of the three-year compensation plan for faculty, retroactive to September 1, 2009 (in the current fiscal year)
  - Pay all full-time employees a one-time payment of \$1,000
    - 28% two-year growth in enrollment with virtually no increase in staffing deserves extra compensation for extra work to accommodate these many additional students
  - For full-time non-faculty employees, pay the one-time collegewide performance-based incentive pay of 5.3% based on the weighted results of the Key Performance Indicators
- For the coming year it is desired that all employee groups make some forward progress in salaries and wages, without financially over-committing, in the face of a very serious possibility of a two-year state budget crisis starting in July of 2011. Therefore, it is recommended:
  - Provide a 1.5% base salary increase pool for all full-time employees
  - Provide faculty promotion and faculty merit-on-base performance-based adjustments as earned
  - Increase faculty department chair stipend to recognize the substantial increase in workload associated with the dramatic enrollment increase
  - Pay the faculty merit award for FY 2009-10 to designated faculty and increase the Faculty Merit Award from \$1975 to \$2475 beginning in FY 2011

**FY 2010-11 EMPLOYEE COMPENSATION RECOMMENDATION  
(RESOLUTION #2010-12)  
MAY, 2010**

WHEREAS, the Sinclair President makes an annual budget recommendation to the Sinclair Board of Trustees that incorporates the overall compensation budget for full-time employees categorized as faculty, support staff, professional, and administrative employees; and

WHEREAS, personnel expenses constitute over 80% of the college operating budget reflecting the importance of employees in the operations of a world-class community college; and

WHEREAS, the employee fringe benefits including health, vision, dental, retirement, and life insurance are reviewed and approved in a separate process; and

WHEREAS, to avoid a conflict of interest in recommending compensation levels, the president's compensation and employment contract is decided separately in a process involving an annual review by the Trustee Executive Committee; and

WHEREAS, the Board of Trustees assesses the employee compensation recommendation based on factors including the overall ability to pay, the performance of the college, the appropriateness of the salary and compensation benchmarks, and the internal and external trends and norms of compensation; and

WHEREAS, the College President acknowledges that the overall employee performance, workload, operating results, and budget funding of the college have been adequate to support compensation actions described in the Salary Plan Summary, FY 2010-11; and

WHEREAS, that portion of personnel expense paid from Montgomery County levy proceeds has been voted upon in a separate resolution;

NOW, THEREFORE, BE IT RESOLVED, that the detailed Employee Compensation Recommendation per Enclosure #03 be approved.

**BOARD ACTION:** A motion was made by Trustee Boosalis and seconded by Trustee Corbin. The motion carried.

### **C. Faculty Personnel Actions**

Faculty personnel actions were carried out as prescribed by the Faculty Handbook. Taking into consideration the recommendations of faculty, deans, and the senior vice president and provost, President Johnson made the following decisions:

- 34 faculty members were awarded promotion
- 24 faculty members were awarded tenure
- 173 faculty members were awarded merit
- Professor Gail Cope and Professor Paula Neal were awarded Professor Emeritus status
- Ten first-year, full-time, tenure track faculty members were rated as proficient during Winter 2010

### **D. AQIP Visit Report**

The AQIP site visit team sent its evaluation of the May 10-12, 2010 visit. This report captures the team's evaluation of the college's compliance with the Higher Learning Commission's Federal Compliance Program, and the team's assessment of Sinclair's use of feedback from the last Systems Appraisal. A decision on the college's continuing accreditation should be received no later than August 2011.

The College's next steps include a written summary of actions taken since the visit; a second Systems Portfolio; and continued implementation of current and new Action Projects.

### **E. Semester Transition Update**

The Semester Transition team's five subcommittees have been making excellent progress since work began in December 2009. March 31, 2010 was the first deadline for semester course submissions and focused on the 240 courses that make up the college's general education requirements and courses included in the Ohio Transfer Module and Transfer Assurance Guide.

Plans are underway for Academic Advising and IT to continue developing My Advising Plan (MAP) software. IT has created a test version using Colleague and the semester calendar. The Web Systems Team continues to support and improve the semester version of the Curriculum Management Tool (CMT).

## **F. Sinclair's Fiscal Commitment to Teaching and Learning**

Putting resources in the classroom in support of teaching and learning has long been a commitment of the college. Sinclair's spending on instruction and instructional support compared to other Ohio community colleges, as illustrated in the enclosure, clearly illustrates this steadfastness. Mary Gaier, Vice President of Organizational Development, presented the following information to the Board of Trustees.

- **Sinclair Spending per Full Time Equivalency (FTE) Student (HEI, FY2008)**

Sinclair puts a greater percentage of its resources in instruction and academic support than the average of Ohio's colleges. It spends 37% less on administrative and institutional overhead and just about average on facilities.

- **Instructional Spending per FTE Student in Ohio Benchmark Colleges (HEI, FY2008)**

Sinclair's commitment to the classroom can be seen in the fact that it spends more on instructional expenses than any other college in Ohio.

- **Administrative Overhead and Institutional Support Spending at Ohio Benchmark Colleges (HEI, FY2008)**

Conversely, Sinclair maintains a world-class institution with very little administrative overhead. Only one college spends less than Sinclair on administrative expenses.

- **Total Operating Spending of Ohio Benchmark Colleges per FTE Student (HEI, FY2008)**

Through prudent financial management and a commitment to instructional priorities, Sinclair is able to operate a first-class institution at just above state average total spending, including all categories of spending.

- **Average Full-Time Faculty Base Salary (FY2009)**

Sinclair's commitment to instruction can be seen in its dedication to faculty. The average Sinclair faculty salary compares favorably to Ohio colleges, far exceeding the state average.

- **Number of Full-Time Faculty (FY2009)**

Sinclair is dedicated to maintaining excellence in the classroom through the employment of full-time faculty. Sinclair is second highest in Ohio in number of full-time faculty. The first in the state exceeds Sinclair by only three positions.

- **Ohio Community College Full-Time Equivalent (FTE) Students per Full-Time Faculty (FY2009)**

Sinclair is dedicated to maintaining quality instruction. Only one college (which is smaller and serves a rural population) has a lower students-to-faculty ratio than Sinclair.

- **Number of Faculty with Rank of “Professor” at Colleges with Academic Rank (FY2009)**  
Sinclair values its professors and has promoted more faculty to the highest rank than any other college.
- **Number of Faculty with Rank of “Associate Professor” at Colleges with Academic Rank (FY2009)**  
Similarly, with almost double the number of Associate Professors compared to the next highest college in Ohio, Sinclair shows its commitment to promotion in the number of faculty at the Associate Professor rank.
- **Sinclair Full-Time Employee Three- and Five-Year Cumulative Base Pay Increases (FY2006-2010)**  
Because Sinclair is committed to quality instruction, it has applied its resources to faculty promotion, tenure, and compensation. As a result, faculty have received greater cumulative base pay increases than other employee groups, which can be seen in the most recent three- and five-year comparisons.
- **Estimated Change in Average Faculty Salaries at Ohio Benchmark Colleges (Fall 2006 – Fall 2008)**  
Sinclair faculty compensation increases are estimated to have been greater than at other Ohio community colleges.

#### **G. Record of Items Reviewed by the Committee**

- FY 2011 Tuition Recommendation
- FY 2010-11 Operating Budget Recommendations
- Courseview Campus Expansion Update
- Spring Term Enrollment
- Faculty Recruitment
- Commencement Update
- Recent Sinclair News Articles

This concludes the report of the Personnel and Curriculum Committee.

## VI. FINANCE COMMITTEE REPORT TO THE TRUSTEES – LAWRENCE HARKNESS

### ITEMS FOR BOARD DISCUSSION AND/OR RESOLUTION

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#### A. Facilities Master Plan FY 2011-2016 (Resolution #2010-13)

- Enclosure #09 is the Facilities Master Plan, which includes the Capital Budget Recommendation for FY 2011.
- The master plan spans a six year period, from FY 2011 through FY 2016. There are 165 projects presented in the plan. The total projected spending over six years is \$83 million. **However, it should be noted that only FY 2011 projects totaling \$13,962,709 are requested for Board approval at this time.** The five subsequent years of the master plan (FY 2012 – FY 2016) represent preliminary projects and placeholder funding that would be reassessed, updated and recommended for funding in each ensuing year.
- Due to economic uncertainties, the current year budget (FY 2010) was reduced to \$10,208,000. Previous year levels have averaged +\$15 million. While economic uncertainties persist, the proposed FY 2011 budget restores spending to a more appropriate level of maintenance capital to attempt to avoid deferring maintenance and to keep technology and equipment at quality and functioning levels.
- Projects and equipment included in the master plan are those deemed vital for supporting a high quality, safe and up-to-date learning environment. Among the criteria evaluated were improvements in student learning and services, lifecycle replacements, increased capacity to serve more students, energy conservation and financial payback from revenue enhancements and operational cost savings.
- With regard to the college's approach to master planning and capital spending, the following is noted:
  - The vast majority of spending is for lifecycle replacements to maintain a \$500 million asset value for facilities and equipment. This spending is supported by detailed lifecycle models that guide replacement and upgrade decisions.
  - A hallmark of Sinclair's planning has been to maintain facility and equipment in exemplary condition and thus avoid the high costs of repairs and deferred maintenance. Having an exemplary conditioned facility and state-of-the-art equipment/technology is important for maintaining a safe environment, having quality programs and services, and for creating a quality work environment for employees.

- The college purposely avoids the high cost of debt and instead maintains allocated (reserve) funds that are used to help finance capital spending. These funds generate annual interest income that provides a recurring source of funding.
- The sources of funding for the FY 2011 capital budget are:
  - College Allocated (reserve) Funds: funds previously set aside plus annual additions of net revenues from the general and auxiliary operating budgets and from investment income.
  - State Capital Appropriations: (a) formula allocation of basic renovation funds for facility renewal and replacement lifecycle projects, (b) instructional equipment, and (3) capital component formula allocations. The State of Ohio enacts a capital budget every two years. The normal cycle would result in the next legislation being signed into law around July 1, 2010. Due to state economic conditions, it is possible that the bill will be delayed until later in 2010. The Sinclair budget for FY 2011 anticipates some state funding will be available for recommended projects. The college will monitor and adjust as necessary to the actual timeline and state appropriation levels.
- A summary of proposed capital spending for FY 2011 is shown in Table 1 below:

<b>Table 1: FY 2011 Proposed Capital Budget by Major Category</b>			
<b>Category</b>	<b>Master Plan Reference</b>	<b>Total (millions)</b>	<b>Example Projects</b>
Capital Projects over \$50,000 (i.e., major facility lifecycle, academic function, etc.)	"Capital Projects" Tab; <i>Projects #1-24 on pages 15-16 with descriptions on pages 27-29</i>	\$ 6.2	<ul style="list-style-type: none"> <li>▪ Roof replacements</li> <li>▪ Replacement of air flow infrastructure systems (air handler units; air and temperature control devices)</li> <li>▪ Parking garage improvements and repairs</li> <li>▪ Carpet replacement</li> <li>▪ Classroom Space improvements</li> </ul>
Capital Projects under \$50,000 (i.e., minor facility lifecycle, academic function, etc.)	"Capital Projects" Tab; <i>Projects #120-165 on pages 25-26 with descriptions on pages 38-41</i>	\$ 1.4	<ul style="list-style-type: none"> <li>▪ Academic area repairs</li> <li>▪ General repairs and maintenance</li> <li>▪ Realignment &amp; reorganization</li> <li>▪ Corporate Services Center technology and services upgrades</li> </ul>
Equipment	"Equipment" Tab, <i>pages 9-13</i>	\$ 5.1	<ul style="list-style-type: none"> <li>▪ Instructional program equipment</li> <li>▪ Workforce Development equipment for client needs</li> <li>▪ Duplicating system lifecycle replacement (eliminate costlier lease of this equipment)</li> <li>▪ Multimedia classrooms expansion</li> <li>▪ IT lifecycle replacements</li> </ul>
Professional fees		\$ 0.8	<ul style="list-style-type: none"> <li>▪ For capital projects</li> </ul>
Contingency		\$ 0.4	<ul style="list-style-type: none"> <li>▪ 5.5% of capital projects</li> </ul>
<b>Total</b>		<b>\$ 13.9</b>	

- The Finance Committee recommends approval of the following resolution.

**FACILITIES MASTER PLAN FY 2011-2016**  
**(RESOLUTION #2010-13)**  
**MAY, 2010**

WHEREAS, the Board has adopted a policy requiring submission of an annual capital budget; and

WHEREAS, criteria have been developed to ensure the proposed capital budget is appropriate, prudent and consistent with the most important college needs; and

WHEREAS, the FY 2011 capital budget recommendation submitted for approval is funded by adequate college and state funding sources; and

WHEREAS, the Finance Committees has reviewed the master plan and recommends approval of the FY 2011 capital budget to the full Board with a control total of \$13,962,709;

NOW, THEREFORE, BE IT RESOLVED, THAT:

The proposed list of capital equipment and projects indicated in Enclosure #09 be approved for FY 2011 (\$13,962,709 control total) with the following breakdown of spending:

1. \$5,136,768 be allocated for FY 2011 capital equipment funds; and
2. \$6,199,382 be allocated for FY 2011 projects over \$50,000 each; and
3. \$340,966 be allocated as an aggregate contingency for FY 2011 projects over \$50,000; and
4. \$1,442,125 be allocated for FY 2011 projects under \$50,000 each; and
5. \$79,317 be allocated as an aggregate contingency for FY 2011 projects under \$50,000.
6. \$764,151 be allocated for professional services for FY 2011 projects.

**BOARD ACTION:** A motion was made by Trustee Harkness and seconded by Trustee Wright. The motion carried.

**B. Construction Contract Bid Awards (Resolution #2010-14)**

- State law (Ohio Revised Code section 3354.16(A)) requires that the Board formally approve construction contracts for projects of \$50,000 or more and that these contracts should be signed by Sinclair’s Board Chair. The Sinclair process stipulates that recommended contract bids shall be brought forth to the Board of Trustees after review and approval by the Finance Committee. Note that these bid awards relate to projects that have been previously reviewed and approved by the Board as part of the college’s capital budget approval process.
- For May, there are seven contract awards related to five projects as shown in the table below. Details for these projects are provided in Enclosure #10.

<b>Project</b>	<b>Contract Awardee(s)</b>	<b>Amount</b>
A. Project 10-01 Roof Parking garage repairs, Lots A, C & D	RAM Construction Services	\$268,874
B. Project 10-19 HB 251 Lighting Renovation Bldg. 14	Saturn Electric	\$59,450
C. Project 10-20 Tuck Point Steps and Secure Railings at Bldgs. 10 & 13	R.L. Fender	\$39,230
D. Project 10-22 Concrete Replacement (Bldg. 20 East Plaza) and Project 10-29 (Renovate Plaza, NW Bldg. 10)	J.L. Kuck	\$288,375
E. Project 10-11 Convert 4012 to Biology Lab <b>3 separate contracts</b>	Ohio Electrical Services (Electrical) Roscor Corp. (Telecom) R.L. Fender (General, HVAC, Plumbing & Fire Protection)	\$67,000 \$29,175 \$108,818

- The Finance Committee has reviewed these bids and recommends approval of the following resolution.

**CONSTRUCTION CONTRACT BID AWARDS  
(RESOLUTION # 2010-14)  
MAY, 2010**

WHEREAS, the Board of Trustees is required by state law to approve all construction contracts related to construction projects with a cost of \$50,000 or more; and

WHEREAS, the Finance Committee has reviewed the construction bids and recommends approval of these awards as presented; and

WHEREAS, these awards relate to projects that have been previously reviewed and approved by the Board of Trustees as part of the college's capital budget approval process;

NOW, THEREFORE, BE IT RESOLVED, that the following contracts are approved:

- |                             |           |  |
|-----------------------------|-----------|--|
| 1. RAM Construction         | \$268,874 | (Project 10-01 Roof Parking garage repairs, Lots A, C & D)   |
| 2. Saturn Electric          | \$59,450  | (Project 10-19 HB 251 Lighting Renovation Building 14)   |
| 3. R.L. Fender              | \$39,230  | (Project 10-20 Tuck Point Steps and Secure Railings at Buildings 10 & 13)                                      |
| 4. J.L. Kuck                | \$288,375 | (Project 10-22 Concrete Replacement, Building 10 East Plaza and Project 10-29, Renovate Plaza, NW Building 10) |
| 5. Ohio Electrical Services | \$67,000  | (Project 10-11 Convert 4012 to Biology Lab)  |
| 6. Roscor Corp.             | \$29,175  | (Project 10-11 Convert 4012 to Biology Lab)  |
| 7. R.L. Fender              | \$108,818 | (Project 10-11 Convert 4012 to Biology Lab)  |

**BOARD ACTION:** A motion was made by Trustee Harkness and seconded by Trustee MacIlwaine. The motion carried.

**C. FY 2011 Tuition Recommendation (Resolution #2010-15) and (Resolution #2010-16)**

- Due to continuing shortfalls in state revenue forecasts, the final version of House Bill 1 (the current state operating biennial budget bill for FY 2010- FY 2011) included substantial reductions in funding for higher education. Consequently, the planned tuition freeze was lifted and instead HB 1 permits public colleges and universities to increase tuition by no more than 3.5% per year in FY 2010 and FY 2011.
- In September 2009, Sinclair’s Board of Trustees approved a tuition increase that was effective in Winter Quarter 2010 of FY 2010. For next year (FY 2011), it is recommended that the Board enacts an increase of 3.5% in Sinclair’s in-state tuition rates and a slightly higher increase in the rate charged to out-of-state & international residents. This proposal would be effective Fall Quarter 2010 registrations and the tuition rates would be as follows:

Rate per Residency Type	Tuition per Credit Hour				Annual Change (45 credit hours)	Proposed Annualized Tuition (45 credit hours)
	Current	Proposed	\$ Change	% Change		
Montgomery County	\$46.55	\$48.20	\$1.65	3.5%	\$74	\$2,169
Other Ohio	\$76.05	\$78.70	\$2.65	3.5%	\$120	\$3,542
Out-of-state & International	\$150.55	\$156.20	\$5.65	3.8%	\$254	\$7,029

- This recommendation would generate approximately \$1.4 million for the next year’s budget (\$1.6 million annualized).
- Sinclair’s rate charged to Montgomery County residents will remain the lowest in the state.

The Finance Committee recommends approval of the following two required board resolutions:

1. Resolution for Montgomery County Tuition Increase – voted upon by members of the Board who are residents of Montgomery County.
2. Resolution for Non-Montgomery County Tuition Increase – voted upon by all members of the Board.

**FY 2010-11 TUITION INCREASE: MONTGOMERY COUNTY RATE  
(RESOLUTION #2010-15)  
MAY, 2010**

WHEREAS, the state of Ohio economic and budget problems are well documented and likely to persist for the foreseeable future; and

WHEREAS, Sinclair, like other institutions of higher education, has experienced a prolonged period of reduced state funding per student; and

WHEREAS, the current state budget legislation permits increases in tuition in exchange for reduced funding for higher education; and

WHEREAS, revenue and expense projections for fiscal year 2010-11 and beyond indicate that a student tuition increase will be needed in order to help balance the operating budget and meet the substantial and growing demands for Sinclair's programs and services; and

WHEREAS, as required by Section 3354.25 of the ORC, the levy-subsidized tuition rate for Montgomery County residents shall be voted upon only by members of the Sinclair Board of Trustees who are residents of Montgomery County;

NOW, THEREFORE, BE IT RESOLVED, that the student tuition recommendation described above and in Enclosure #11 for Montgomery County residents be adopted effective for Fall Quarter 2010 registrations and beyond as voted upon by members of the Sinclair Board of Trustees who are residents of Montgomery County.

Board Action: A motion was made by Trustee Harkness and seconded by Trustee Hollingsworth. Warren County Trustees Richard Chernesky and Bernard Wright abstained from the vote. The motion carried.

**FY 2010-11 TUITION INCREASE: NON-MONTGOMERY COUNTY RATES**  
**(RESOLUTION #2010-16)**  
**MAY, 2010**

WHEREAS, the state of Ohio economic and budget problems are well documented and likely to persist for the foreseeable future; and

WHEREAS, Sinclair, like other institutions of higher education, has experienced a prolonged period of reduced state funding per student; and

WHEREAS, the current state budget legislation permits increases in tuition in exchange for reduced funding for higher education; and

WHEREAS, revenue and expense projections for fiscal year 2010-11 and beyond indicate that a student tuition increase will be needed in order to help balance the operating budget and meet the substantial and growing demands for Sinclair's programs and services; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the student tuition recommendation described above and in Enclosure #11 for non-Montgomery County residents be adopted effective for Fall Quarter 2010 registrations and beyond as voted upon by all members of the Sinclair Board of Trustees.

Board Action: A motion was made by Trustee Harkness and seconded by Trustee Chernesky. The motion carried.

**D. Allocation of Montgomery County Levy Proceeds for Fiscal Year 2010-11 (Resolution #2010-17)**

- In accordance with the requirements of Ohio Revised Code section 3354.25, an annual resolution allocating the Montgomery County Levy proceeds is recommended in conjunction with the operating budget recommendation.
- Ohio Revised Code section 3354.25 requires that all proceeds from the Montgomery County property tax levy be used solely for the benefit of Montgomery County residents attending Sinclair, in the form of student tuition subsidy, student scholarships, and instructional facilities, equipment and support services (personnel and non-personnel) located within Montgomery County.
- Further, the legislation specifies that a resolution of this nature be voted upon only by members of the Sinclair Board of Trustees who are residents of Montgomery County.
- The total annual amount of projected Montgomery County levy proceeds in the FY 2011 operating budget is \$33 million.
- The amount of student tuition subsidy (the difference between the out-of-county rate and the in-county rate) for Montgomery County residents is estimated to be \$14.5 million dollars.
- The remainder of \$18.5 million is recommended to be allocated in the manner described in the proposed resolution shown below.
- The Finance Committee recommends approval of the following resolution.

**ALLOCATION OF MONTGOMERY COUNTY LEVY PROCEEDS  
FOR FISCAL YEAR 2010-11  
(RESOLUTION #2010-17)  
MAY, 2010**

WHEREAS, the Montgomery County property tax levy is a crucial component of Sinclair Community College's finances; and

WHEREAS, the fiscal year 2010-11 budget of the unrestricted general fund for Montgomery County Operations is \$131 million; and

WHEREAS, the property tax levy is projected to provide approximately \$33 million in total revenue to the college; and

WHEREAS, all proceeds from the property tax levy will be utilized in the unrestricted general fund's operating budget to provide for expenditures in accordance with ORC 3354.25 (G) (1) that will be solely for the benefit of students who are Montgomery County residents; and

WHEREAS, Sinclair is able to maintain high quality programs and facilities and offer lower tuition rates to Montgomery County residents because of the property tax levy; and

WHEREAS, the Sinclair Trustees wish to publicly record how the annual proceeds from the property tax levy will be spent for Montgomery County residents and for services provided within Montgomery County; and

WHEREAS, as required by Section 3354.25 of the ORC, this resolution shall be voted upon only by members of the Sinclair Board of Trustees who are residents of Montgomery County;

NOW, THEREFORE, BE IT RESOLVED, that the Montgomery County members of the Sinclair Board of Trustees have approved the use of Montgomery County property tax levy funds in fiscal year 2010-11 operations as follows:

Approximately \$14.5 million dollars will be allocated for student tuition subsidy, approximately \$13.7 million dollars will be budgeted for student scholarships, instructional facilities, equipment and support services (personnel and non-personnel) located within Montgomery County, and \$4.8 million will be transferred to the Tuition Stabilization Fund for use later in the ten year levy period. All property tax levy proceeds received in fiscal year 2010-11, except for those set aside in the Tuition Stabilization fund in order to manage fixed levy income over a ten year period, will be spent in the year received. The following is the recommended distribution among budget categories of the aforementioned \$13.7 million allocation for FY 2010-11:

<b>Budget Category</b>	<b>Planned Expenses from FY 2010-11 Levy Proceeds</b>
Campus Police	\$2,400,000
Library Services	1,300,000
Student Scholarships	700,000
Academic Advising and Tutorial	2,400,000
Facility Maintenance, HVAC and Grounds	2,500,000
Student Services Support	2,300,000
Information Technology	2,100,000
<b>Total</b>	<b>\$13,700,000</b>

BE IT FURTHER RESOLVED, that the \$33 million levy revenue, expense and transfer allocations be incorporated within the FY 2010-11 Operating Budget recommendation;

BE IT FURTHER RESOLVED, of the total unrestricted financial reserves of Sinclair Community College held on June 30, 2009, it is estimated that \$4 million in the Tuition Stabilization Fund and \$6 million in the Board Scholarship Endowment Fund were derived from Montgomery County levy proceeds received in prior years. These amounts are being strategically utilized to fund student scholarships and to minimize tuition increases.

Board Action: A motion was made by Trustee Harkness and seconded by Trustee Edwards. Warren County Trustees Richard Chernesky and Bernard Wright abstained from the vote. The motion carried.

## E. FY 2010-11 Operating Budget Recommendations (Resolution #2010-18)

- This is the annual operating budget recommendation for the fiscal year 2011 which begins on July 1, 2010.
- As guideposts for budget development, this recommendation:
  - Adheres to the Board of Trustees' guidelines for fiscal targets
  - Is consistent with the college's long-range financial plan
  - Provides forward movement in compensation, staffing and other expenditures in support of substantial student enrollment growth without over-committing in the face of the very serious possibility of a state budget crisis starting July of 2011
  - Reflects the business plan goals for Warren and Preble County operations; both operations are exceeding business plan expectations and collectively are generating a net positive contribution to the college's finances
- The proposal supports the expected continued enrollment growth across all sectors of the College's operations with largely flat baseline budgets adjusted for the compensation recommendations from the Personnel and Curriculum Committee report, and \$1.5 million targeted for measured incremental allocations to the areas of highest need. While enrollments have dramatically increased by 28% over the past two years, the college has demonstrated cost restraint and achieved significant efficiencies as noted by:
  - Expense *per student* has decreased by 15% since FY 2008
  - Reported total new efficiencies for FY 2008 – FY 2010 of \$17 million
- As mentioned, a critical assumption influencing budget development is the possibility of a looming state funding crisis for the FY 2012-13 biennium. The state of Ohio has a substantial structural deficit of some \$8 billion that is being temporarily offset by one-time federal stimulus money. As in FY 2010, roughly 16% (\$8 million) of Sinclair's state share of instruction (SSI) for FY 2011 is funded from the one-time federal stimulus monies set to expire at the end of FY 2011.
- Sinclair's planning response to this potential sudden and precipitous decline in funding has been to restrain expenditure growth, build up a contingency "rainy day fund" and to seek a special fee increase, all for supporting the continued high enrollment growth and student success needs and for ensuring the sustainable financial health of the college.

- Highlights of the consolidated budget recommendation include:
  - Student enrollment is budgeted to grow by 5.3% relative to FY 2010's revised budget. Of this growth, 3.3% constitutes the impact of FY 2010's actual full year enrollments versus the revised budget; the remaining 2.0% is the additional growth conservatively assumed for FY 2011.
  - Total revenues are forecast to increase by 3.5% or \$4.6 million. Net of the change in the planned transfer of levy revenue to the Tuition Stabilization fund in accordance with the College's long range plan, total resources available to fund expenditures is actually up \$5.8 million (4.7%).
  - Credit-based student fees account for 91% (\$4.2 million) of the total revenue change, as a result of the aforementioned enrollment growth and recently enacted and proposed tuition rate hikes. As recently as FY 2002, this revenue stream was the third highest behind state subsidy and levy proceeds; it now stands at second highest.
  - The budget for state subsidy is based on the most recent estimate from the Ohio Board of Regents with some presumed conservatism in light of the possibility of additional cuts in FY 2011 (if the current state budget shortfall persists) and the impact of changes in the subsidy formula. *Over the past two years, Sinclair's state funding per student has declined by 20%.*
  - Levy revenue reflects a projected detriment to property tax receipts derived from foreclosure and delinquency activities. The budget also begins adjusting for the eventual loss of personal property payments that are being phased out due to prior year tax reform legislation.
  - Total expenses are budgeted to grow \$5.6 million (4.7%) or about a 1% decline on a per student basis. The College has aggressively managed expenditures during the recent period of enrollment surge and loss of per-student state funding. For instance, the FY 2010 original budget reflected only a 1.6% increase in expenditures. As previously mentioned, while enrollments have grown by 28% since FY 2008, budgeted *expenditures per student have declined by 15%*, resulting from restraints in spending and achievement of significant efficiency savings.

- Of note in the area of expenditures are the following items:
  - Core budgets were held relatively flat with the exception of the impact of the proposed compensation increases being recommended by the Personnel and Curriculum Committee, and variable faculty cost to service additional enrollments.
  - The recommendation assumes that the College will continue to realize recent gains in instructional delivery as measure by metrics such as average class size (ACS).
  - \$1.5 million (represents 1.3% increase on total expenses) is targeted for *Growth/Success Additional Funding* that requires incremental resources, principally for a limited number of new full and part-time positions. The tentative plan includes 15 new full-time faculty positions and new staff positions in academic advising, counseling and other high impact, direct student support areas.
  - Temporary expenditures for the semester conversion project are included at a planned level of \$636k. These expenses, which represent the second year of a four year phased implementation, are funded by an allocated (reserve) fund set aside.
- The proposed transfers to and from the allocated (reserve) funds align with the College's long range financial planning and include:
  - Set aside of \$4.8 million to the tuition stabilization fund for smoothing of the levy proceeds over the ten year period (reduced from \$6.0 million in the current year).
  - Additional \$1.0 million for the rainy day fund as contingency planning for the state economic situation described above.
  - An increase of \$1.0 million to the capital budget to restore to a more sustainable level and offset a planned reduction in funding from the next state capital bill.
  - A net positive contribution to the budget from combined Warren and Preble County operations. Both operations are exceeding their business plan enrollment and financial expectations.
- The Finance Committee recommends approval of the following resolution.

**FY 2011 OPERATING BUDGET RECOMMENDATIONS**  
**(RESOLUTION # 2010-18)**  
**MAY, 2010**

WHEREAS, the operating budget recommendation for the FY 2010-11 fiscal year has been reviewed by the Finance Committee and is proposed to the full Board for approval; and

WHEREAS, the budget is prudently balanced, reflects adherence to Board of Trustee guidelines for fiscal targets and is consistent with the college's long-range financial planning; and

WHEREAS, the budget includes projected net contribution from operations at the Courseview Campus and Preble County Learning Center that exceed the respective business plan pro forma's; and

WHEREAS, the budget anticipates restrained state funding due to very difficult state economic conditions during the upcoming fiscal year and beyond, which will require vigilant monitoring and budgetary adjustments as needed ; and

WHEREAS, the budget incorporates a separate Board recommendation to increase in-state tuition rates by 3.5% effective Fall quarter 2010; and

WHEREAS, the budget incorporates the recommendations of the Personnel-Curriculum Committee for modest compensation adjustments; and

WHEREAS, the budget includes an allocation of \$1.5 million to fund incremental critical needs related to enrollment growth and student success; and

WHEREAS, restrained expenditures are reflected in other expense categories with expected continuation of overall cost-per-student efficiencies being achieved; and

WHEREAS, the budget reflects planned transfers to and from allocated reserve funds, including a set aside of \$1 million to the rainy day fund and a projected draw of approximately \$600,000 from a special fund for the multi-year, temporary expenditures required to convert the academic calendar from quarters to semesters; and

WHEREAS, the budget includes the prescribed allocation of the Montgomery County levy proceeds per a separate resolution voted upon by members of the Board who reside in Montgomery County;

NOW, THEREFORE, BE IT RESOLVED, that the FY 2010-11 operating budget is approved as presented;

**BOARD ACTION:** A motion was made by Trustee Harkness and seconded by Trustee MacIlwaine. The motion carried.

## **F. Discussions and Requests**

- The Finance Committee discussed the very substantive agenda items and recommendations related to the both the operating and capital budgets. The committee endorsed the college's measured, restrained but forward moving approach to developing budget recommendations that will support the dramatic student enrollment growth without over-committing financial resources in light of a looming state economic crisis after next fiscal year.
- Questions were asked about the college's capacity to accommodate potential additional enrollment growth in the fall.

## **G. Records of Items Reviewed by the Committee**

- FY 2009-10 Performance Pay Recommendation (Based on Key Performance Indicators)
- FY 2010-11 Employee Compensation Recommendations
- Courseview Campus Update
- Interim Financial Statements FY 2010
- Internal Control Checklist
- Capital Budget Status Report
- Commencement Update
- Recent Sinclair News Articles

This concludes the report of the Finance Committee.

## **VII. STRATEGIC LINKAGES COMMITTEE REPORT TO THE TRUSTEES – BERNARD WRIGHT**

### **ITEMS FOR BOARD DISCUSSION AND/OR RESOLUTION**

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#### **A. Courseview Campus Development**

- The due diligence analysis has been completed on the potential purchase of property in the vicinity of the Courseview Campus Center. The results of the analysis have been reviewed by the president and his senior staff, as well as the committee members.
- As a result The Strategic Linkages Committee recommends that the Board give final approval for the purchase of the property, as required by Board of Trustees Resolution #2010-05 passed on January 30, 2010.

**A RESOLUTION TO AUTHORIZE THE PURCHASE OF PROPERTY  
IN THE VICINITY OF THE COURSEVIEW CAMPUS CENTER  
IN MASON, OHIO  
(RESOLUTION #2010-19)  
MAY, 2010**

WHEREAS, the Sinclair operations at the Courseview Campus Center, which opened in the Fall of 2007, are positively exceeding enrollment projections and financial plans; and

WHEREAS, the existing Phase I facility is nearing enrollment capacity, with a growing community college student market estimated to far exceed the capacity of the existing facility; and

WHEREAS, it is expected that a phased and appropriately-scaled series of facility, parking, personnel and program expansions will be needed over the next several years to meet student demand; and

WHEREAS, on or about November 23, 2009, the Sinclair President signed a Purchase and Sale Agreement (the "Purchase and Sale Agreement") pertaining to certain real property in Warren County (the "Property");

WHEREAS, the Purchase and Sale Agreement includes an Inspection Period, through January 31, 2010, during which Sinclair could determine whether it wanted to proceed with the purchase of the Property, and the Board of Trustees passed Resolution #2010-05 on January 30, 2010 authorizing the President to continue the process of purchasing the Property; and

WHEREAS, Resolution #2010-05 further provided that Sinclair's purchase of the Property is contingent upon final acceptance of the results of the due diligence analysis and will be considered by the Board for final approval at the May 2010 Board meeting; and

WHEREAS, the due diligence analysis has been completed, the results have been reviewed, and are hereby accepted by the Board of Trustees; and

WHEREAS, the Purchase and Sale Agreement further provides that it may be terminated on or before May 31, 2010, if the additional required State approvals set forth in the Purchase and Sale Agreement and required by Ohio law ("the State approvals") do not occur;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees authorizes the Sinclair President to complete the process of purchasing the Property, contingent upon the State approvals, with ultimate closing expected to be on or about July 25, 2010.

**BOARD ACTION:** A motion was made by Trustee Wright and seconded by Trustee Hollingsworth. The motion carried.

## **B. Special Fee Request Update**

- The president and his staff continue to work with the Chancellor and his staff on the processing of Sinclair's request under the "exceptional circumstances" provision of the state budget.

## **C. Significant National Relationships – Federal and League for Innovation**

- President Johnson and Vice President Tom Raga recently traveled to Washington, DC for a series of meetings with legislators, legislative staff, Governor Strickland's Washington office and senior federal agency officials. President Johnson and Vice President Raga were joined in those meetings by League for Innovation President and CEO, Gerardo de los Santos.
- This trip coincided with the Dayton Development Coalition's annual Fly-In to Washington, DC.
- Announced in conjunction with this trip was Sen. Sherrod Brown's prioritization of Sinclair's earmark request for funding for the Sinclair Center on Energy Education. This request was also prioritized at the top of the Coalition's regional list of requests.
- Sinclair continues to cultivate opportunities to work with the League on national initiatives that will both benefit Sinclair's students and the Dayton community, as well as further the work of the League.

## **D. Sinclair "FourSquare" for Student Success Update**

- Based on the discussions at the March Board meeting, revisions were made to the Board's Value Statements, which provide the foundation for the Sinclair "FourSquare" for Student Success planning model.
- At the June Board meeting, the Board will likely discuss draft Key Results Indicators for measuring and monitoring its governance of the college.

## **E. Discussions and Requests**

- The committee suggested that Sinclair's lowest-in-the-state tuition rate may provide marketing opportunities.
- The committee recognized and expressed appreciation for the diligent efforts of Sinclair employees in the face of increasing community needs.
- The committee also discussed the performance pay system and possible improvements for future implementation.

## **G. Records of Items Reviewed by the Committee**

- FY 2011 Tuition Recommendation
- FY 2009-10 Performance Pay Recommendation (Based on Key Performance Indicators)
- FY 2010-11 Employee Compensation Recommendation
- FY 2010-11 Operating Budget Recommendation
- Commencement Update
- Recent Sinclair News Articles

This concludes the report of the Strategic Linkages Committee.

## **IX. PRESIDENT'S ADDITIONAL NOTICES – STEVEN JOHNSON**

**A. End-of-Year Events** – This time of year presents opportunities to recognize and appreciate faculty and staff who have worked extraordinarily diligently during the year:

- **Faculty Recognition Reception**  
May 14, 3:00 – 4:30 p.m., Tartan Terrace  
*Celebrating the outstanding achievements of Sinclair's faculty*
- **Employee Recognition Dinner**  
May 14, 5:00 – 7:30 p.m., Great Hall, Sinclair Conference Center  
*Recognizing employees with significant years of service or academic achievements, and honoring retirees*
- **End-of-Year Employee Celebration and Thank You Event**  
May 25, 3:00 – 5:00 p.m., Great Hall, Sinclair Conference Center  
*An opportunity to appreciate all of Sinclair's employees who have contributed to an outstanding year of service to the community*

- B.** Annesa Cheek, a former Assistant to the President and current graduate student at the University of Texas will be returning to Sinclair to complete a required internship. She will begin work in August.
- C.** The Sinclair Foundation's annual Employee Fundraising Campaign has achieved a new record by surpassing \$60,000 in commitments to-date.
- D.** The college has received a public records request by the Sinclair Chapter of the American Association of College Professors for compensation information for all employees and consultants spanning a six-year period (2005-2010). Consequently, a letter notifying current Sinclair employees of this request was

mailed to over 3,000 individuals.

E. Summer registration is exceeding 20% over levels at this time last year.

**X. ADJOURNMENT – LAWRENCE PORTER**

The meeting adjourned at 4:45 p.m. Any materials referenced may be found with the permanent file copy of the Board agenda.

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Chairman

ATTEST:

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Secretary