



**HOCKING COLLEGE  
BOARD OF TRUSTEES MEETING**

**Tuesday, May 28, 2013**

**7:00 PM**

**Meadows Shelter - Lake Snowden**

**Regular Meeting**

**Trustees Tour Lake Snowden at 6:00 PM**

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|---|----------------------------|
| ▪ <b>Call to Order</b>  | Vice Chairman Taulbee      |
| ▪ <b>Roll Call</b>  | Mrs. McDonald              |
| ▪ <b>Approval of Minutes*</b> <ul style="list-style-type: none"><li>▪ April 23, 2013 Regular Meeting</li></ul>                    | Vice Chairman Taulbee      |
| ▪ <b>Budget Committee Report</b>  | Trustee Brooks/Ms. Fetty   |
| ▪ <b>Facilities Committee Report</b>  | Trustee Budzik/Dr. Davis   |
| ▪ <b>Personnel Committee Report</b>   | Trustee Taulbee            |
| ▪ <b>Academic and Student Affairs Committee Report</b>  | Trustee Tucker/Dr. Bridges |
| ▪ <b>Foundation Report</b>  | Ms. Villavicencio          |
| ▪ <b>Chairman's Report</b>  | Vice Chairman Taulbee      |
| ▪ <b>President's Report</b>   | Dr. Erickson               |
| ▪ <b>Old Business</b>   | Vice Chairman Taulbee      |
| ▪ <b>New Business</b> <ul style="list-style-type: none"><li>▪ Next Meeting: June 25, 2013 at the Inn at Hocking College</li></ul> | Vice Chairman Taulbee      |
| ▪ <b>Adjournment</b>  | Vice Chairman Taulbee      |

\*Board Action Required

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**May 28, 2013**

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The Regular Meeting of the Hocking College Board of Trustees was held Tuesday, May 28, 2013, at Lake Snowden, Albany, Ohio.

Administrators attending: Laura Alloway, Director of Marketing and Public Relations; Dr. Carl Bridges, Vice President of Academic and Student Affairs/Provost; Dr. Myriah Davis, Vice President of Administrative Services; Dr. Ron Erickson, President; Gina Fetty, Vice President of Fiscal Services/Treasurer; Kensey Love, Director of Institutional Research and Planning; and Libby Villavicencio, Foundation Executive Director.

Additional attendees: L. Pendleton Armistead, Armistead Group; staff, and media.

**CALL TO ORDER**

Vice-Chairman Taulbee called the meeting to order at 7:26 pm.

**ROLL CALL**

Jestinah McDonald, Board Secretary, called the roll:

Board members present: Mike Brooks, Mike Budzik, Gary Edwards, Larry Rentschler, Andy Stone, Keith Taulbee, and Paula Tucker.

Board members absent: Bob Troxel and Darlene Wells.

Members present constitute quorum: Yes

**APPROVAL OF MINUTES**

Vice-Chairman Taulbee asked if there were any changes to the minutes from the April 23, 2013 meeting. There being none, Trustee Taulbee moved, seconded by Trustee Rentschler that the minutes be approved as presented. Motion passed unanimously.

**BUDGET COMMITTEE REPORT**

Trustee Brooks invited Ms. Fetty to present the report. Ms. Fetty indicated that the April report (Addendum 1) shows a year-to-date excess revenue of approximately \$4 million. However, three payrolls still remain in May as well as the final payout for spring semester of part-time and overload contracts so there will be a significant reduction in that revenue. She indicated that she still feels that the college will end the year strong. Ms. Fetty detailed that the Bookstore currently shows a deficit. However, the pattern of revenue recognition for that auxiliary changed from four times per year to only three with the conversion to semesters. Additionally, there is approximately \$100,000 in credits for returned books that have not been applied yet which will bring the deficit down. She further explained that the college has moved printing services to Ohio University and is seeing a cost savings there as well so she feels certain that we will have a positive net gain at the end of the year.

Ms. Fetty indicated that the college's general receipts pledge request for purchase of the two residence halls from Hocking College Foundation has now been posted on the Ohio Board of Regents (OBR) website for public comment. It will be posted for two weeks for public comment and then she expects the Chancellor to approve the request. She indicated that Chancellor John Carey had recently visited the campus and that that meeting had went well. Ms. Fetty also reported that Moody's will visit the campus on Friday to tour and hear about the college in preparation for their rating process.

Ms. Fetty introduced a resolution that would appropriate lease payments from the College to Hocking College Foundation for fiscal year 2014. She explained that the plan for the bond issuance to purchase the facilities is to sell in mid-July. However, per agreement, a resolution for the lease payments is due each year by June 15. She indicated that it is the same resolution that the Board approved at this time last year. Once the bond issuance is completed, this resolution will become obsolete but it is required at this time.

Trustee Brooks moved that the resolution be approved as presented. Trustee Stone seconded the motion. Motion approved unanimously.

**RESOLUTION 2013-12**  
**APPROPRIATE LEASE PAYMENTS FROM HOCKING COLLEGE TO**  
**THE HOCKING COLLEGE FOUNDATION FOR USE OF RESIDENCE HALLS**

**WHEREAS**, legal documents governing the issuance of \$20,800,000 in Series 2008 bonds to build two residence halls owned by The Hocking College Foundation require that every year, prior to the 15<sup>th</sup> of June, the Board of Trustees of Hocking College appropriate funds for the payment of the College's lease of those facilities and,

**WHEREAS**, the amount of principal, interest and related fees to be paid on the Series 2008 bonds in FY 2014 approximates \$1,200,000

**NOW THEREFORE, BE IT RESOLVED**, by the Hocking College Board of Trustees, that \$1,200,000 be appropriated in FY 2014 from the Residence Hall/Dining Service Fund for the lease of residence halls built with Series 2008 bonds.

*The funding source for this obligation is from residence hall fees paid by student occupants.*

Ms. Fetty reported that with the recent payoff of the Energy Institute and other projects, the College will have only \$500,000 in debt. That is as close to debt free as the College will be for a while.

Dr. Erickson asked Ms. Fetty to provide more insight into Chancellor Carey's recent visit to the campus. Ms. Fetty explained that the OBR is not accustomed to two-year colleges issuing debt for residence halls. Chancellor Carey wanted to visit and learn more about this special situation. During the Chancellor's visit, it was explained that the College

would only be financing debt that it is already responsible for and that after the refinancing, the College would be in a better position since there will be less cost of debt. Ms. Fetty indicated that she would forward the link to the OBR site where the pledge request is posted to the Trustees for review. Trustee Brooks indicated that he and Trustee Budzik both attended the meeting with Chancellor Carey and that they were impressed with him. The Chancellor is from Wellston, and he seemed to be very impressed with Hocking. He understood what the College was asking for and seemed supportive.

In regard to the monthly financial report, it was asked if the listing for the Lake Snowden auxiliary included the hatchery operation. Ms. Fetty explained that the hatchery is part of the academic programming. She further explained that while Lake Snowden is showing a deficit now, it was budgeted to be supported by the College. No budget transfers have been made yet and she expects the situation to improve when the May financials are posted.

#### **FACILITIES COMMITTEE**

Trustee Budzik invited Dr. Davis to present the report. Before she began, Dr. Erickson explained that he takes it as his charge to try to focus the institution's mission and seek out partners; however, it is rare when opportunities knock on our doors. Nevertheless, he received a call from former governor Ted Strickland several months ago, introducing associates of his who are involved in a private equity firm. The College was issued an invitation to participate in a venture that will greatly accelerate its ability to improve facilities, specifically, the Inn at Hocking College.

Dr. Davis explained that the College has an opportunity to work with Higher Education Partners (HEP), a venture capital firm that invests in institutions that want to renovate or expand their facilities (Addendum 2). She explained that college administrators have had multiple meetings with HEP to discuss opportunities and they decided to take this time to introduce the potential partnership to the Board with no resolution requested. She stated that the partnership had also been presented to Trustees Brooks and Budzik in a joint subcommittee meeting.

Dr. Davis reminded the Board of the proposal to renovate the Inn at Hocking College, working toward Governor Kasick's priority to emphasize workforce development, and partnering with Tri-County Adult Career Center. When that proposal was presented, there was no funding to complete the project. With the involvement of HEP, the College has started talking about that project again. Dr. Davis presented a revised plan (Addendum 3) for the renovation and explained that it is a concept that is closest to where all parties want to be. It is broader than just a business training center and will include expanded education facilities as well.

Dr. Davis stated that HEP is very interested in working with the College and in funding the renovation project. She explained that the College and HEP are currently looking at the economics of a partnership and that the COO of HEP visits every Wednesday for work sessions with Ms. Fetty and herself. Dr. Davis stated that HEP chooses partners very carefully and invests capital money at rate of return. The proposal is for a 20 year agreement, where HEP would get 15% of revenue once the business is up and running. The

College and HEP are currently working out how we would define revenue and we will come up with a mutually agreeable definition. Once all of the numbers are pulled together, a formal presentation will be given to the Facilities and Finance committees of the Board and perhaps a presentation to full board will take place at the June meeting. Dr. Davis stated that in their partnerships, HEP not only gives capital, but they also assist with the construction phase (estimated to be \$3.5 million), and also set an annual operating budget of the project and monitor it quarterly. HEP has also set up scholarship programs (at other schools they have worked with), and they are open to other ideas on how this partnership could be used to benefit students.

Trustee Brooks indicated that he feels the partnership with HEP could support growth for the College. The Dean of the culinary and hospitality programs feels that his programs' enrollment could double with the renovation of the facilities. That increase in student enrollment, in addition to increased sales with catering, could be used to support this project. Trustee Taulbee commented that the HEP proposal seems almost too good to be true. Dr. Davis indicated that HEP has invested at other Ohio schools including Cincinnati State and Eastern Gateway. Dr. Erickson has reached out to their presidents for referrals and information on how their partnerships are working out. Trustee Budzik suggested that the HEP proposal be thought of like another "tool in the toolbox." It could be a great opportunity for the College to move forward quickly.

Trustee Edwards questioned how HEP would get their 15% of revenues. Dr. Davis indicated that some of it would be tied directly to tuition, some to catering and/or the restaurant operations. Those are some of the details that the College and HEP will be working out over the next couple of weeks. Trustee Taulbee asked what happens to the facility if it is non-performing. Ms. Fetty explained that HEP does not want to operate the facility. They will conduct periodic visits about the operating budget and they fully understand that they may not cover their initial investment.

Trustee Tucker suggested consulting with an expert in the venture capital field and involving a neutral party. She indicated that the Voinovich Center at OU might have someone on staff that could assist.

Trustee Taulbee asked if the College could get bond financing for this project as an alternative. Dr. Davis explained that part of the value in partnering with HEP is that the debt is not on the College's books. If it is successful, partnering with them would cost us more at their 15% requirement. It was explained that Eastern Gateway College has yet to break even on their operation so HEP has no yet collected income from their partnership and HEP is satisfied with their progress.

Trustee Stone suggested involving the Ohio Attorney General to make sure our partnering with HEP is legal. Dr. Davis indicated that John Haessley has been in the meetings with HEP and he is also working closely with the OBR and Governor Kasich's office.

It was proposed that Ms. Fetty and Dr. Davis continue to work with HEP and then present the cash flow option and full proposal to the Board. Dr. Erickson indicated that while there is an element of risk, he feels that it is right sized in dealing with a champion

program of the College. Trustee Brooks requested that Dr. Davis reach out to the Trustees in mid-June with what has been prepared so that they will have time to review the information before the meeting.

#### **PERSONNEL COMMITTEE REPORT**

No report.

#### **ACADEMIC AND STUDENT AFFAIRS COMMITTEE REPORT**

Trustee Tucker invited Dr. Bridges to present the report. He provided an update on the program review process. Dr. Bridges stated that the initial process was cumbersome and that it took awhile to get to the core of the programs. He indicated that he is going to have to revisit the process because he needs a better way to guide faculty through the process. However, the existing structure was a good process for the School of Arts, Business, and Information Technology. Dr. Bridges walked the Trustees through the results of the first round of reviews (Addendum 4).

Dr. Bridges indicated that the biggest challenge for the review process over summer will be the low number of faculty on campus. He indicated that the College needs to look at a more user-friendly review process because under the current one, faculty feel as if they are defending their programs and are not taking a hard look at them. Faculty need to understand that the process is about improving programs and how they serve the communities. Trustee Taulbee asked how long it would be before information from the reviews would be available to potential students in terms of employment rates, etc. Dr. Bridges indicated that while there are still some holes, his goal is to have the information available for the term after reviews are completed. Trustee Tucker asked if there is an avenue for students to evaluate courses. Dr. Bridges responded that while there is one in place, it too is being revamped. The current process is not automated and has some issues. His plan is to charge student government with the process of completing evaluations, therefore putting more distance between faculty and the review process. Trustee Brooks stressed the need for clear data on the program review reports.

#### **FOUNDATION REPORT**

Dr. Erickson introduced Pendleton (Pend) Armistead of Armistead Group, with whom the Hocking College Foundation has a contract to help develop a targeted gifts campaign. Mr. Armistead expressed his hope that his assistance will help create systemic change at the institution and reposition the College to do more and better three to five years out. Mr. Armistead reviewed the state of fundraising in higher education and gave the Board some figures relative to this industry. He indicated that in developing a fundraising plan, the College needs to look at three areas of concentration: quality of life, workforce development, and economic development. He also indicated that he would call on the Trustees to assist with thanking supporters and encouraging them to remain involved with the College. Everyone associated with the College (Trustees included) has a stake in the campaign's success and everyone can contribute.

Ms. Villavicencio explained that the plan for the campaign is take a more comprehensive approach and focus on several initiatives such as: supporting students, resources for campuses, technology, facilities, and endowment (50<sup>th</sup> Anniversary in 2018).



Ms. Villavicencio further explained that the Foundation is contracted with Armistead Group for flat rate of \$25,000 over five months to get plans in place. This is being paid for out of the Foundation's unrestricted funds. The Foundation is working with a marketing firm to develop campaign materials and a new website design for the Foundation.

Ms. Villavicencio also outlined some upcoming events that the Foundation is hosting including a benefit for the Beth McKenzie Student Support fund on June 13 and the Hocking College Retirees luncheon on June 19. Trustees were encouraged to attend each of the events.

#### **PRESIDENT'S REPORT**

Dr. Erickson thanked Jason Love, Lake Snowden Park Manager, for organizing the tour of Lake Snowden for the Trustees and complimented him on a job well done.

#### **CHAIRMAN'S REPORT**

No report.

#### **OLD BUSINESS**

None.

#### **NEW BUSINESS**

The next regular board meeting is scheduled for June 25 at the Inn at Hocking College.

#### **ADJOURNMENT**

There being no further business, Trustee Brooks moved, seconded by Trustee Taulbee that the meeting be adjourned at 8:48 pm.

  
Keith Taulbee, Vice Chairman

  
Jestinah McDonald, Board Secretary