

NEWS RELEASE

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Glen Oaks Board looks toward future cost savings

CENTREVILLE---Future financial savings related to energy and utility use at the college and the cost of scheduled board member elections were on the minds of the Board of Trustees at the November 11 meeting. The capital considerations were included in a meeting that showed a fiscally healthy audit presentation from Plante & Moran, PLLC.

The College's financial audit for FY 2009 reported a \$500,000 net increase in the college's operating fund. The increase is due in large part to an 11 percent increase in student numbers and tuition and fee hikes made over the past year, though some revenue also came from deferred payments from the State of Michigan. Plante & Moran representatives complimented Glen Oaks Community College for investing additional funds to increase instruction and student services and meet growing student needs. Overall, last year's total revenue was \$11 million and expenditures were \$10.1 million.

In the October 2009 treasurer's report, Chief Operations Officer Marilyn Wieschowski said total earned revenue as of October 31 was \$2.8 million, which represented 25 percent of the annual budget. The revenue was approximately \$260,000 over this time last year. Expenses year-to-date were \$3.2 million, which represented 29 percent of the annual budget. The spending rate was approximately 13 percent higher than last year's rate through October. The net loss as of October 31, was \$413,000. Wieschowski said the net loss was anticipated because the college was just nine weeks into the fall semester and all revenue has not yet been received.

The Board of Trustees received a presentation from Honeywell Corporation for a Performance Contracting Program. Glen Oaks President Dr. Gary Wheeler and representatives of Honeywell discussed findings after a thorough review of the college's facilities and equipment, much of it over 40 years old, was completed. HVAC/heating and air conditioning controls, mechanical components, lighting fixtures and other operational areas were studied. Honeywell placed sensors in rooms throughout the college to assess usage and recommendations were made for upgrades in most places, with a wide variety of lighting in place, older boilers and control systems. Honeywell officials suggested a self-funded program, much of it from realized energy savings that would take place over the coming years. Board members asked for more details and specific priorities that would produce result in significant savings. The company agreed to come back with more information, and the Honeywell program would be considered at a coming meeting.

President Wheeler said the \$8,684 cost for the college's portion of the May 2009 school elections for the College Board of Trustees caused him to review ways to reduce future election costs. His suggestion is to consider putting the election of board members in line with major elections held in November on even numbered years. "This would cause us to have to extend the term of all Trustees by one year, but by joining in those elections with more on the ballot we will not face those costs," said Dr. Wheeler. Board member Bruce Gosling agreed, "That is the fiscally responsible thing to do." And Pat Haas added, "It is really the best thing." Dr. Wheeler said he will look at the procedures taken by other community colleges that have moved their election dates and report back to the Board.

In other action, the Board heard that:

- Michigan Leadership Institute's evaluation of the President is on schedule and a facilitated evaluation process with forms will be made available in the next several weeks to the board, faculty, staff and random members of the community. Results are to be completed by the December meeting.
- Director of Financial Aid and Scholarships Jean Zimmerman received a letter of congratulations and Certificate of Achievement from the State of Michigan Department of Treasury for helping lead the college's success in assisting student loan borrowers to avoid student loan defaults. Glen Oaks Community College's cohort default rate has been below ten percent for the three most recent years as published by the U.S. Department of Education. "This is a major achievement and demonstrates your institution's commitment to helping students and preventing student loan default," the letter said.