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Antioch University
Finance Committee Minutes
Yellow Springs, Ohio
October 17, 2002

Present: Bruce Bedford, chair; Reuben Harris; Jack Merselis; Dan Kaplan; Jeff Kasch; Art Zucker; Bill Hooper; Sherwood Guernsey; Niels Lyster; Pegene McPhaden; Larry Stone; Everette Freeman; Kay Thomson; Laura Markham, David Weaver; Glenn Watts; Rosalie Sturtevant; Barbara Danley; Toni Murdock; Jim Craiglow; Chloe Reid; Peter Temes; and Joan Straumanis

The Finance Committee meeting convened at 1:45 pm. Chair Bruce Bedford requested that at the next meeting, the Committee be presented with information concerning how the various bond debt covenants are calculated. He also reported that a 'dash board' version of the financials would be designed and presented at the February meeting.

Vice Chancellor Glenn Watts reviewed the 2001-02 year-end financials. Glenn explained that the $2.9 million year-end deficit was primarily caused by losses on the Endowment in the stock market, and this would cause Antioch to be in violation of the covenants of the New England and the Seattle bonds unless waivers are obtained. Questions followed by Trustees concerning the current Moody's evaluation of Antioch in a quest for our own bond rating. If Antioch could obtain its own favorable rating, we might consider refinancing the New England and/or the Seattle bond issues to obtain a more attractive interest rate.

The Committee went into executive session at 2:40 pm to meet with the independent auditor from Ernst and Young. The Committee asked Ernst and Young to modify the opening paragraphs of the report that deal with the organization of the University to better reflect the current governance structure.

The open meeting resumed at 3:15 pm. College President Joan Straumanis was asked to discuss the enrollment picture and reported that while enrollment was up from last year, the College had not met the budgeted headcount target. This could result in an additional $500,000 deficit in College operations over the approved $600,000 deficit by year-end. Chairman Bedford requested that Joan prepare a special report by mid-December detailing how the College will return to the approved $600,000 deficit level contained in the 2002-03 budget. A question was raised concerning the upcoming faculty searches, and the Board also requested a specific list of those positions showing which are replacements and for whom, and which are additions to those already in the 2002-03 budget.

McGregor President Barbara Danley announced that the fall enrollment for McGregor is up 11% and that she feels the campus is in good financial shape. The staff union had just ratified a three-year contract and she explained the new provisions. There was some concern expressed by Committee members that this contract will affect expectations when the College negotiates its contract next year.

Chancellor Craiglow interjected that ratification of the new McGregor contract requires a change to Antioch's tuition remission policy. This change will be effective 1-1-03 and supercedes the three existing tuition remission policies governing eligibility for employee tuition waivers at the Master's level.
Moved by Bruce Bedford, seconded by Sherwood Guernsey, all voted in favor.

A resolution was brought forward to give President Danley and Chancellor Craiglow the authority to ratify the union contract. Moved by Bruce Bedford, seconded by Art Zucker, all voted in favor.

New England President Peter Temes requested approval of a resolution to allow the buildout of the additional vacant space in the New England building in conjunction with a joint project with local schools in New England. A Federal grant to the schools will fund much of their program costs. The construction will cost $290,000, with $140,000 pledged from grants and gifts and the remainder to come from rents received from the use of the new space. Moved by Sherwood Guernsey, seconded by Jeff Kasch, all voted in favor.

Glenn Watts requested approval of a resolution to approve a contract with Centrinity, Inc. for the purchase an integrated voice mail and E-mail system that will serve all Yellow Springs units at a price or $89,000. The new system will expand the existing FirstClass E-mail system and, once implemented, all University campuses will be using the same E-mail system. Moved by Sherwood Guernsey, seconded by Laura Markham, all voted in favor.

Jim Craiglow explained a resolution proposed by the ULC to forgive $1.5 million owed to the non-residential campuses by the College as a result of operating deficits. This obligation has appeared as unfunded reserves on the books of the non-residential campuses. Moved by Sherwood Guernsey, seconded by Laura Markham, all voted in favor.

Southern California President Chloe Reid described the new recruitment program that they are working on to attract more students. She requested authorization to enter into a contract with Fritz Creative, Inc. in an amount not to exceed $33,000 for marketing materials at the Santa Barbara campus. Moved by Sherwood Guernsey, seconded by Laura Markham, all voted in favor.

Bruce Bedford adjourned the meeting at 3:37 pm. Because of other pressing Trustee business, the Committee was not able to reconvene. Bruce indicated to the remaining three presidents that the full Board would hear reports from them the next day concerning the news from their campuses.