Executive Committee Meeting Minutes
February 4, 2013

Attendance: Margaret Valentine, Peter Alpaugh, Chris Habel, Sean McGrory, Nick Vehr, Robin White, Julie Heath, Sue Heilmayer and Lorrie Penner

I. Welcome
Margaret Valentine opened the meeting

II. Consent Agenda
The consent agenda included the Minutes from the October 30, 2013 meeting, committee activity reports and the fundraising report for approval. A motion was made to accept the consent agenda, seconded and passed with unanimous approval.

III. Annual Award Luncheon Activity
Julie Heath report that the planning for the luncheon is on track. Rodney McMullen, who will accept the Economics Empowerment Award for Kroger, has agreed to attend a reception prior to the luncheon. Platinum and Gold sponsors will be invited to attend the reception with up to three of their management team at 11:30am.

IV. Scorecard
Julie Heath presented the FY2014 Scorecard, Second Quarter. She discussed the Education programs, which include overviews of StEP, Stock Market Game (SMG), Professional Development (PD) and Alpaugh Scholars.

StEP - schools are contacting the Center to participate rather than the Center having to go out and “sell” the program. Overall participation has increased, which is attributed to the use of the Money Savvy Kids program as an on-boarding strategy and an expanded focus to include non-urban, in-need schools.
The Young Professionals Council is becoming involved with StEP and plan to have a presence at upcoming StEP school stores. Thank you to Chris Habel and Adrijana Kowatsch for guiding this new group.

SMG – is doing well in the Cincinnati area with an increase in the year-long game, but a loss of participation in the Columbus area due to the withdrawal of sponsorship that has been in place from the Columbus Dispatch for those teams. The Center honored the Columbus participation without payment and accepted the loss in the Fall. For the Spring games the Columbus schools are aware they no longer have the Dispatch money and some have returned, but not in the same volume as when sponsorship money was available for them.
PD – The number of educators and enrollment in graduate credit has declined in part due to the termination of the PD Director. The Center had started down the path of replacing this position, but has since suspended a replacement, because of the current financial situation with the Center’s budget. The other factor in the reduction of interest in PD is the changing climate that the educators find themselves in. In many of the districts, PD is not paid for by their school and they do not need graduate credits in the same way that they have in the past. Additionally, educators are currently trying to work Legislation-driven student assessments into their teaching day and are overwhelmed with the new procedures.

Another factor in loss of revenue for PD is that UC changed the way it compensates the Center for PD classes about 4 years ago. The Center did not adjust or compensate for the change, which reduced the amount of profit received for hosting the PD classes through the UC system. PD will continue, because it is one of the Center’s core purposes, however it will look different in the future. In the past we have scheduled teacher workshops and with the lack of attendance, end up cancelling more than half of them. Moving forward the Center will look to Sponsored PD and focus on finding partners that will pay for the course and the educators may attend for reduced or fees waived.

Alpaugh Scholars – a tremendously successful 2013-2014 class. Increased attendance and Adriana Kowatsch was director of the program this year. The training sessions were focused on greater engagement and increased relevance. The program was positioned to more effectively tie the attendees to other Center programs. The recruitment process for the next class will start earlier than June. Members of the current session have all been invited to sit at Peter Alpaugh’s sponsored table at the Annual Award Luncheon.

The Research and Communications sectors were reviewed;

Research – the clear message on research is that there has been an improvement to processes resulting in ON TIME performance of every project that the Research Team handles. Kudos to Michael Jones for leading his team to improved client satisfaction.

The team launched a very successful blog, which is sponsored by Cincinnati Commercial Contractors. Revenue for the Research division is down due to unexpected postponements or cancellations of research work that was expected to take place in FY2014. There are a wide variety of reasons for this, none of which are under the control of the Center but solely based on client decisions.

The Research team is in the process of planning a forum event in Columbus sometime in April or May. The focus of the event will be a public forum to look at workforce development in Ohio. The team decided to engage in another forum based on their success in August of 2013 with the Education Panel that they hosted and included Robin White, Andy Benson, Carlee Escoe, Peggy Lehrner and Denise Driehaus.

Communications/Marketing – success points in this arena are the launch of the new website and a social media plan that includes activity on FB, Twitter and pushing more video content. A
marketing plan was completed with the help of the Marketing Committee members, led by Doug Bolton and Jaclyn Smith.

V. Financials
Sue Heilmayer, Accountant for the Center presented the FY14 Balance Sheet as of December 31, 2013 and the Profit & Loss Budget vs Actual July 2013 through December 31, 2013.

The Balance Sheet for the six month period shows the UC Accounts with negative numbers in the Valentine Fund, Alpaugh Family Chair, Foundation Deposits, General Account and UC Spending funds. The Center will replenish $300,000 of this through a transfer of funds from the FEG investment account. The shortfall in these accounts is very unusual. This situation is attributable to a few factors;

Fundraising – the Center has counted on a few large donations and a large donor is not renewing their gift this year. In general, individual giving is also down. There has not been approval at this time for the Center to replace Claire Luby in the Development Director position since she left in December.

Research - research division had an unexpected loss in revenue when some contracts were suspended or discontinued due to client decisions. The Director of Development for research also experienced a change. The Center was without a director in the first three months of the FY2014, but has since hired a person, Brad Evans, who is getting up to speed and eventually will help the Center to bring in more Research business.

The Profit & Loss was presented next. Sue pointed out that the income is lower than the budget. Unrestricted contributions down by $257,708, as discussed due to a major donor’s non-renewal of their annual gift. Restricted contributions are down by $104,527, however, the Luncheon subcommittee has a goal to raise $100,000 at the annual luncheon, $40,000 is coming from the Honor Trust and $20,000 is expected from State Farm for one of the Center’s programs. Research division is lower by $129,523 than projected due to the reasons stated regarding contracts that did not go through as expected.

Identifying Actions to react to Financial Status –
Julie told the committee that there are some plans in place to address the current shortfall that the Center is experiencing;

1. Layoff Staff – the income stream has not increased, but the staff has increased. Therefore the Center will make some hard decisions in the next months to decide if a layoff will be needed to survive in the short term.
2. Reduction of expenses – the Center has been caring a 6month severance for Doug Haskell who was terminated in October 2013. This comes to an end in April, 2014. His salary was over $100k.
3. There is a plan in place for the Research division. Most of it is long-term, but includes the development of new products. The market for Economic Impact, which the Center has been a well-known expert, is a market that is not as active as it had been in the past. Therefore, new products that are marketable and reproducible are being planned. The workforce and industry cluster analysis were pointed to as being research we can sell.

4. There is a plan in place for the Education division. Most notably is the decision to move into sponsored PD and away from relying on workshops with graduate credits as the revenue, which has been unsuccessful. The business partnership model is gaining ground and the Center will continue to look for more partnerships.

5. Fundraising – change focus to include increasing the donor base and move away from reliance on a few large donors. Identifying new prospects – the development committee will be working on a prospect list. Engaging the board in more fundraising for the Center than it has in the past.

6. Rebuild the foundational reserve – this is the first fiscal cycle with a new director, structural realignment and rebuilding the Center’s programs for the future.

VI. Board Action Plan
Chris Habel briefly reported from the Board Retreat the following action items will be implemented;

   a. Updating the Center’s Mission and Vision Statements – initiated by the new Governance committee.
   b. Increasing the Board’s support of Revenue Development – the board will be becoming more involved in fundraising activities.
   c. Enhancing Board Development and Education – the Governance Committee will instigate some feedback exercises. They will also establish processes for their Nominations division for new Board members.

Chris Habel advised the committee that as a result of the article in Money Magazine Julie had been approached by many individuals interested in the Center and its programs. One of these individuals is Peter Sheahan, CEO of Change Labs. He arranged a visit initially with Julie, Adrijana Kowatsch and Claire Luby. He then met with Julie, Chris Habel, Woody Uible, Mark Cinquina and Peter Alpaugh to further discuss the concept of possible collaboration with the Center. He is interested in partnering with the Center in order to create a statewide Financial Literacy Initiative; one that could be underwritten in a significant way by a large financial institution.

Change Labs has a working model that has been successful in Australia & New Zealand and the company is looking to do the same thing in the United States. The model involves ‘student experience’ presentation, which is then followed by teacher training. The Center is the content and expertise in this equation, while Change Labs acts as the packaging and conduit for funding from major corporations. Revenue from this venture would be generated for the Center. This long term strategic planning will continue to be investigated and Chris will report back to the committee when more information is available.
Board Meeting Agenda Approval
The February 12th Board of Trustees rough draft agenda was amended and unanimously approved.

The meeting was adjourned.

SAVE the DATE
Please save the date for the following 2014 Executive Committee meetings;

Wednesday, May 7, 2014          7:30 a.m.  Economics Center ROOM 352
Wednesday, August 6, 2014       7:30 a.m.  Economics Center ROOM 359
Wednesday, October 29, 2014     7:30 a.m.  Economics Center ROOM 359

Location: Economics Center
          U Square on the Loop
          225 Calhoun Street, Classroom as assigned.
          Cincinnati OH 45219

Mission: As a thought leader in the community, the Economics Center provides the knowledge building blocks for a stronger economy through education and research. Our student-based programs, interactive tools and professional development improve the economics and financial literacy of school children and young adults. Our research and consulting empowers business and civic leaders to make informed policy and economic development decisions.