Board of Trustees  
May 14, 2014  
Meeting Minutes

I. Welcome  
Margaret Valentine, Chair, opened the meeting.

II. Consent Agenda  
A motion was made to approve the Consent Agenda which included; 1.) Minutes from the February 12, 2014 Board of Trustees meeting, 2.) Committee reports, and 3.) The current fundraising report 07/01/2014 through 05/09/2014. The motion received a second and approval was unanimous.

III. Finance Sub Committee Report  
Michael Fox presented a report from the Finance Subcommittee to the Executive Committee members. The Finance Subcommittee consists of Michael Fox - Treasurer, Howie Taragano – chair of the Finance Committee, Sean McGrory, Sue Heilmayer – Center Accountant, Julie Heath – Director and Adrijana Kowatsch—COO.

The report included the Balance Sheet as of March 31, 2014 and the Cash Flow Schedule to 06/30/2014. Mike commented that the Cash Flow Schedule has improved somewhat, since the Board of Trustees last met in February. He commented that the board members should not be misled on the Center’s financial position based on a total number of $2.8M in Total Equity on the Balance Sheet, because $1M held with the Fidelity Investment account and $1M with the UC Foundation are restricted funds, which are already ear-marked for specific activities and programs. Available cash increased to $134,360.00 for the month of December.

Mike directed the board members’ attention to the Profit Loss Budget vs. Actual side by side with the FY2015 Budget.

Profit Loss Budget vs. Actual – Mike started with the Revenue FY2015 Budget to explain how some of the numbers were determined. Unlike the process in the past, the Finance Committee invited Directors for each line of business to a special Finance Sub Committee meeting to talk about what were reasonable goals for FY2015.

Contract Research - Director of Research Michael Jones was invited to discuss the cost structure of running Research. After looking at the direct labor costs and other incidental factors a base number of $500,000 was determined as target revenue since the Center is staffed to do this level of work. An
additional $75,000 was added into this budget based on the likelihood of the Center receiving one or two of the nine Straight A Funds grants that are currently pending. The lowest amount of one of these grants would be $140,000 with the highest at $400,000. The $75,000 additional added to the budget is based on getting one grant at $140,000 which would be stretched over a two year period. The Center will know on June 20 if they have been awarded any of these grants. After the announcement date of June 20, the Finance Committee will make an adjustment to the budget. At that time, if a grant is not successfully secured, it is the recommendation of the Finance Committee that one Research Associate be terminated so that the cost structure of the Research Department will be in line with its expected revenue (i.e., approximately $500,000).

Contribution Revenue – Like any non-profit organization, the Center’s level of donor participation is fluid and unpredictable. Special recognition was given to Chris Habel and others who have reconnected with the Board members for further giving, and to the Luncheon Sub Committee in raising an all-time high for the Annual Award Luncheon. Without a Development Director it is even more challenging to budget for FY2015. However, the Finance Committee brought in Adrijana Kowatsch, who has served as the Development Director for a number of years. Based on how much the Center has been able to raise in the past, a conservative figure of $615,000 has been placed in the budget. Currently the FY2014 level of Restricted and Unrestricted giving is $719,652.

The overall FY2015 Total Revenue of $1,661,150 and Total Expenses of $1,748,320 reflect the Center’s current staffing model, plus accounts for the addition of a Development Director beginning in September 2014. It does not include budgeted salary for a staff person on the Education side. The Center is operating with two fewer education personnel, namely the former PD Director (Doug H. was not replaced) and the former Director of School/Community Relations (Casey W. has not been replaced). It is hoped that the Center will be able to hire at least one education staff member, but this is not currently budgeted for FY2015.

The accrual basis Budget for FY2015 has a projected net loss of $87,170.

An important note added is relative to the accrual basis nature of the Budget as proposed. Specifically, the FY2015 budget includes approximately $55,000 in expense related to the execution of the iLearn program. It is noted that there was a temporarily restricted contribution received related to the iLearn program in a previous fiscal year. At that time, all the revenue associated with this contribution was recorded with no related expense (in accordance with generally accepted accounting principles). Subsequent to the initial gift, only expense is recorded, which reflects the usage of those contributed funds. Thus, in reality, the $55,000 is cash neutral to the Center during FY2015. The other part of the

Ohio’s $250 million Straight A Fund, created by John R. Kasich provides funds to educational entities in Ohio with the drive and courage to try new approaches that: Meet the learning needs of its students, reduce the cost of running a school or school district, or drive more dollars to the classroom.
iLearn budgeting is the replacement of some salary. Up until this point, project management has required someone well-versed in economic education because it’s been a project definition task. Julie has been filling this role. As the project is defined it becomes simply a project management task—something not necessitating someone in economic education. This means that the funds will change from salary supplement (for Julie) to salary replacement (for someone else), so our salary expense will decrease because some part of it will be replaced by iLearn funds.

After some discussion on the presented budget, a motion was made to accept the FY2015 Budget pending the June 20 notification deadline for the Research Straight A funds award. The motion was seconded and was passed unanimously.

Mike advised the board members that the Finance committee will continue on a monthly basis as it has since February in reviewing the budget and cash flow. The decision to approve the negative budget was also discussed as an effort to keep pressure on the organization to keep up the energy that was experienced during the very successful fundraising efforts for the Annual Award Luncheon. The Finance Sub Committee is also tasked with a monthly review and the Center’s Accountant, Sue Heilmayer, continues to track the Cash Flow projections on a weekly basis and report progress to the Finance Sub Committee.

III. Scorecard
Julie Heath reviewed the 2014 Third Quarter Scorecard beginning with an overview of the Center’s programs.

Education Programs:
1. **StEp** – The Center has a waiting list of 6-8 schools for this program. The reason for the wait is the schools in question either do not have their own funding to participate or the Center cannot provide enough human resources to accommodate them.

   The goal for FY2014 was to have a presence in 31 schools and 15 schools for stores. That goal was exceeded with 32 schools participating and 18 with school stores in grades 3-5.

   The program touches 2,750 students and currently has 14 business partners.

   A great stepping stone to involve educators has been the Money Savvy Kids Program, which is a Professional Development course introducing educators to financial education materials to take back to their classrooms. During this course, the Center introduces all of the other program offerings, which has led some educators to request StEp for their class.

2. **TL2** – now in its second year of the tuition model (students in this program pay $330 for UC credit and $150 program fee) the Center has had to turn away 25 applicants. The program has a capacity of 40 students for the 3 week summer session. In the past, the Center offered the course for free with an application fee of $50 and lost money. This trend has been reversed with the tuition model and the buzz that has been created, since only high-achieving students are accepted into the program. In the future, when staff capacity is increased the Center will look at running two sessions in the summer instead of one.
3. **SMG** – even with the loss of the Columbus Dispatch funding ($20,000), the Center managed to get within $6000 of the goal for the program. Year-long game participation is up.

4. **Professional Development** – number of participating educators in the program declined to 227 which also contributed to the decline in number of graduate credits sold. The major factor in the decrease is twofold, 1.) Termination of the PD Director and 2.) The Center is in the middle of changing its accounting process due to the UC change to a different format for payment to the Center of credit revenue.

   PD is an integral part of the Center’s mission. In training teachers the Center is able to reach more students with real-life skills. Teacher training represents the highest return on investment and will continue to be a focus of the Center’s activities. The Center is striving to turn PD around to become more profitable through sponsored PD, and move away from relying on credit revenue, which is a portion of what was received in the past. This year specific PD support was sought and received from Fidelity, PNC, State Farm, Horan Associates, and Fifth Third Bank.

5. **Alpaugh Scholars** – Great year for the program with 19 teachers and 19 administrators participating from 28 public schools and 11 from Archdiocese schools. The total of 38 participants surpassed the goal of 30. Special thanks to Adrijana Kowatsch for guiding the program after the PD Director left.

**Research:**
Consistent Client satisfaction – received a rating of 4.7 out of 5 from surveyed clients. The blog continues its success since its launch and continued sponsorship from Cincinnati Commercial Contracting.

**Communications and Marketing:**
Positive feedback and traffic continue since the new website launch. The Social Media plan has been implemented with increased activity;

- Facebook Fans +130%
- Twitter Followers +46%
- Referrals to site +117%
- Referrals to site +4%

Jaclyn Smith, Director of Marketing/Communications has been very focused on getting media to cover Center events and has completed a Marketing Plan; which included coverage by Fox19 for the Personal Finance Challenge Quiz Bowl, Channel 5 coverage of Financial Literacy Day, a Business Watch segment with Director of Research Michael Jones and channel 5 and 9 coverage of Market Madness. The Center is doing a much better job of getting the message out.

Julie discussed that the continued focus of the all the Center’s activity is the quality of the content we present. We continue to make intentional connections between all of our programs, and providing and showing the value that our programs bring to each school student and teacher that participates in the Center’s programs, and each research client.
IV. Annual Award Luncheon Follow up
Shawn Kelley, co-chair for the Luncheon Sub Committee, congratulated all of the members of his subcommittee for the great work they did in raising the most sponsorship in the history of the event. The subcommittee exceeded their own goal of raising $100,000, by ending with $114,000 raised in table sponsorships. Shawn pointed out that his team found that they did not have a difficult time in securing table sponsorships. His recommendation for next year, however, is for the subcommittee to start earlier. With that in mind, the Development committee will begin the process soon and has already started talking about a keynote speaker and the Economics Empowerment Award winner. They will also be looking at requesting participation from potential sponsors before the end of the year for next year’s luncheon. Shawn asked the board members present to review a list of all of the new sponsors from this year’s luncheon to see if there are any board members who would be interested in going on a lunch or meeting with Julie Heath and/or Adrijana Kowatsch to follow up with them. The purpose of this meeting would be to establish a deeper relationship with the new sponsors and introduce them to all of the programs that the Center offers.

V. Research and Consulting Committee Report
Warren Falberg, Chair of the Research and Consulting Committee, reviewed the Center’s research team’s strategy for 2014-2015. The team is looking at focusing on replicable and renewable projects with a fixed fee. This allows the team to minimize their time on creating proposals, reuse deliverable templates, effectively use graduate students (quality work at lower cost), improve predicting the research budget and work schedule and be more proactive rather than reactive.
Examples of replicable projects were included;
- Site Selection Industry Analysis
- Tax Forecasting
- Economics Impact reports for Trade Associations (Ohio Bar Association)

Brad Evans, Director of Business Development for the research team, explained that the Center currently has an agreement with the State of Ohio for some restricted data, which contains quarterly business reporting numbers for every industry. The Center is also pursuing the same type of information from Kentucky and Indiana. The type of projects that would use this type of data would be those businesses looking at workforce, economic development studies and industry analysis.
As part of the presentation, the board members were directed to a sign-up sheet for the businesses in the Cincinnati area that the research team would like to contact and present our research work to them as examples of the types of projects we could do for them.

VI. Young Professionals Council (YP)
Catherine Miller of Bartlett & Co. and Justin VanderGlus of Clark Schaefer Hackett spoke on behalf of the Center’s newly formed Young Professionals Council. Catherine advised the board members that the YP’s have been meeting for the last six months. During their monthly meetings they have put in place their leadership structure with Adrijana Kowatsch acting as the Center liaison for their group. The YP’s have identified StEp as their main project piece. All eight members of the YP council have worked in school stores. They are focused on bringing in other YP’s from other companies to fully supply the StEp school stores with human resources and eventually with funding as well.
In order to get into other companies the YPs ask that the board members help them with introductions for potential StEp partners.

VII. Executive Session
Non-Board members and staff were dismissed for an Executive Session.

The meeting was adjourned.

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

- Wednesday, August 13, 2014  7:30 a.m.  Economics Center ROOM 359  Annual Meeting
- Wednesday, November 15, 2014  7:30 a.m.  Economics Center ROOM 359  Annual Meeting

Location: Economics Center
   U Square on the Loop
   225 Calhoun Street, Room 359
   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 decision