

Ozarka College
Board of Trustees
Finance Committee Meeting
Tuesday, April 28, 2020
Conference Room – Administration Building
10:00 a.m.

Item No.

1. Call to Order
2. Approval of Minutes from April 25, 2019
3. Discussion Items
 - Fee Structure/Aviation
 - AVIA 1104 - Private Pilot Practicum I
 - AVIA 2204 - Instrument Commercial Practicum II
 - AVIA 2213 - Commercial Pilot Practicum III
 - AVIA 2302 - Multi-Engine Commercial Practicum IV
 - AVIA 2104 - Professional Pilot Practicum III
 - AVIA 2205 - Professional Pilot Practicum IV
 - New Fees
 - Aviation Program Fee
 - Housing Fees
 - Operating Reserve Requirement
 - 2020 – 2021 Operating Budget
4. Adjournment

Ozarka College
Board of Trustees
Finance Committee Meeting
Discussion Item – Fee Structure

Rationale:

To correctly charge for the costs and pilot hours associated with practicum and cover the costs of fuel and routine and scheduled aircraft maintenance associated with aviation program, effective July 1, 2020, the following changes to the fee structure will be implemented:

1. The flight/lab fee for AVIA 1104 (Private Pilot Practicum I) will increase from \$7,291 to \$8,020
2. The flight/lab fee for AVIA 2204 (Instrument Commercial Practicum II) will increase from \$13,920 to \$15,312
3. The flight/lab fee for AVIA 2213 (Commercial Pilot Practicum III) will increase from \$8,033 to \$8,836
4. The flight/lab fee for AVIA 2302 (Multi-Engine Commercial Practicum IV) will increase from \$13,398 to \$14,738
5. The flight/lab fee for AVIA 2104 (Professional Pilot Practicum III) will increase from \$13,920 to \$15,312
6. The flight/lab fee for AVIA 2205 (Professional Pilot Practicum IV) will increase from \$21,970 to \$24,167

Ozarka College
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Finance Committee Meeting
Discussion Item – New Fees

Rationale:

Ozarka College is committed to student success in each of our programs.

In order to provide quality instruction for technical programs students are required to engage in hands-on laboratory and/or clinical instruction. The consumable supplies used in the laboratory setting can be expensive, and our students must be accompanied by an instructor while in clinical situations.

The aviation program has experienced growth and with that growth the need for additional airplanes and hangar space to store them. Currently, Ozarka College owns three (3) airplanes and leases three (3) airplanes from Christiansen Aviation Services.

The City of Melbourne was able to obtain matching grants from the Arkansas Division of Aeronautics for the purpose constructing a new hangar at the Melbourne Municipal Airport. In exchange for a 20-year lease on that new facility, Ozarka College provided funds to help with the match and will use this space to house all of the airplanes used in the aviation program.

To offset costs associated with keeping dependable and air ready planes for student instruction and house them in a central location, an Aviation Program fee of \$500 per semester will be effective on July 1, 2020.

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Discussion Item – Housing Fees

Rationale:

Ozarka College is pleased to offer affordable student housing to our students. We presently have the capacity to accommodate 14 students either in single occupancy units (6 students) or double occupancy units (8 students). This planned increase in fees will be used to cover the costs of utilities and internet services, update appliances, replace flooring, and perform other repairs and renovations as students vacate the units.

Effective July 1, 2020 the housing fees will increase by \$200 per semester per occupant for both single and double units. This will increase the housing fee for a single occupancy unit from \$1,800 per semester to \$2,000 per semester (or \$400 per month). Double occupancy units will increase from \$1,600 per semester to \$1,800 per semester (or \$360 per month).

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Discussion Item – 2021 Operating Reserve Requirement

Rationale:

Ozarka College maintains an operating reserve balance funded at 5% of the annual operating budget. Board approval is required to increase or decrease the minimal funding level and/or access the funds for operating purposes.

The following illustrates the funding level required in the operating reserve at various levels:

Rate	Funding Required
5%	\$418,205
6%	\$501,846
7%	\$585,487

The current amount in the Operating Reserve Balance is \$508,701. This equates to thirty (30) days of covered payroll costs.

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Discussion Item – 2021 Operating Budget

Rationale:

The 2021 Operating Budget has been completed and is being presented for your review.