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Board of Trustees

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2-27-1984

### February 27, 1984 Meeting Minutes

Shawnee State University

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M I N U T E S

SHAWNEE STATE COMMUNITY COLLEGE  
Special Board of Trustees Meeting  
Monday, February 27, 1984

A special meeting of Shawnee State Community College's Board of Trustees was held on February 27, 1984 at 12 noon. The meeting was called to order by Chairman Jenkins with the following members present: Dr. Carson, Mr. Hyland, Mr. Rittenour, Mr. Morgan, Mr. Jenkins. Those members absent were Mr. Brown, Dr. White, Mrs. Kennedy and Mr. Baxter.

Being only one agenda item, Student Housing, Chairman Jenkins, ask Mr. Hawk for a report. Mr. Hawk indicated that the Finance Committee met with Mr. Taylor and Mr. McCurdy (attorney) on Friday, February 24, 1984. The bid package presented to the Board on February 20, 1984 by Tom Dues was reviewed. Mr. Taylor acknowledged that changes in the document had been made and were:

I. Utilization Section

<u>Address</u>	<u>Number of Students</u>	
	<u>Were</u>	<u>Are</u>
1004 Second Street	38	30
1104 Second Street	11	12
1112 Second Street	14	15
1122 Second Street	6	6
1126 Second Street	<u>7</u>	<u>8</u>
	76	71

II. Assumptions Section - Page 1, number 2.

Income B.

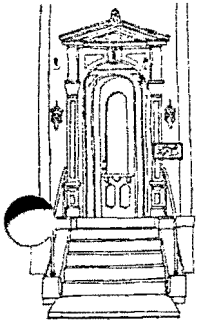
The dollar amount was changed from \$135.00 to \$130.00

Being no further discussion Mr. Hyland moved and Dr. Carson seconded a motion to accept the bid package for off campus student housing for Shawnee State Community College as amended and to direct Mr. Dues to place the same for bid in Columbus, Portsmouth, Cincinnati, and Dayton papers. All members present voted aye and it is to be noted that Mr. Brown, Mrs. Kennedy, and Dr. White gave verbal permission to Mr. Morgan to cast an aye vote on their behalf.

Being no further business Mr. Morgan moved and Mr. Rittenour seconded a motion to adjourn. With an unanimous vote the meeting was adjourned.

  
Chairman, Board of Trustees

  
Secretary, Board of Trustees



# Landmarks Renaissance Corporation

10001 Lebanon Pike

Dayton, Ohio 45459

513-885-4912

March 1, 1984

Mr. Frank Taylor, President  
Shawnee State Community College  
940 Second Street  
Portsmouth, Ohio 45662

Subject: Revisions and Authorization to Bid  
Off Campus Student Housing Bid Package

Dear Mr. Taylor,

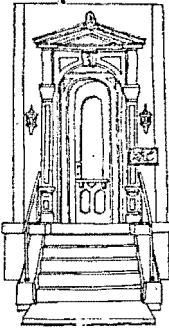
Persuant to our phone conversations, I have revised the Bid Package to incorporate the changes required by the Board of Trustees and the Finance Committee's later meeting February 24th. Further, I understand that we are to proceed with the bidding of the package to developers in Dayton, Columbus, Cincinnati and Portsmouth as soon as possible according to the final approval from the Board February 27th, 1984.

The following revisions have been made to the package issued to the Board and the appropriate sheets have been attached to this letter for incorporation into the packages by the Board members. They are:

- a. Pages 1 & 2 of the NOTICE TO BIDDERS
- b. Page 2 of the INSTRUCTIONS TO BIDDERS
- c. The UTILITIZATION SUMMARY
- d. Pages 1 & 2 of the FORECASTED INCOME, EXPENSE AND CASH FLOW
- e. Pages 1, 2 & 3 of the ASSUMPTIONS OF THE FORECASTS
- f. EXHIBIT "B" (Furniture Specifications) for 1004, 1104, 1112 and 1126 Second Street
- g. EXHIBIT "C" (Construction Contract), Articles 8, 9 and 10.

The changes were necessary due to the following revisions requested prior to bidding the package. Also, the bid date and the pre-bid conference had to be changed to April 20th and April 10th respectively. The revisions to the Package are:

- a. Change of bid date to April 20, 1984.
- b. Change of the Pre-Bid conference to April 10, 1984.
- c. Change of the occupancy to 71 Students.
- d. Change of the second year rental rate to the students from \$ 135.00 per month to \$ 130.00 per month with the increase per year remaining at 6%.



March 1, 1984  
Mr. Frank Taylor, President

Page Two

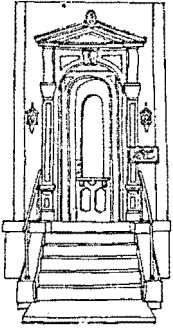
- e. Change of the Construction Contract (Exhibit "C") to incorporate for the payment of Builders Risk Insurance and Materials Storage Insurance by LANDMARKS RENAISSANCE CORPORATION.

As soon as your Architect, Endeco Assoc. Architects, Inc. completes the drawings on 1004 Second Street and finishes the "repackaging" of the other four houses, I believe that we will be ready to proceed with the bidding of the package as amended. Please have 10 sets of drawings made up for me for the initial bidding and I will let you know if I need any further copies.

As far as our Invoice is concerned, I understand that the Past Due portion will be approved for payment by the Board at their next meeting March 19 or sooner if a special meeting is called. At this meeting I further understand that a payment schedule will be worked out for the current bill on the new Bid Package. I am not charging you for the revisions which I have just made to the Package (which were substantial), but would like to receive due consideration on our present accounts receivable from the College.

We have broken down our current Invoice per your request. We have included into our bill the cost to conduct the Pre-Bid Conference and the Bid Opening arrangements. Our efforts on your behalf have been considerable to insure a successful conclusion to the project. There have been problems with the necessary State approval which have delayed the project, however the College is now in a position to proceed with the initial five houses and can anticipate further development of the other remaining houses in the near future.

We will proceed with the bidding of the Package as described above and we will let you know if there are any further questions which the developers may have as qualifications to their bids as the bid date approaches.



March 1, 1984  
Mr. Frank Taylor, President

Page Three

Please let us know how you wish to proceed on the payment of the outstanding Invoices from LANDMARKS. We are proceeding with the understanding that any future services which may be required from LANDMARKS RENAISSANCE CORPORATION will require prior approval in writing so that no further misunderstandings occur between the College and LANDMARKS.

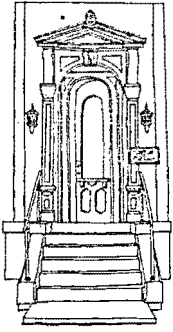
Thank You.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas L. Dues".

Thomas L. Dues  
President

TLD/mf  
Enclosures



March 1, 1984  
Invoice Summary  
Invoice Number 1006  
Dated February 20, 1984

SHAWNEE STATE COMMUNITY COLLEGE  
OFF CAMPUS STUDENT HOUSING  
BID PACKAGE Dated February 20, 1984

A.) Typing	\$ 1,530.00
B.) Printing & Colation (25 copies)	1,076.00
C.) Photography	418.00
D.) Consultation	4,162.00
E.) Certification (1004 & 949)	1,498.00
F.) Transportation & Meeting Time	1,240.00
G.) Postage	312.00
H.) Typesetting	86.00
I.) Principal (Re-write)	7,954.00
J.) Supplies	174.00
K.) Advertizements	703.00
L.) Pre-Bid	210.00
L.) Bidding and Bid Analysis	<u>1,503.00</u>
Invoice 1006	\$20,866.00

Invoice does not include the costs of architectural fees or their reproduction, additional copies of the Bid Package or changes to the package requested after March 1, 1984.

TLD/mf  
Addit. Info. Req.  
Att.

NOTICE TO BIDDERS

Sealed bids will be received by Shawnee State Community College of Portsmouth, Ohio, at 940 Second Street, at the Office of the President until 2:00 p.m. on April 20, 1984, and opened thereafter by the authority of the Board of Trustees of Shawnee State Community College, for the leasing to the bidder of five properties located on Second Street in Portsmouth, Ohio, for the use of Student Housing, according to a bid package on file in the office of Landmarks Renaissance Corporation at 10,001 Lebanon Pike, Dayton, Ohio 45459, (513) 885-4912.

Separate bids will be received for:

1. 1004 Second Street
2. 1104 Second Street
3. 1112 Second Street
4. 1122 Second Street
5. 1126 Second Street

Copies of the said bid package may be obtained by prime bidders from Landmarks Renaissance Corporation, 10,001 Lebanon Pike, Dayton, Ohio 45459 upon the deposit with them of \$100 in cash or check for each set of bid packages.

Upon payment of the deposit, Landmarks Renaissance Corporation will UPS the bid packages out to those wishing to receive the bid package by UPS. The cost of the UPS delivery will be paid for by Landmarks Renaissance Corporation.

The full 100% deposit on one bid package, and 100% of the deposit for any additional sets of bid packages will be returned to the bidder upon return of the bid packages in good condition within ten (10) days after the bid submission date listed above.

Bids for the above described lease must be made on blanks furnished as part of the bid package by Landmarks Renaissance Corporation herein before named.

Bids must be addressed to Shawnee State Community College, Board of Trustees, 940 Second Street, Portsmouth, Ohio 45662, and endorsed on the outside of the envelope with the following statement: BID PACKAGE SHAWNEE STATE COMMUNITY COLLEGE STUDENT HOUSING.

Each bid must contain the full name of every person or company interested in the same, shall state the price of the lease and must be accompanied by the bidder qualification statement, the escrow agreements for each of the properties, and a certified check for \$10,000.00 made out to Shawnee State Community College.

NOTICE

No bidder may withdraw his bid within 60 days after the actual date of bid submission.

There will be a pre-bid conference April 10th, 1984, at 11:00 a.m. at the project site (1004 Second Street). The five properties in question will be held open for the bidders inspection from 9:00 a.m. the date of the pre-bid conference until 3:00 p.m. of the same day.

The Shawnee State Community College Board of Trustees will have the right to reject all bids and will select the most reasonable bid. If the acceptance of the lowest bid is not in the interest of all concerned, the owner may accept, with the majority of the Board of Trustees, another proposal so opened or reject all proposals and advertise for other bids.

ENCLOSURE



D. The bid proposal shall contain the following documents and must be submitted in the envelope furnished.

1. The completed bid package
2. An executed escrow agreement
3. A \$10,000.00 certified check made payable to Shawnee State Community College

E. The wording of the bid proposal shall be used without change, alteration, or additions, and any changing of the wording will cause a bid proposal to be rejected as not complying with the law.

F. All forms used in submitting the bid proposal, including the envelope used for the filing, shall be those furnished by Landmarks Renaissance Corporation per the format established by Shawnee State Community College.

G. No contract will be entered into until:

1. the bidder so awarded the contract is a foreign corporation, the Secretary of State has certified that such corporation is authorized to do business in this state: and until, if the bidder so awarded the contract is a person or partnership as filed with the Secretary of State and evidence of this filing is fully documented.
2. the bid proposal, escrow agreement and certified check are submitted to Shawnee State Community College's legal counsel and approved as complete.
3. the bidder may not withdraw his bid for a period of 60 (sixty) days after the date of bid opening. If the bid is not accepted within such a period, such bid may be withdrawn without prejudice at any time thereafter by the bidder.

H. The Shawnee State Community College Board of Trustees will have the right to reject all bids and will select the most reasonable bid. If the acceptance of the lowest bid is not in the interest of all concerned, the owner may accept, with the majority of the Board of Trustees, another proposal so opened or reject all proposals and advertise for other bids.

#### ARTICLE TWO - PRE-BID CONFERENCE

There will be a pre-bid conference April 10, 1984, at 11:00 a.m. at the project site (1104 Second Street). The five properties in question will be open for the bidders inspection from 9:00 a.m. the date of the pre-bid conference until 3:00 p.m. of the same date.

SHAWNEE STATE COMMUNITY COLLEGE

SHAWNEE STATE COMMUNITY COLLEGE

STUDENT UTILIZATION SUMMARY

FEBRUARY 20, 1984

	<u>Address</u>	<u>Number of Students</u>	<u>Renovation and Furnishing Costs</u>
1.	1004 Second Street	30	\$118,379
2.	1104 Second Street	12	61,794
3.	1112 Second Street	15	80,124
4.	1122 Second Street	6	25,767
5.	1126 Second Street	8	46,871
		<u>71</u>	<u>\$332,935</u>

HISTORICAL REINVESTMENT SUMMARY

	<u>Address</u>	<u>Original Purchase Price</u>	<u>Value of Building</u>	<u>Cost of Reinvestment</u>	<u>Percent</u>
1.	1004 Second St	\$115,000	\$ 68,320	\$ 69,374	102%
2.	1104 Second St	48,000	37,800	49,860	135%
3.	1112 Second St	76,000	54,600	61,275	113%
4.	1122 Second St	26,000	17,400	21,813	125%
5.	1126 Second St	22,500	13,900	38,471	277%
		<u>\$287,500</u>	<u>\$192,020</u>	<u>\$240,793</u>	<u>126%</u>

SHAWNEE STATE COMMUNITY COLLEGE  
 STUDENT HOUSING SUMMARY  
ASSUMPTIONS OF FORECASTS  
 FEBRUARY 20, 1984

ASSUMPTIONS

A summary of management's significant assumptions used in the preparation of the accompanying forecasts follows:

1.) General

Shawnee State Community College has purchased the properties. has completed a market study, has received approval from the Department of the Interior as to the Historic Designation of the District, has had the architectural drawings completed, has entered into a construction and furniture contract and has completed the necessary legal work for the issuance of this Bid Package. The College now is offering to lease to investors, managers, and/or developers, the five properties described below for the use as student housing. The renovation and furnishing costs to be paid by the investor, managers and/or developers are as follows;

	<u>Address</u>	<u>Renovation Costs</u>	<u>Furnishing Costs</u>	<u>Total Costs</u>
1.	1004 Second St	\$ 69,374	\$ 49,005	\$118,379
2.	1104 Second St	49,860	11,934	61,794
3.	1112 Second St	61,275	18,849	80,124
4.	1122 Second St	21,813	3,954	25,767
5.	1126 Second St	<u>38,471</u>	<u>8,400</u>	<u>46,871</u>
	TOTAL	\$240,793	\$ 92,142	\$332,935

2.) Income

- A. The cost to the student for rental of the off-campus student housing is projected to be one hundred and twenty-five dollars (\$125.00) per month on a twelve-month contract less vacancies at 5% with the investor/developer paying for utilities, taxes, building insurance, maintenance and repairs and the cost of lease payments to the college.
- B. It is anticipated that during the second year of operation the fee to the student will increase to one hundred and thirty dollars (\$130.00) per month per student. The assumption has been made that the lease rate to the students (per month) will increase every year thereafter by six per cent (6%)

3.) Expenses

- A. Utilities: The assumption has been made throughout the

SHAWNEE STATE UNIVERSITY COLLEGE  
FORECASTED INCOME, EXPENSE, AND CASH FLOW

FOR A FIFTEEN YEAR PERIOD  
FEBRUARY 20, 1984

	<u>Year</u> <u>9</u>	<u>Year</u> <u>10</u>	<u>Year</u> <u>11</u>	<u>Year</u> <u>12</u>	<u>Year</u> <u>13</u>	<u>Year</u> <u>14</u>	<u>Year</u> <u>15</u>
<u>Income</u>							
Gross Rents	\$166,542	\$176,535	\$187,127	\$198,354	\$210,256	\$222,871	\$236,243
Less: Vacancies (5%)	( 8,327)	( 8,827)	( 9,356)	( 9,918)	(10,513)	(11,144)	(11,812)
GROSS INCOME	<u>\$158,215</u>	<u>\$167,708</u>	<u>\$177,771</u>	<u>\$188,436</u>	<u>\$199,743</u>	<u>\$211,727</u>	<u>\$224,431</u>
<u>Expenses</u>							
Utilities	17,575	17,926	18,285	18,651	19,024	19,404	19,792
Taxes & Insurance	6,588	6,785	6,989	7,198	7,414	7,637	7,866
Maintenance & Repairs	6,843	7,117	7,401	7,697	8,005	8,325	8,658
Lease Payments (Not Considered)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
GROSS EXPENSE	<u>31,006</u>	<u>31,828</u>	<u>32,675</u>	<u>33,546</u>	<u>34,443</u>	<u>35,366</u>	<u>36,316</u>
<u>Tax Consequences</u>							
Net Operating Income	127,209	135,880	145,096	154,890	165,300	176,361	188,115
Less: Interest	(22,397)	(18,285)	(17,127)	(13,935)	(10,302)	( 6,168)	( 1,341)
Less: Depreciation	(19,421)	(19,421)	(19,421)	(19,421)	(19,421)	(19,421)	(19,421)
TAX GAIN (LOSS)	<u>85,391</u>	<u>98,174</u>	<u>108,548</u>	<u>121,534</u>	<u>135,577</u>	<u>150,772</u>	<u>167,353</u>
<u>Cash Flow</u>							
Net Operating Income	127,209	135,880	145,096	154,890	165,300	176,361	188,115
Less: Debt Service	(40,235)	(40,253)	(40,253)	(40,253)	(40,253)	(40,253)	(40,253)
Plus: Tax Benefit (Cost)	(42,696)	(49,087)	(54,274)	(60,767)	(67,789)	(75,386)	(83,677)
Plus: Income Tax Credit	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CASH FLOW TO INVESTOR	<u>\$ 44,260</u>	<u>46,540</u>	<u>50,569</u>	<u>53,870</u>	<u>57,258</u>	<u>60,722</u>	<u>64,185</u>
NET PRESENT VALUE	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
INTERNAL RATE OF RETURN	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	99.8%
RETURN ON INVESTMENT	65.2%	68.5%	74.4%	79.3%	84.3%	89.4%	94.5%
PAYBACK PERIOD	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
OCCUPANCY BREAKEVEN	42.8%	40.8%	38.9%	37.2%	35.5%	33.9%	32.2%

THE ACCOMPANYING ASSUMPTIONS OF FORECAST ARE AN INTEGRAL PART OF THE STATEMENT

FORECAST

**SHAWNEE STATE COMMUNITY COLLEGE  
FORECASTED INCOME, EXPENSE, AND CASH FLOW**

FOR A FIFTEEN YEAR PERIOD  
FEBRUARY 20, 1984

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>
<b>Income</b>								
Gross Rents	\$106,500	\$110,760	\$117,406	\$124,500	\$131,917	\$139,832	\$148,222	\$157,115
Less: Vacancies (5%)	( 5,325)	( 5,538)	( 5,870)	( 6,225)	( 6,596)	( 6,992)	( 7,411)	( 7,856)
<b>GROSS INCOME</b>	<b>\$101,175</b>	<b>\$105,222</b>	<b>\$111,536</b>	<b>\$118,275</b>	<b>\$125,321</b>	<b>\$132,840</b>	<b>\$140,811</b>	<b>\$149,259</b>
<b>Expenses</b>								
Utilities	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230
Taxes & Insurance	5,200	5,356	5,517	5,682	5,853	6,029	6,209	6,396
Maintenance & Repairs	5,000	5,200	5,408	5,624	5,849	6,083	6,327	6,580
Lease Payments (Not Considered)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>GROSS EXPENSES</b>	<b>25,200</b>	<b>25,856</b>	<b>26,531</b>	<b>27,224</b>	<b>27,938</b>	<b>28,673</b>	<b>29,428</b>	<b>30,206</b>
<b>Tax Consequences</b>								
Net Operating Income	75,975	79,366	85,005	91,051	97,383	104,167	111,383	119,053
Less: Interest	(33,907)	(33,030)	(32,033)	(30,898)	(29,607)	(28,138)	(26,465)	(24,563)
Less: Depreciation	(19,421)	(19,421)	(19,421)	(19,421)	(19,421)	(19,421)	(19,421)	(19,421)
<b>TAX GAIN (LOSS)</b>	<b>22,647</b>	<b>26,915</b>	<b>33,551</b>	<b>40,732</b>	<b>48,355</b>	<b>56,608</b>	<b>65,497</b>	<b>75,069</b>
<b>Cash Flow</b>								
Net Operating Income	75,975	79,366	85,005	91,051	97,383	104,167	111,383	119,053
Less: Debt Service	(40,253)	(40,253)	(40,253)	(40,253)	(40,253)	(40,253)	(40,253)	(40,253)
Plus: Tax Benefit (Cost)	(11,324)	(13,458)	(16,776)	(20,366)	(24,178)	(28,304)	(32,749)	(37,535)
Plus: Income Tax Credit	83,234	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>CASH FLOW TO INVESTOR</b>	<b>\$107,632</b>	<b>25,655</b>	<b>27,976</b>	<b>30,432</b>	<b>32,952</b>	<b>35,610</b>	<b>38,381</b>	<b>41,265</b>
<b>NET PRESENT VALUE</b>	<b>\$313,175</b>	.	.	.	.	.	.	.
<b>INTERNAL RATE OF RETURN</b>	.	.	.	.	.	.	.	.
<b>RETURN ON INVESTMENT</b>	<b>158.4%</b>	<b>37.8%</b>	<b>41.2%</b>	<b>44.8%</b>	<b>48.5%</b>	<b>52.4%</b>	<b>56.5%</b>	<b>60.7%</b>
<b>PAYBACK PERIOD</b>	<b>7.57 Months</b>	.	.	.	.	.	.	.
<b>OCCUPANCY BREAKEVEN</b>	<b>61.4%</b>	<b>59.7%</b>	<b>56.9%</b>	<b>54.2%</b>	<b>51.7%</b>	<b>49.3%</b>	<b>47.0%</b>	<b>44.8%</b>

THE ACCOMPANYING ASSUMPTIONS OF FORECAST ARE AN INTEGRAL PART OF THIS STATEMENT

CONFIDENTIAL

projections that the cost of utilities (the buildings) are not air conditioned) will be two hundred and fifty dollars (\$250.00) per house per month and increase two per cent (2%) per year.

- B. Taxes and Insurance: Taxes and insurance have been calculated with an increase of three per cent (3%) per year.
- C. Maintenance and Repairs: Maintenance and repairs have been calculated at one thousand dollars (\$1000.00) per year per house and increases 4% per year.
- D. Lease Expense: No calculation has been made for the lease with the college for each of the houses at the bid amount per house per month for fifteen (15) years with two five-year options.
- E. Depreciation Method: The cost of the basic rehabilitation has been depreciated on the straight-line method using a fifteen (15) year life at 87.5% of the original cost including furniture.
- F. Income Tax Benefit (Cost): The income tax benefits or costs have been forecast assuming investors are in a fifty per cent (50%) income tax bracket, lower brackets will yield higher returns.
- G. Investment Tax Credit: The investment tax credit represents twenty-five per cent (25%) of the rehabilitation cost. When taking the investment tax credit, the depreciable basis of the property must be reduced by fifty per cent (50%) of the tax credit. Therefore, the depreciation on the straight-line method will be for eighty-seven and one-half per cent (87.5%) of the cost associated with the historic renovation. Early disposition of the properties would require a recapture of one hundred per cent (100%) of the credit in the first year, eighty per cent (80%) in the second year, sixty per cent (60%) in the third year, forty per cent (40%) in the fourth year and twenty per cent (20%) in the fifth year.
- H. Internal Rate of Return (Discount Rate): The internal rate of return is computed assuming an initial investment at the beginning of year 1 and cash flows at the end of years 1 through 15. The initial investment represents the equity outlined in 4B. The limitation on deduction of investment interest has not been considered as it is assumed that potential investors will seek personal tax advice. The definition used for internal rate of return is the interest rate that equates the present value of the expected future benefits from an investment to the cost of the investment.

The internal rate of return is represented by the following formula:

$$C = \frac{R_1}{(1+r)^1} + \frac{R_2}{(1+r)^2} + \frac{R_3}{(1+r)^3} + \dots + \frac{R_n}{(1+r)^n}$$

- I. Return on Investment: The return on investment method calculates the return by dividing the annual income after tax by the equity requirements of the project.
- J. Net Present Value: The net present value assumes a 9% after tax interest rate and is defined as the present value of the future cash flows discounted to the interest rate.
- K. Payback Period: The payback period is defined as the period of time it takes to pay back the initial equity investment dollar for dollar.
- L. Occupancy Breakeven: The occupancy breakeven percentage is that percentage of occupancy necessary to pay gross expense and debt service (out of pocket costs) on an annual basis..

4.) Financing

A. Leasehold Improvement Loan: Leasehold improvement loan's principal and interest payments are forecast at an amount equal to \$265,000 or 75% the investment at 13% for 15 years.

B. Equity: Equity requirements are:

Investment	\$332,935
Less: Loan	265,000
Equity	<u>\$ 67,935</u>

EXHIBIT "B"

SHAWNEE STATE COMMUNITY COLLEGE STUDENT HOUSING FURNITURE

Address: 1004 Second Street

- 30 each Demountable bunk beds with end frames of tubular steel or wood with steel angle or wood sides. Unit to have spring fabric with a 36" x 80" polyfoam mattress.
- 30 each Desk to be carrel, pedestal type fabricated from laminated particleboard or wood panels attached to a steel or wood frame. Each desk unit shall have a center drawer and three (3) side drawers. Each carrel unit shall have a combination bulletin board, storage shelf and strip light 42" x 47½" wide, 23½" deep and 53½" high.
- 30 each Desk chair shall be side chair type without arms, frame may be chrome or wood, seat shall be fabric covered, back panel may be wood or fabric.
- 30 each Three (3) drawer chest fabricated from laminated particleboard panels fastened to a steel or wood frame 20" to 30" wide, 18" deep and 30" high.
- 15 each Freestanding hinged door wardrobe with utility shelf and full width clothes rod. Fabricated from laminated particleboard or wood panels and attached to a steel or wood frame. 28" wide, 24" deep, 69" high.
- 3 each Dining table shall have a top fabricated from laminated particleboard. Supports to be chrome or wood 30" wide, 72" deep, 30" high.
- 30 each Dining chair to be side chair type without arms, frames may be chrome or wood, seat to be fabric covered, back panel may be fabric or wood.
- 4 total Sofa to be 2 seat type with attached cushions. Frame, end panels and arms to be wood. 51" wide, 33½" deep and 30¼" high.
- 8 total Lounge chair to have attached cushions. Frame, end panels and arms to be wood. 27½" wide, 33½" deep, 30 3/4" high.
- 5 total Occasional table to be fabricated from laminated woods 30" wide, 30" deep, 21" high.

EXHIBIT



EXHIBIT "B"

SHAWNEE STATE COMMUNITY COLLEGE STUDENT HOUSING FURNITURE

Address: 1104 Second Street

- 12 each Demountable bunk beds with end frames of tubular steel or wood with steel angle or wood sides. Unit to have spring fabric with a 36" x 80" polyfoam mattress.
- 12 each Desk to be carrel, pedestal type fabricated from laminated particleboard or wood panels attached to a steel or wood frame. Each desk unit shall have a center drawer and three (3) side drawers. Each carrel unit shall have a combination bulletin board, storage shelf and strip light 42" x 47½" wide, 23½" deep, and 53½" high.
- 12 each Desk chair shall be side chair type without arms, frame may be chrome or wood, seat shall be fabric covered, back panel may be wood or fabric.
- 12 each Three (3) drawer chest fabricated from laminated particleboard panels fastened to a steel or wood frame 20" to 30" wide, 18" deep, and 30" high.
- 6 each Freestanding hinged door wardrobe with utility shelf and full width clothes rod. Fabricated from laminated particleboard or wood panels and attached to a steel or wood frame. 28" wide, 24" deep, 69" high.
- 2 total Dining table shall have a top fabricated from laminated particleboard. Supports to be chrome or wood 30" wide, 60" deep, 30" high.
- 12 each Dining chair to be side chair type without arms, Frames may be chrome or wood, seat to be fabric covered, back panel may be fabric or wood.
- 4 total Sofa to be 2 seat type with attached cushions. Frame, end panels and arms to be wood. 51" wide, 33½" deep and 30¼" high.
- 3 total Lounge chair to have attached cushions. Frame, end panels and arms to be wood. 27½" wide, 33½" deep, 30 3/4" high.
- 5 each Occasional table to be fabricated from laminated woods 30" wide, 30" deep, 21" high.

EXHIBIT "B"

SHAWNEE STATE COMMUNITY COLLEGE STUDENT HOUSING FURNITURE

Address: 1112 Second Street

- 15 each Demountable bunk beds with end frames of tubular steel or wood with steel angle or wood sides. Unit to have spring fabric with a 36" x 80" polyfoam mattress.
- 15 each Desk to be carrel, pedestal type fabricated from laminated particleboard or wood panels attached to a steel or wood frame. Each desk unit shall have a center drawer and three (3) side drawers. Each carrel unit shall have a combination bulletin board, storage shelf and strip light 42" x 47½" wide, 23½" deep, and 53½" high.
- 15 each Desk chair shall be side chair type without arms, frame may be chrome or wood, seat shall be fabric covered, back panel may be wood or fabric.
- 15 each Three (3) drawer chest fabricated from laminated particleboard panels fastened to a steel or wood frame 20" to 30" wide, 18" deep and 30" high.
- 9 each Freestanding hinged door wardrobe with utility shelf and full width clothes rod. Fabricated from laminated particleboard or wood panels and attached to a steel or wood frame. 28" wide, 24" deep, 69" high.
- 1 each Dining table shall have a top fabricated from laminated particleboard. Supports to be chrome or wood 30" wide, 72" deep, 30" high.
- 15 each Dining chair to be side chair type without arms, frames may be chrome or wood, seat to be fabric covered, back panel may be fabric or wood.
- 2 each Sofa to be 2 seat type with attached cushions. Frame, end panels and arms to be wood. 51" wide, 33½" deep, 30½" high.
- 4 each Lounge chair to have attached cushions. Frame, end panels and arms to be wood. 27½" wide, 33½" deep, 30 3/4 high.
- 6 each Occasional table to be fabricated from laminated woods 30" wide, 30" deep, 21" high.

EXHIBIT  
B2

Page Two

Address: 1112 Second Street

- 1 each Dining table shall have a top fabricated from laminated particle board. Supports to be chrome or wood. 30" wide, 60" deep, 30" high.
- 2 each Sofa to be 3 seat type with attached cushions. Frame end panels and arms to be wood 74 3/4" wide, 33 1/2" deep, and 30 1/4" high.

EXHIBIT

SHAWNEE STATE COMMUNITY COLLEGE

Example of Potential Cost Savings

1984-85 Premiums		\$209,231
Estimated Claims:		
Blue Cross (A)	\$96,988	
Blue Shield (A)	<u>52,475</u>	
Total Claims		149,463
Estimated Retention Cost:		
Blue Cross	6,789	
Blue Shield	<u>3,673</u>	
Total Retention		<u>10,462</u>
Total Estimated Cost		<u>159,925</u>
Estimated Savings		<u>\$ 49,306</u>

(A) Claim amounts are an average of the three year period of 1980 - 1983.

522 National Bank Building  
P.O. Box 1325  
Portsmouth, Ohio 45662  
614/354-3158

February 16, 1984

Mr. Neil Hawk  
Shawnee State College  
940 Second Street  
Portsmouth, Ohio 45662

Dear Mr. Hawk:

Enclosed is a copy of our tentative minimum premium rates and the monthly schedule.

Your maximum premium would be \$209,231.

You will receive a quarterly listing identifying claims we have paid plus our retention.

If your minimum premium payments are higher than claims and retention, we will refund the difference. If claims and retention are higher, you would pay the difference.

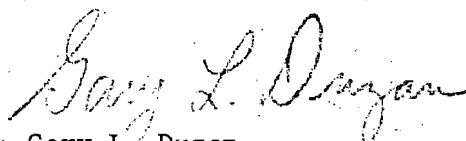
The maximum terminal liability you could have under this program, in addition to your premium, would be \$42,349. This represents a 15% stop-loss.

This program would be effective February 1, 1984 thru January 31, 1985.

I will call you when I get the exact rates.

Enclosed is information on the mechanics of our Minimum Premium Program.

Sincerely,



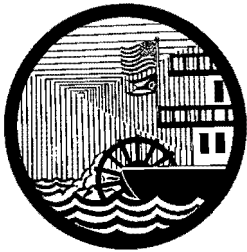
Gary L. Duzan  
Senior Sales Representative

GLD:lg

Encl.

SHAWNEE

# STATE COMMUNITY COLLEGE



January 25, 1984

Dear Mr. Taylor:

As of our last pay day, the business office began withholding the amount of increase in our insurance premiums. This is in conformity with the agreement negotiated last summer between the SEA and the administration.

However, Mr. Hawk stated the contract with Blue Cross would be renegotiated to run concurrently with the college's budget year. Further, that the premium would be paid by the institution as stated in the previous contract (Article IX, Economic Fringe Benefits, B. Provision of Insurance Benefits) and consistent with the new two-year, 1983-85 contract.

In several negotiating sessions, Mr. Hawk reassured the faculty negotiating team that only a busy schedule, including the demands placed on him as a member of the administrative negotiating team, prevented him from "firming up" the details of this intent. Even though the faculty negotiating team expressed considerable uneasiness that this important issue should be deferred and constituted a verbal contract, Mr. Hawk reassured that goodwill and trust were in order.

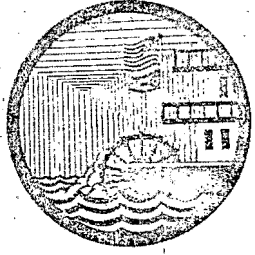
We ask, therefore, that the request be made to the board of trustees that the college pay the increase in insurance premium.

*Imtrange*  
*John W. Shupert*  
*David E. Todd*  
*Roy C. Eason*  
*Sharon Scott*

SHAWNEE

# SHAWNEE STATE COMMUNITY COLLEGE

VICE-PRESIDENT OF FINANCE/TREASURER



February 16, 1984

To: The Board of Trustees - Shawnee State Community College  
From: The Insurance Committee

On February 21, 1983, the Board of Trustees of Shawnee State Community College directed Mr. Taylor to appoint a committee to investigate the College's medical coverages, to examine alternative coverages, and to prepare a report on their findings.

Shortly thereafter Mr. Taylor appointed the following individuals to the insurance committee:

- Dr. George White - Board Representative
- Dr. George Trampe - Faculty Representative
- Mr. Howard Stewart - Hourly Employee Representative
- Mr. Neil Hawk - Administrative Representative

Mr. Hawk formulated specifications, paralleling current coverages. Bid instructions were prepared and advertisements placed in several Ohio papers. Numerous companies inquired as to the group and the type of coverages; however, only five companies actually submitted cost information. These companies and their agents were:

<u>Company</u>	<u>Agent</u>	<u>Type of Plan</u>
Blue Cross	Gary Duzan	Fully Insured
Employee Benefit Management Corp.	Jim Pierron	Self Insured
Buckeye Employee Benefit Corp.	Russ Hall	Self Insured
Crown Life Ins. Co.	Robert Welch	Fully Insured
Nationwide Ins. Co.	Jim Pierron	Fully Insured

Those companies, other than Blue Cross, submitting fully insured plans projected premiums higher than the current Blue Cross plan.

Those companies submitting self insured plans showed an opportunity for the College to save premium dollars while maintaining like coverages.

Whereas, the Blue Cross proposal was their current plan and indicated no changes, either cost wise or in coverages, the committee agreed to begin their review with an emphasis on the self insured concept. Both Mr. Hall and Mr. Pierron, along with their respective third party administrators, were invited to meet with our committee. Individuals from our committee met with these gentlemen on several occasions and discussed not only cost but the overall concepts of self insurance. Once the committee was confident that they had a grasp of the subject and also felt the College could save premium dollars without altering benefits they thought it best to discuss the same with the administrative cabinet.

940 second street ,portsmouth, ohio 45662, 614/354-3205

Once this total group agreed that a self insured plan had considerable merit they felt it only professional courtesy to meet with Blue Cross. At the conclusion of several meetings with Mr. Duzan he indicated that they wanted the business and inquired as to what it would take to maintain Shawnee as a client.

It was as a result of this conversation that Mr. Duzan, through Blue Cross, offered a minimum premium plan as outlined below:

- (1) Base Premiums:  
    Single     \$89.63  
    Family    219.60
- (2) Minimum Premium  
    Approximately 85% of the base, scheduled on a  
    monthly payment base (see attached)
- (3) Maximum potential liability equals a total of the twelve  
    monthly base premium amounts, which is the number of  
    contracts times the appropriate base premium (see attached)
- (4) Should the sum of the total claims for the period of  
    February '84 through January '85 plus 7% of Blue Cross  
    claims and 7% of Blue Shield claims as a retention factor  
    be less than the total minimum premium then the College  
    will receive a rebate equal to the minimum premiums  
    minus claims plus retention

After considering all the information available the committee, with concurrence of the cabinet, and to the best of their ability recommends that the Board approve the minimum premium plan with Blue Cross and that such plan to be retroactive to February 1, 1984. They also recommend that the plan trend into a July to June fiscal year rather than February to January.



# Minimum Premium Program

The Minimum Premium financing choice gives your company a cash flow advantage while you receive the security of a fully-insured program.



## HOW IT WORKS

### Payments

- Rates are set annually, based on your company's claims experience.
- Your company pays a pre-set monthly amount, based on your projected paid claims and retention costs for that month.
- Payments initially are lower than Prospective rates, since they are based on projected paid claims.
- Your monthly payment is calculated as follows:

**Base premium rate (based on incurred claims, retention costs and a margin for claims fluctuation)**

**X** Number of employees in each class (single, family and 65+)

**X** A pre-determined percentage (based on expected paid claims for that month)

**=** Your monthly payment.

This payment represents your maximum liability.

### Settlements

- You will receive a monthly or quarterly listing identifying claims we have paid for your company plus our retention charges.
- You are liable for either your actual Minimum Premium payments or your actual paid claims and retention costs, whichever is less.
- Adjustments are made monthly or quarterly based on your cumulative minimum premium payments.
- At the end of 12 months, rates could increase a maximum of 10 percent above the normal renewal rates if necessary to recover any loss.

### Liability in the event of termination

- At the end of the rating period, your company is liable for the difference between paid claims and incurred claims.

## ADVANTAGES

- Cash flow benefits . . . You receive a guaranteed cash flow advantage in the first year since your monthly payments are based on estimated paid claims.
- Budgetary control . . . Your maximum liability for the year is figured in advance (subject to any employment changes).
- No risk . . . If your actual claims and retention costs are higher than your premiums, we accept the loss.

## CONSIDERATIONS

- Potential for higher cost . . . The inability to predict your claims exactly and the possibility of up to a 10-percent increase could result in a total cost higher than that of a Prospective financing choice.

RESOLUTION 9-84

Whereas, the Committee to review Promotions has not been able to formulate a new policy for promotion that is acceptable to a clear majority of our faculty members, and

Whereas, there are several faculty members eligible for promotion during the 1983-84 academic year, and

Whereas the Committee and the College would like to accomodate these faculty members, and

Whereas, Dr. Come is recommending that the policy on promotions now in existence (Sections 5.101, 5.120, 5.130, 5.140 in the Policies and Procedures Manual) be continued for the 1983-84 academic year, and

Whereas Mr. Taylor concurs with this recommendation,

Now therefore, be it resolved that the Board of Trustees of Shawnee State Community College hereby approves the use of the above mentioned promotion system for the 1983-84 academic year.

RESOLUTION 10-84

Whereas, there is a need for architectural design and documentation to be completed on two College owned properties, (949 and 1004 Second Street), and

Whereas Mr. Taylor is recommending that the architectural firm of Endeco Corporation be employed at at rate of \$9,840.00 to accomplish the above,

Now therefore, be it resolved that the Board of Trustees of Shawnee State approves the hiring of the above named firm.