

**Minutes of: Board of Education Meeting
January 21, 6:00 p.m. – Albany Campus**

Board of Education members in attendance

R. Keith Frome (*Chair*), Shelly Garrett (*Vice-Chair*), Lyn Riverstone, Ron Mason, Jim Merryman, Dick Running, Barry Broadbent

Staff and Representatives in attendance

Greg Hamann, Beth Hogeland, Dave Henderson, Son Le Hughes, Bruce Clemetsen, Dale Stowell, Scott Rolen, Vickie Staffelbach, Steve Smith

CALL TO ORDER of Regular Board Meeting at 6:00

Introductions or recognitions.

Chair Frome recognized Steve Lathrop of the Gazette Times, Janet Steele from the Albany Chamber of Commerce and Kate Porsche the City of Albany Economic Director

He also identified the three Budget Committee members in attendance: Patrick Malone, Mark McNabb, Jennifer Meltzer. And potential Budget Committee member: Nikki Warner

No changes to the agenda.

No citizen comments.

Generative Activity:

A: President Hamann- Introduction to LBCC Budget.

[#1 Handout – spreadsheet draft of budget](#)

Budgets are investments to accomplish what you want to accomplish. The Budget must be passed by June 30th and it must be a balanced budget. Budget Committee (Board & Budget Committee) must approve the Budget and this must be done annually. President Hamann reviewed the Budget document on screen. The Budget document listed the 2013-2014 budget, adopted 2014-2015, and projected 2015-2016. President Hamann explained fifth year revenue from the

state. Each payment is between \$4 and \$5 million. He explained revenue, expenditures, and that 8-10% of the budget must carry forward to the next fiscal year per the Board of Education.

He explained what revenues and expenditures are expected for next year. He talked about history of values received. This budget is based on a possible percentage of an estimated \$510 million. We are making a conservative budget based on history. Tuition is calculated after all revenues and expenses on best guess information for expenses we estimated 8% as non-designated contingency expense.

[Handout #2 – Enrollment Assumptions for 15-16 Budget Planning \(scroll to page 2\)](#)

President Hamann handed out information about projected decrease in enrollment. Estimated decrease of 3%. Even with this decrease we can balance the budget and still have funds to rollover.

Greg entered different state revenue figures to show how they affect the spreadsheet strategic funds are mandated by Board for 1% of funds to use for selecting projects. It used to be \$400,000 now it is \$500,000. Board previously reviewed process for strategic funds.

What if state allocates funds and then takes some money back? We are not a state agency so money is not taken from us. Our fund balance could appear that we don't need money, but our 8% is very low.

With 0% tuition increase we would have a \$459,546 negative balance. The projected budget is based on a 2.5% increase in tuition. We are trying to be cautious and not over expend in the first year of the biennium.

B: President Hamann presented the concept of Performance Packages.

[Handout #3 – Spreadsheet of proposed Performance Packages \(scroll to page 3\)](#)

To move forward with LBCC's strategic objectives and goals, we would invest in Performance Packages. President Hamann explained how performance packages were solicited. He handed out the responses received by departments.

These performances packages are not in the estimated budget. President Hamann focused on the Tier 1 (1-10) those projects viewed as the best

investments. President Hamann explained that due to Title IX we are required to have a women's sport. We are adding back women's basketball. Athletic students are expected to have a 50% completion rate.

We are trying to meet the need of the community and businesses.

Total expense for adoption of the Tier 1 Performance Packages would be \$675,525.00. This information helps us to make informed decisions. President Hamann entered this figure into the online budget model to demonstrate how it would change the budget. Without changes we would have a deficit in the first biennium.

In March the Board will make a tuition decision.

In April the Board will be making salary decisions.

Strategic Investments are one or two-year investments only. They are to cover things that come up after the budget is decided. *Performance Packages* affect the budget over time.

Tier 2 performance packages that aren't funded will be carry forwarded and considered in the future. The Board can choose which packages they want to fund.

In the past, for LBCC to grow we could only do cost-recovery programs. The board can decide if LBCC has the resources to grow, or add.

We cannot rely on the state to fund our growth. We need a long term strategy for growth. President Hamann asked for Board's general support for growth.

Our Ad Hoc committee may find this information helpful. The Bond money will fund items in Tier 2 packages. But not Tier 1. Our programs are funded 40% by tuition. "Look where you want to go." President Hamann reminded everyone that Bond funds cannot be used to operate the new building.

There is no increase in taxes for the public as a result of the Bond Measure. We must create an operational budget to fill the new structures.

Decision-

Raising tuition is only good when it makes the community stronger. President Hamann confirmed that the Board approves of the model to build the budget and project it out 3-5 years.

Strategic Activity:

Mr. Running reminded us that Elaine Eastman has resigned from the Budget Committee. Nikki Warner was proposed as a replacement member of the Budget Committee. She is from Central Willamette Community Credit Union. Jennifer Meltzer was voted in last year. May 13 is next Budget Committee meeting.

A. Board Representative Reports:

OCCA – Last meeting was in Astoria – Mr. Mason handed out the OCCA Newsletter which described the meeting. 1400 Bills were submitted to the Legislature. Chair Frome mentioned the upcoming OCCA Legislative Summit. Ms. Staffelbach was asked to contact our 6 representatives/legislators and schedule visits with them on February 26. Board to let Chair Frome know who is attending.

Foundation- Ms. Riverstone introduced Andrew Wyning as the new Development officer. He will be working with John McArdle. The LBCC Foundation has been helping college since 1972.

Chair Frome reported: Linn-Benton Educational Service District meeting was to discuss K-12 Legislative Bills. And some community college discussion by the Co-Chairs. The Co-Chairs have suggested a budget of \$535 million. They spoke positively of 5th year programs. Chair Frome thought the meeting was very positive for community colleges.

B. Upcoming Board Elections:

Mr. Running and Mr. Broadbent are running again for their seats.

C. Albany Business Alliance Economic Proposal

Mr. Merryman prepared a PowerPoint and presented it to the group. It was regarding Albany Business Alliance Economic Proposal. He gave a history of how LBCC became a candidate for money from Albany Business Alliance. He discussed businesses' needs and concerns.

Handout #4 – PowerPoint Slides

Mr. Merryman presented the process that was used for getting High schools, LBCC and Businesses to collaborate. Albany is bringing in Lebanon and Corvallis to be part of this Workforce. Linn County, Greater Albany Schools (GAPS), LBCC and businesses are pooling their resources to fund a working position and marketing to train and educate students. Albany funding request was based on a history of need in the workforce. Goal is to have a trained workforce from LBCC to make businesses competitive. Request is for funds to LBCC rather than to individual businesses. Original request \$4.3 million and then \$2.9 million was the latest request. LBCC and businesses will be attending a meeting on Monday, 1/26/2015 to present their case.

D. Representative Reports

Student Government-

Adelaine Carter reported that they have 4 candidates for SLC president. Prepping for Rally Day on February 12th. (Goal is tuition freeze.)

Faculty-

Kathy Chafin talked about the history of Advising. Trying to have a common goal. Advisor track software- 26% advisors using it- goal is 80% use. Not all faculty are interested or understand the importance of advising students. LBCC needs investment from everyone. Training issue regarding intrusive advising. Want a 3 year buy-in.

Classified-

Tammi Drury reported that Barb Horn – Student activities coordinator worked with 4-H, giving back to the community. Bell ringing done by classified Association and Association donates money to worthwhile groups/agencies.

E. 8000's Series of Board Policies for review

Dale Stowell presented first reading. Intent remains the same. Dale has received some feedback from a Board member and college council reviews next month.

F. Approval of Budget Calendar

Dave Henderson reminded everyone that May 13th and 20th are the dates for the Budget Committee meetings and June 17th the Board approves budget. Ms. Garrett moved to accept the calendar as submitted. Mr. Running seconded the motion. During discussion it was requested that the calendar include the “date when adopted”. Everyone voted and the motion was unanimously approved (7-0).

Electronic copy will go to Board ASAP and printed copy goes out a day or two later.

Greg suggested shorter/abbreviated General Ledger portion should be sent to Board before full budget document.

G. Tuition- BP 7055

President Hamann reiterated why LBCC is requesting a change to the tuition policy. Our future budget model relies on the tuition policy. New policy creates a framework. It reframes the conversation, it does not increase tuition. Copy of Board Policy was presented at College Council and it was unanimously approved.

Chair Frome handed out a [copy of the BP with his changes](#)(scroll to page 7). Chair Frome wants more information about HEPI.

Handout #5 – BP 7055 with Chair Frome’s changes

President Hamann handed out graph showing [HEPI Index](#) (scroll to page 11) showing a comparator of HEPI as it compares to LBCC tuition increase.

Board had originally requested minimum regular increases in tuition rather than large occasional.

Mr. Running moved to approve BP 7055 with grammar and punctuation changes. And retain the HEPI language. Mr. Merryman seconded the motion. During discussion it was requested to add some of Chair Frome’s requested changes. Ms. Garrett moved to make changes which included not using the wording “as Board so chooses” and without the word “small” regular incremental, because “incremental” means small. Ms. Riverstone seconded this amendment. Additional discussion regarding to make changes or not. Mr.

Broadbent did not like word incremental. Chair Frome wanted to keep the word “small”. Mr. Mason said do not use the word “regular” when referring to increases. Chair Frome stated to keep “small incremental changes.” Everyone voted on the amendments to not sue say “as Board chooses”, the word “small”, not use the word “regular”. Everyone voted, there were six ‘yes’ votes and one ‘no’. (Chair Frome was the no vote). The amendment passed. Then the Board voted on the original motion by Mr. Running which included grammar and punctuation changes, retaining the HEPI language and the amendments as passed by the second motion. Everyone voted and there were six ‘yes’ votes and one ‘no’. (Chair Frome was the no vote). And the Board Policy was adopted.

Fiduciary Activity

A. Consent Agenda

Mr. Broadbent moved to approve the Consent Agenda as presented. Mr. Running seconded the motion. Everyone voted and the motion was approved unanimously. (7-0)

B. Architectural Bids/Contracts

Mr. Henderson explained how a committee reviewed the architectural bids. Three architects were selected, one for each project (Health Occupations, Benton Center, and Renovation of Albany Campus). Two were presented for Board approval.

- Resolution 19-15 with architect Soderstrom for building the Health Occupations building in Lebanon as part of the Capital Construction projects.
- Resolution 20-15 with architect FFA selected for the Benton Center due in part to their history of working on the Center.

Mr. Broadbent moved to accept these resolutions as presented. Mr. Merryman seconded the motion. During discussion the following questions were answered by Mr. Henderson: Cannot put bid for fee; fee is a percent of the total construction budget (actual percentage averages under 10.5%) Soft costs

(permits and land) are not included in the architectural bid. Everyone voted and the motion was unanimously approved. (7-0)

9:13 PM

Adjourned for Executive Session

9:30 PM

Reconvened

9:37 PM

Adjourned