

**Minutes of Board of Education Meeting
January 18, 2017 6:00 p.m.
Boardrooms**

Board of Education members in attendance

Jim Merryman (*Chair*), Shelly Garrett, R. Keith Frome, Dick Running, Ron Mason, Randy Camp, Barry Broadbent

Staff and Representatives in attendance

Greg Hamann, Ann Buchele, Bruce Clemetsen, Dave Henderson, Debby Zeller (*Classified*), Rob Prieue (*Faculty*), Tim Black (*Part-Time Faculty*), Eric Slyter (*Student Leadership*), Amanda Kliever

The meeting was called to order at 6:00pm,

CHANGES TO THE AGENDA – President Hamann requested to add the 2017-2018 Academic Master Calendar to the Consent Agenda.

CITIZEN COMMENTS – None

INTRODUCTIONS

Chair Merryman asked the members of the Budget Committee that were present to introduce themselves. Mark McNabb, Jennifer Meltzer, Joan Reukauf, and Patrick Malone were all in attendance.

CHAIR COMMENTS – None

GENERATIVE ACTIVITY

Budget Development – President Hamann, Dave Henderson, Jess Jacobs

President Hamann reminded everyone that over the last 3-4 years, we have significantly changed the way we think about budget and budget building. The budget should be connected to our mission and goals and how that would affect ways in which we make decisions. We are now trying to have a long view of what we're trying to accomplish as an institution. He also reminded the Board that no formal decisions will be made tonight. They are presenting their framework for the year's budget and will ask for their guidance on three areas: 1) What does the Board want our investments trajectory to look like? This is referring to Performance Packages and Strategic Investments, 2) Ending Fund Balance, should we maintain our goal of 10%? 3) Tuition recommendation.

The model that will be presented meets the parameters discussed previously and they will continue building the budget based on the recommendations and guidance they receive from the Board tonight.

Mr. Henderson started off by explaining that despite the state's \$1.7B shortfall, he thinks they will be pleasantly surprised with the way the budget will be presented tonight.

The college's Budget Team (3VP's, Margi Dusek, and Jess Jacobs) works together to develop the budget proposal based on feedback from Deans and Directors and others. Two critical goals of the Budget Team were to develop a budget that 1) continues on the investment path and 2) would not require an involuntary reduction in force.

Mr. Henderson went on to explain the assumptions of the budget. State Aid – the governor has budgeted \$550M for the Community College Support Fund, same as last year. While the CCSF is flat from last year, we are projecting a 1.91% increase in our portion due to our positive enrollment trends. Ending Fund Balance, the established goal was a 10% EFB. PERS – the increase in PERS will be closer to 42.3%, higher than the original projection of 34.9%. New facilities coming online. The ATTC is now finished and the HOC will be finished this spring. The Benton Center project will not come online until the 18-19 biennium, so they were able to take those funds out of this projection.

Some good news he shared is that they were able to balance the budget, maintain the 10% ending fund balance, and continue with the investments without increasing tuition more than the 5% we had talked about a year ago. Past VP of Finance and Operations, Jim Huckestein, had the foresight to establish an internal reserve to help offset PERS. It is recommended we start to draw that reserve down to absorb some of the impact PERS has. We are able to refinance existing debt for building Madrone Hall. This new interest rate will save us about \$20,000/year. Over the course of 10 years, that's a \$200,000 savings. Our reserve funds are not where they should be and there is a recommendation to make small incremental increases to those funds. As an example, we currently put about \$100,000 into the roof reserve fund, they are recommending an increase of \$100,000/year because we are expecting some roof repairs due to the age of some of our buildings. We have a healthy EFB (15% right now) and we propose we spend that down a little each year, while maintaining our goal of 10%.

Mr. Jacobs took some time to expand on the mechanics of the budget.

He presented more detailed information on revenue sources, total revenue vs total expenses, tuition and affordability compared to other Oregon community colleges, enrollment, state aid, and LBCC's portion of PERS.

A variety of scenarios were simulated on the dashboard to show the projected Ending Fund Balance compared to the target and the discussion was opened to questions from the Board. President Hamann, Mr. Henderson, and Mr. Jacobs were able to answer all of the Board member's questions to their satisfaction.

The majority of the Board requested moving forward with the development of the budget as presented. Mr. Mason added that if there is a significant difference from the \$550M from the state, we may need to revisit it. Dr. Frome also added that he was OK with a 5% tuition increase this year, but couldn't continue with a 4.5% increase in the years after.

The Budget Committee offered their feedback:

Mr. McNabb feels our number one problem is PERS. He suggested the Board meet with their representatives about PERS so they truly understand the impact PERS has on our institution. He feels we need to put more pressure on Salem.

Ms. Reukauf agrees with Mr. McNabb. There is a big push in the banking industry to work with Salem to make changes. With budgets, you have to be able to look both long term and short term. Colleges have to be able to attract students, that's long term. If we don't invest in the short term, we can't attract in the long term.

Ms. Meltzer is in agreement with the Boards request to move forward with the budget development as presented. She said it is important to keep up on our investments for the community.

Mr. Malone said he has been on the Budget Committee for many years and he thinks these are modest steps in the right direction. He is very supportive of the Performance Packages and Strategic Investments.

Chair Merryman said that the Board and students will be more involved in Salem during the legislative session this year. Mr. Running announced Representative Gelser will be holding a meeting at the Albany Public Library on Monday, if anyone is interested in attending. Mr. Malone added Rep. Gelser and other representatives meet every first Saturday at the Corvallis Library.

STRATEGIC ACTIVITY

1. OCCA - Mr. Mason reported they are met in November and talked about legislative priorities. One thing from the governor's budget is that LBCC has some funds in the capital funds for Student Affairs, \$7.5M. Legislative session starts Feb. 1 and March 22-23 is the summit where they can go talk to legislators. President Hamann and John McArdle have both met with each of our representatives and are all very supportive of LBCC. Mr. Mason said he is under the impression that community colleges are popular with the legislature, even if that support is not shown fiscally.
2. ACCT – Dr. Frome announced there is a Legislative Summit next month in Washington DC. Greg will be attending.
3. Foundation – Mr. Stowell let the Board know the Foundation has a piece of property under contract. The sale of this property will help pay down some debt from Madrone Hall and will endow some scholarships.
4. Revenue Innovations – Nothing to report

B) Campus Representative Reports:

1. Classified, Ms. Zeller – Had nothing further to report.
2. Student Leadership Council, Mr. Slyter – Ms. Garrett asked Mr. Slyter about the community resources he referred to in his report. Mr. Slyter clarified that CARDV, SNAP, Community Services Consortium and on campus resources like Career and Counseling Center, Financial Aid, and Degree Partnership Program will all be represented at the Resource Fair on February 1. Ms. Garrett offered to have a conversation with Mr. Slyter after the meeting to suggest more potential community resources.
Mr. Slyter also wanted to let the Board know of a few other items. The students will be holding their own budget discussions. The Student Leadership Council is looking to add a new SLC position. This position will focus on student health and wellness. Finally, there is some discussion about the possibility of holding an event on campus in August for the eclipse. The students feel this this would be a great opportunity for LBCC as this location is prime to view the event. Mr. Mason added that he thought this was a great idea.
3. Faculty – Mr. Priewe for Mr. Paris– Nothing to report, but he was happy to fill in so he could hear the budget discussion.
4. Part-Time Faculty – Mr. Black – Had nothing further to report. Chair Merryman expressed his concern for Mr. Black's son, who was recently injured. He is glad he's going to be OK and hopes he is on the mend.

- C) Approval of 17-18 Budget Calendar - **Dr. Frome moved to accept the calendar as submitted. Mr. Broadbent seconded. Motion to approve the 2017-18 Budget Calendar as submitted was approved unanimously. (7,0)**

FICURIARY ACTIVITY

- A. Consent Agenda- Dr. Frome requested to pull RES 21-17 from the Consent Agenda. **Mr. Broadbent moved to approve the Consent Agenda without RES 21-17. Mr. Running seconded. Motion to approve the Consent Agenda without RES 21-17 was approved unanimously. (7,0)**

Dr. Frome asked Mr. Henderson clarifying questions and commented that the presentation and the language of it was rather confusing. Mr. Henderson let the Board know this resolution was written by attorney due to the legalities involved. He and President Hamann also answered the questions to Dr. Frome's satisfaction. **Mr. Running moved to approve RES 21-17 as submitted. Mr. Mason seconded. Motion to approve RES 21-17 as submitted was approved unanimously. (7,0)**

- B. First Read of 5000 Series Board Policies – Dr. Frome requested to pull Board Policies 5055, 5075, 5080, and 5095. Dr. Frome also asked for clarification on Board Policies 5045 and 5060. Mr. Henderson answered those questions to Dr. Frome's satisfaction. **Dr. Frome moved to approve Board Policies 5045, 5050, 5060, 5070, 5085, 5090, 5100, 5105, 5110, and 5115. Mr. Mason seconded. Motion to approve all Board Policies presented, except for 5055, 5075, 5080, and 5095 approved unanimously. (7,0)**

Dr. Frome will communicate with Mr. Henderson regarding the exceptions.

- C. Administrative Reports

President's Report - President Hamann added a comment related to Mr. Running's comment on a 5-year rolling plan is what is described in his report and how we are working to put that into action and our budget framework is part of that. He also mentioned the attached article in which LBCC made the cover of an industrial magazine.

Advancement – Mr. Stowell had nothing to add to his report.

Academic Affairs and Workforce Development – Dr. Buchele had nothing to add to her report. Dr. Frome asked for clarification on what PLC means, it means Professional Learning Communities, a movement in K-12 for how they create teacher professional development. Dr. Buchele also added that NWCCU commented on our overuse of acronyms, something we really need to work on.

Student Affairs – Dr. Clemetsen made a correction to his report. His report states they are investigating new options for the location of the 2017 Commencement. It should state the 2018 Commencement is the one affected. 2017 will still be held at the Linn County Fair & Expo Center. Ms. Garrett congratulated Dr. Clemetsen and his team for obtaining the Ford Family Foundation grant.

Finance and Operations – Mr. Henderson had nothing further to report.

BOARD COMMENTS (Chair Merryman)

Chair Merryman – Had no further comments tonight.

Mr. Mason – Hopes winter term is going well and happy to learn we did not miss any instructional days due to the inclement weather.

Dr. Frome – Thanked Chair Merryman for his work as Board Chair. He appreciates how he gets to the point and gets work done.

Ms. Garrett – Thanked Mr. Henderson for the invitation to tour the HOC. She said it's thrilling to see such a beautiful building go up in her community. She suggested the conference room at the HOC would be a great location for this summer's Board Retreat in August.

Mr. Camp – Just hired his 3rd graduate from the ATTC. This new employee also has 2 or 3 other certificates from LBCC.

Mr. Running – Expressed his satisfaction of the level of the current Board of Education. This Board and the college staff are much more active than when he first started on the Board and he is really enjoying this work.

Adjourned Regular Session at 8:15PM