

Minutes of Board of Education Meeting
January 20, 2016 6:00 p.m. – Board Room, Albany Campus
CC-103

Board of Education members in attendance

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

Staff and Representatives in attendance

Greg Hamann, Ann Buchele, Dave Henderson, Dale Stowell, Jess Jacobs, Rob Priewe (*Faculty*), Debby Zeller (*Classified*), Candalynn Johnson (*Student Leadership*), Amanda Kliever and Guests: Budget Committee Members

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

CHANGES TO THE AGENDA Chair Garrett asked if there are any changes to the agenda. No changes were requested.

CITIZEN COMMENTS There were no citizen comments

INTRODUCTIONS AND RECOGNITIONS Chair Garrett introduced the Budget Committee members that were present; Mark McNabb, Jennifer Meltzer, Joan Reukauf, and Nikki Warner.

GENERATIVE ACTIVITY *Budget Development-Greg Hamann, Dave Henderson, Jess Jacobs*

President Hamann started by thanking Dave Henderson and Jess Jacobs for playing a critical role in the budget development presentation. The goals for tonight's meeting are:

- 1) Establish a general understanding of budget structure
- 2) Establish understanding of the relationship between revenue and expenditure decisions
- 3) Establish general consensus on FY2016-17 budget parameters

President Hamann presented a very detailed projection spreadsheet detailing the sources of revenue and the college's expenses. Several factors could be changed within the spreadsheet in order to show how things could impact the ending fund balance. Among the questions, explanations, and topics were PERS, program expansion, tuition increases, completion, State aid, strategic investments and performance packages. It was explained by President Hamann that PERS sees large increases every other year and no increase on the alternate year. Mr. Mason asked how LBCC's enrollment compares to the rest of the state. President Hamann explained that while enrollment throughout the state is down 5%-7%, we are doing much better. Mr. Merryman asked if the new bond measure and expanded programs is attributed to better enrollment. He also pointed out that based on history, growth may be greater due to adding programs. Dave Henderson noted that there are waiting lists in programs that are currently expanding. Ms. Riverstone asked why there was a \$0 in Performance Packages this year. President Hamann explained this was due to significant capital investments, it was decided to cut back on Performance Packages for this year. There was discussion about why Performance Packages and Strategic

Investments are crucial to LBCC's growth. Mr. McNabb (Budget Committee) pointed out that LBCC was founded to support community industry. We have to continue to grow and change in order to serve and support our community. Dr. Frome asked how classes such as Anthropology and Biology relate to CTE programs. Dr. Ann Buchele explained that they are creating a "bottleneck", in that those courses are graduation (transfer) requirements and we currently don't have enough sections to offer. Many good questions and answers and scenarios were shared during the discussion. After many scenario changes, the board agreed to move forward with the Budget Development framework presented. (see attached)

Budget Development Assumptions:

- Enrollment- Board generally agreed with assumption (7,0)
- State Aid- majority Board generally agreed with assumption (6,1)
- Property Tax- Board generally agreed with assumption (7,0)
- Salaries- Board generally agreed with assumption (7,0)
- Health Insurance- Board generally agreed with assumption (7,0)
- PERS- Board generally agreed with assumption (7,0)
- M&S- Board generally agreed with assumption (7,0)

Board Decision Guidance:

- Strategic Investments- Board generally supported the parameters presented (6,1)
- Performance Packages- Board generally supported the parameters presented (6,1)
- Capital Project Operating- Board generally supported the parameters presented (7,0)
- Ending Fund Balance- Board generally supported the parameters presented (6,1)
- Tuition Increase- Board generally supported the parameters presented (6,1)

EXECUTIVE SESSION (Chair Garrett)

Pursuant to ORS 192.660 (2) (e) – real property negotiations. The Board of Education of Linn-Benton Community College will now meet in executive session for the purpose of conducting deliberations with persons designated to negotiate real property transactions. The executive session is held pursuant to ORS 192.660 (2) (e), which allows the Board to meet in executive session "to conduct deliberations with persons you have designated to negotiate real property transactions."

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. At the end of the executive session, we will come back into the regular Board meeting.

Adjourned to Executive Session at 8:12 PM

Reconvened at 8:26 PM

STRATEGIC ACTIVITY

The Agenda for our January LBCC Board Meeting will be almost wholly devoted to a presentation and discussion of the framework and planning parameters for the 2016-17 LBCC Budget. With this in mind, I want to encourage you to attend and listen to this critical Board conversation but also give you advance notice that we will not be giving time to our normal verbal Reports by Employee Associations.

Chair Garrett – Thank you to all those who submitted their reports. Rest assured, they have been read by the board members, but will not be hearing from you tonight since this is a budget focused meeting. Thank you for your patience.

FIDUCIARY ACTIVITY

- A. Consent Agenda – Chair Garrett asked if anybody wanted to pull anything from the consent agenda. Dr. Frome made a motion to pull out “A” from the December minutes. Chair Garrett- Motion to approve December minutes with the absence of section “A” under Fiduciary Activity. Mr. Broadbent motioned to approve the consent agenda, Mr. Mason seconds. Board voted and approval was unanimous. (7,0) Mr. Merryman requested Amanda Kliever listen to recording from November and December meeting to try to identify discrepancies and report any found to the board. Dr. Frome moved this be tabled until February meeting.

- B. Resolution 32-16– Corvallis Property Purchase- Mr. Broadbent motioned to approve Resolution 32-16 to purchase property in Corvallis for the expansion of the Benton Center. Mr. Mason seconded, they voted and approval was unanimous (7,0).

BOARD COMMENTS (Chair Garrett)

Ron Mason – We are in the 3rd week of winter term. Hope all of you are doing fine. OCCA is meeting here next Thursday. That’s all I have tonight.

Dr. Frome – Good discussion. First time we’ve had it where we actually discussed all those things together. I really appreciate President Hamann’s presentation.

Mr. Broadbent – I like discussing money! A good night!

Mr. Merryman – I agree, I thought the budget discussion was much better than what we had last year. I have a better understanding. Just wanted to mention we’re headed to San Antonio in February for a Guided Pathways session with other colleges involved. Helping us include this college in what we can do to improve moving forward. On Foundation, we have efforts we’re working on now on coming up with distinguished alumni nominees. All those here and everyone, please be thinking of people you can nominate. The deadline is February 4, please let Dale Stowell know your nominations.

Mr. Running – As I said before, I really liked the budget discussion. I thought you did a great job, Greg, and those that helped create that massive spreadsheet! I’d like to say something I wanted to bring up at last, about the Foundation. Some of you may have seen an ad that the Foundation has about planned giving. The couple featured in the photo, the husband was a former LB employee. So it shows former employees stay loyal to LBCC and it does a good thing. As a note, he left LB under not-so-great circumstances and went to work at UCC, so his loyalty could have been by the wayside, but he chose to leave it here.

Ms. Riverstone – This is a really hard thing to say. I have been struggling for a while to come to this decision. I’ve been talking to Shelly since we went to San Diego. My husband went back to school last term and our lives have gotten a lot busier and I’ve decided that I need to step down from this board. This will be my last meeting. I just want to say it’s been an honor to be part of this college and I’ve loved it. I don’t want to leave but it’s very challenging to have this taking away from my family at this point in my life. I told Shelly and Greg when I gave

them this news, that someday if there's another opening on the board, after my child is raised and my husband graduates, I will be back. I love this work and love being associated with the college.

All the board members thanked Lyn for her service and said they appreciated what she brought to the board. She will be missed.

Chair Garrett – I wanted to thank Ann. The video that we did for the city of Lebanon, your team really came through, Linda Carrol and Gary Price did a great job.

Meeting Adjourned at 8:43 PM

	Actual 2013-14	Actual 2014-15	Projected 2015-16	Budgeted 2016-17	2017-19 Biennium		2019-21 Biennium	
					2017-18	2018-19	2019-20	2020-21
Reg. Fund Balance	\$ 1,734,558	\$ 6,563,791	\$ 6,739,163	\$ 6,814,819	\$ 5,841,770	\$ 4,907,169	\$ 5,026,963	\$ 5,162,998
State Aid	21,826,984	18,070,324	19,520,518	19,388,733	20,358,170	21,376,079	22,444,882	23,567,127
Property Tax	6,574,853	7,085,933	7,388,364	7,683,899	7,991,255	8,310,905	8,643,341	8,989,075
Tuition	17,639,318	17,506,012	17,529,649	19,087,757	20,794,753	22,554,539	23,637,708	24,354,577
In-State (IS)		16,944,040	16,944,040	18,431,171	20,086,245	21,796,207	22,842,566	23,532,412
Out of State (OOS)			85,708	91,707	98,959	106,785	111,968	116,264
International (Int'l)			499,901	564,878	609,549	651,547	683,173	705,902
Interest	105,187	114,799	117,000	118,313	101,420	85,194	87,274	89,636
Misc. Revenue	520,522	445,615	365,816	371,890	382,344	391,409	398,252	402,234
Transfer In	264,482	254,729	217,498	221,110	227,325	232,715	236,783	239,151
Total Revenue	46,931,346	43,477,412	45,138,845	46,871,702	49,855,267	52,950,841	55,448,240	57,641,800
Total Resources	48,665,904	50,041,203	51,878,008	53,686,522	55,697,037	57,858,009	60,475,203	62,804,798
Personnel Costs	\$ 35,650,376	\$ 36,715,794	\$ 38,406,975	\$ 39,614,680	\$ 42,175,400	\$ 44,453,739	\$ 46,695,814	\$ 48,257,238
Salaries	21,998,962	24,911,347	25,770,739	26,514,347	27,977,507	29,855,468	31,109,231	32,236,904
Health Insurance	7,000,865	5,062,993	5,626,917	5,933,270	6,291,478	6,541,430	6,868,502	7,211,927
PERS	4,590,549	4,634,692	4,858,007	4,931,055	5,514,397	5,514,397	6,075,211	6,075,211
Other Payroll Costs		2,106,762	2,151,312	2,236,059	2,392,018	2,540,443	2,642,869	2,733,196
Materials/Services	4,887,522	4,963,352	5,056,707	5,056,707	5,212,331	5,481,655	5,867,169	6,372,778
Financial Aid	-	63,000	130,600	130,600	130,600	130,600	130,600	130,600
Capital Outlay	68,754	56,919	71,748	71,748	71,748	71,748	71,748	71,748
Performance Packages				647,654	-	452,421	397,960	389,768
Strategic Investments				500,000	500,000	500,000	500,000	500,000
Capital Project Operating				418,204	1,299,131	339,426	245,856	
Transfer Out	1,495,461	1,512,975	1,397,158	1,405,158	1,400,658	1,401,458	1,403,058	1,404,058
Designated Contingency				-	-	-	-	-
Undesignated Contingency				4,687,170	4,985,527	5,295,084	5,544,824	5,764,180
Total Expenditures	42,102,113	43,302,040	45,063,189	47,844,752	50,789,868	52,831,047	55,312,205	57,126,190
Total Requirements				52,531,922	55,775,395	58,126,131	60,857,029	62,890,370
Rev Over/Under Exp.	4,829,233	175,372	75,656	(973,050)	(934,601)	119,794	136,035	515,610
End. Fund Balance	\$ 6,563,791	\$ 6,739,163	\$ 6,814,819	\$ 5,841,770	\$ 4,907,169	\$ 5,026,963	\$ 5,162,998	\$ 5,678,608
Over/Under EFB				\$ 1,154,600	\$ (78,358)	\$ (268,122)	\$ (381,826)	\$ (85,572)

Variables	Growth Assumptions				
	2016-17	2017-18	2018-19	2019-20	2020-21
REVENUE					
IS Tuition	7.00%	6.00%	6.00%	3.00%	2.00%
OOS Tuition	7.00%	6.00%	6.00%	3.00%	2.00%
Int'l Tuition	11.00%	6.00%	5.00%	3.00%	1.50%
IS Enrollment	1.66%	2.81%	2.37%	1.75%	1.00%
OOS Enrollment	0.00%	0.00%	0.00%	0.00%	0.00%
Int'l Enrollment	1.80%	1.80%	1.80%	1.80%	1.80%
State Aid	-0.68%	5.00%	5.00%	5.00%	5.00%
Property Tax	4.00%	4.00%	4.00%	4.00%	4.00%
Contingency	10.00%	10.00%	10.00%	10.00%	10.00%
EXPENSES					
PT Faculty	3.00%	3.00%	3.00%	2.00%	2.00%
Faculty	1.50%	1.60%	2.00%	2.00%	2.00%
Management	1.50%	2.00%	2.00%	2.00%	2.00%
Classified	2.00%	2.00%	2.00%	2.00%	2.00%
PERS	0.00%	34.90%	0.00%	30.00%	0.00%
Health Insur	5.00%	5.00%	5.00%	5.00%	5.00%
MBS	0.00%	1.10%	1.33%	1.56%	1.80%

Tuition rate \$ 100.37 \$ 106.39 \$ 112.77 \$ 116.15 \$ 118.48

