

Clatsop Community College
1651 Lexington Avenue * Astoria, Oregon 97103 * (503) 325-0910

MINUTES OF THE MAY 3, 2022
BUDGET COMMITTEE MEETING

I. Call to Order

The meeting was called to order by Rosemary Baker-Monaghan at 6:32 pm.

Budget Committee Members present: Trudy Van Dusen Citovic, Jim Alegria, David Oser, Rosemary Baker-Monaghan, Sara Meyer, Al Arp, Karen Burke, Jody Stahancyk, Tim Lyman, Nicole Williams, Steve Fick

Budget Committee members absent: Mitra Vazeen, Rachel Jensen

Others present: Krystal Brailsford, Rinda Johansen, Evon Jacobsen, Desiree Noah, Teena Toyas, Helen Keefe, Pat Keefe, President Chris Breitmeyer, Recording Secretary Felicity Green

II. Election of Budget Committee Chair and Secretary

Jody Stahancyk nominated Nicole Williams as Budget Committee Chair. There was no second. The motion carried unanimously with Mitra Vazeen, Rachel Jensen and Steve Fick absent at the time of the nomination.

Sara Meyer nominated David Oser as Budget Committee Secretary. Karen Burke seconded.

Jody Stahancyk nominated Trudy Van Dusen Citovic as Budget Committee Secretary. Tim Lyman seconded.

Jim Alegria, Sara Meyer, Al Art, Rosemary Baker-Monaghan and Karen Burke voted for David Oser.

Jody Stahancyk, Tim Lyman, Nicole Williams and Trudy Van Dusen Citovic voted for Trudy Van Dusen Citovic.

Mitra Vazeen, Rachel Jensen and Steve Fick were absent at the time of the vote.

David Oser was elected as Secretary.

III. Adoption of Agenda

Nicole Williams moved to adopt the agenda as presented. Steve Ficke seconded. The motion was carried unanimously.

IV. Approval of 2021 Budget Committee Minutes

It was decided to move the approval of the May 4, 2021 and the April 21, 2022 minutes to the next meeting.

V. Review of the Budget Message

President Chris Breitmeyer presented the Budget Message. The central theme is Covid related impact: how it has impacted the College's unique enrollment and how the College has not rebounded to pre-pandemic level.

Tuition looks down this year because the previous year's tuition was artificially supplemented by HEERF institutional support funding. The College still has \$350,000 in HEERF institutional support that could be used to supplement lost tuition and fees this year. The budget is based on tuition remaining at \$105 per credit. Raising tuition would create about \$20,000 in additional revenue for each dollar raised. The college is predicting a slight increase in enrollment for next year, primarily due to programs such as Tongue Point coming back to full strength.

The main focus for next year has been on recruitment and retention. The internal Budget Advisory Committee agrees that the college's first priority is to increase enrollment.

The college is concerned about loss of some state funding and as of today has identified some \$500,000 in reductions that could be made to this budget if necessary. Unless enrollment increases, state funding will decrease. This correlation between loss of enrollment and decrease of state funding will continue unless enrollment losses are addressed.

Questions and Answers About the Budget Message

How is the \$300,000 that was not collected due to improper billing reflected in the budget?

\$280,000 of that debt was collected and the remainder has gone to collections.

Why are there salary increases that are not reflected in the budget? Why are there changes made to the budget outside the budget committee?

The document which was supplied to the budget committee covers reclassifications. They happen when a supervisor realizes that an employee is working outside their job description. They then submit for reclassification. All these changes are documented. There is a committee for classified employees

that reviews these requests and decides if the employee should be rebanded or not. Most requests are passed; the committee makes these determinations and decides what the new banding should be. No reclassifications are accounted for in the budget. As they are approved they are incorporated into the working budget and those changes are then moved into the future budget.

What is the proportion of benefits to salary? Benefits are 20 – 25% of salary.

How are salaries determined?

The College uses several tools to determine salaries, including CUPA-HR and an Oregon community college specific tool. In the past all Classified staff started at Step 1 but now CCC is able to offer a higher step start based on qualifications, education and experience. This is industry standard.

Are these reclassifications and decisions to start at a higher step applied equitably?

Human Resources has been concerned for some time that there is no compensation philosophy and practice in place to guide these procedures and instead they are being addressed piecemeal. HR strongly recommends developing a policy and process rather than an ad hoc committee. The Classified Association chooses their own members of this committee.

One employee of HR was reclassified. The process was completed before the current Director of Human Resources was employed at the College but the final arrangements were not made. This error was due to staff turnover. When it came to light, it was addressed and correcting the mistake included a payment of back salary.

Board Concerns About the Reclassification and Hiring Process

There are concerns that the process is not fair and equitable. There are also concerns that reclassifications are not being applied across the board. There are concerns that the College is not offering equal pay for equal work. There are concerns that the process is not transparent and that it is not part of the budgeting process. There are concerns that using other Oregon community colleges as a base for salary decisions is a flawed metric.

The Chair of the Budget Committee asked that this discussion be moved to the next Board meeting as it is not a budget discussion but is a policy discussion.

VI. Budget Committee Deliberations

Deliberation on the budget began with page 21, General Fund Revenue. Projected tuition revenue is now \$1.762 million. The college is confident in timber sales. That money is primarily used for debt service; this year \$1.2 million went to debt service and \$450,000 was put into the general fund. The timber revenue looks solid for next year but the College agrees it is not best practice to put it in the general fund. The state is very likely to reduce it. The portioning of timber fund revenue into debt service and the general fund began during Patriot Hall construction and may be a policy.

The College does not have a current number for the state revenue reductions. The latest projection is that it will go down by \$250,000. They should have an accurate number by the next Budget Committee meeting. This budget only has a contingency of \$500,000 and that is concerning.

The suggestion that all the timber revenue should be put to the side and used only for debt reduction would mean a policy change. The Budget Committee makes recommendations that go to the Board. If there is a policy change, then a different process will have to be used. The Budget Committee Secretary will keep a running list of recommendations.

The suggestion that there be a 5% or 10% reduction across each department will be considered. The President has asked each department to submit reductions; they are not reflected in this budget but will be added later. Some members of the Budget Committee feel strongly that the budget needs to be reduced.

The increase in facilities, rents and leases on page 24 covers the Forerunner, Patriot Hall and the apartment at MERTS that is no longer rented. Rental revenues are steadily rising as Covid restrictions are eased. The apartment at MERTS is not currently being rented. The mold issue has been addressed but there are still leaks that will need to be fixed this summer as part of some general MERTS repairs. The College does not get rent from the Bandit Café.

The property tax revenue projections have been confirmed by the city. Budget Committee Chair Nicole Williams would like to see 20-21 YTD revenues at the next meeting in order to ensure that the 21-22 budget revenue projections are not too high.

The transfers on page 26 reflect changes from federal work study. If the allotted budget for federal work study is not exhausted, federal law allows that money to be transferred to FSEOG (federal supplemental educational opportunity grant) funds.

Page 27: Expenditures

FT Faculty overload - 1412

If faculty goes over their contract then they are paid more; essentially, this is contracted overtime pay for faculty. This is very common and there is a penalty if it is not paid. If the overload recurs regularly the College considers adding another instructor.

Fringe Benefits - 1600

The fringe benefits account is a placeholder account that holds all benefits which are paid out over the year to part time employees. The Chair requested a detailed accounting. The YTD of this account will be provided to the Budget Committee at the next meeting.

Sales Revenue – 8642

In 2017 and 2018 the College received \$40,000 via invoice. What was this money for?

Contracted Services - 3012

Contracted Services cover things like the auditor and help in the business office. It does not cover the VIE contract but it does cover the proposed Project Manager position for the new ERP.

Dues and Memberships - 2061

Dues and memberships increased significantly. The Chair requested a detailed accounting. The College will provide one at the next Budget Committee meeting.

Travel - 2311

Travel is often the first place to consider making reductions. The proposed cuts may include cuts to the travel budget. The Board may want to consider changing or implementing a new travel policy that if there is a virtual option, it will be required.

Newspaper Services - 3392

Newspaper services includes all postings on all media, such as job postings on recruitment websites.

Utilities (includes electricity, gas, water, sewer, trash)

The utilities budget was calculated by basing possible costs on those that would be incurred by a very bad winter. The amount has stayed the same for three years and has not been exceeded. There is extra money built in as a safeguard to cover utility increases. Parts of the campus have solar panels. The College pays a monthly fee for those systems which covers maintenance, repair and part of the loan towards the

purchase. The solar energy is helping with utility bills but the exact amount cannot be calculated, as there has never been a utility bill for Patriot Hall which did not include it.

Food for Public Events - 4411

The Budget Committee believes this should also be a target for reductions.

Childcare - 4617

The childcare budget is to cover childcare bills for students of the Lives in Transition program.

Contingency - 6999

The contingency fund is used to balance expenses to revenues. The College wants it to be larger than the \$500,000 currently budgeted, hence the reductions which will be discussed at the next Budget Committee meeting. The exact amount that should be reserved each year could be turned into a goal or a policy and that is something that should be discussed at a Board Meeting.

FTE numbers (page 32)

After the budget has been approved by the Budget Committee and moved on to the Board, the exact FTE numbers will be available. Meanwhile, assume that FTE is the same or higher than is reflected in the current adopted budget.

Institutional Support

This amount has continually increased. There is concern that over the years support staff have grown faster than faculty. The pie chart of where resources are allocated in an ideal college is one of the items the internal Budget Advisory Committee is addressing and it could lead to policy changes. This discussion will be brought to the Board for review and discussion when it is more fleshed out.

There are concerns that FTE grew during Covid. It was suggested that instructors could do a larger share of institutional support tasks such as gathering data.

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Payroll increases happen outside the budget process.

The current plan is for the College to bring the Art Department back to the Lexington campus by Fall 2022. The College does not have the numbers for the necessary repairs to make that happen yet. The main issue appears to be an HVAC unit which was wrongly installed over a wall that was unable to take the additional weight. When that wall has been shored up, the College believes that the entire building will again be safe

to occupy. Other suggestions have included moving the department to another location on campus and that is also being considered.

The Chair requested that the meeting be paused here and reconvened. It was decided to hold the next meeting on Wednesday, May 18 at 6:30 pm. An agenda will be sent out.

The Board will discuss general policy at the meeting on May 10 including resolutions on timber revenue, budget reductions, the ending fund balance and travel.

The College will provide a 5% and 10% reduction from each department at the next Budget Committee meeting.

The list of requests for the next Budget Meeting as compiled by Secretary David Oser are as follows:

- Consideration on the use of the timber revenue for the general fund: should that be removed this year or next year?
- Departments providing specific reductions on their own as opposed to Board mandated percentages
- What was the sales and service revenue in 8642?
- What is the actual YTD amount in Fringe Benefits (object code 1600)?
- The Budget Committee would like to review Travel and Dues and Memberships in more detail.
- The possible implementation of a policy regarding the contingency fund, including whether it should be stated as a concrete amount or as a percentage or both.
- A discussion of the policy around allotment to institutional services vs. the allotment to academic services.

VII. Public Comments/Citizen Testimony

There was no public comment

VIII. Future Meeting Dates

The next Budget Committee Meeting will take place on Wednesday, May 18 at 6:30 p.m.

IX. Adjournment

The meeting was adjourned at 8:26 p.m.

Nicole Williams, Chair

David Oser, Secretary

Felicity Green, Recording Secretary

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