

**MINUTES OF THE MAY 5, 2015  
CLATSOP COMMUNITY COLLEGE  
BUDGET COMMITTEE**

I. CALL TO ORDER

The meeting was called to order by Rosemary Baker-Monaghan at 6:30 p.m.

Budget Committee Members Present: Tessa James Scheller, Robert Stricklin, Paul Gillum, Kim Shillinger, Al Arp, Robert Duehmig, Larry Popkin, Nicole Williams, David Oser, Rosemary Baker-Monaghan, Rachel Jensen, Patrick Wingard, and Karen Burke. Budget Committee Members Absent: Esther Moberg, Robert Friedman. Others Present: Becki Haglund-Smith, Tom Gill, Deputy Clerk JoAnn Zahn, President Lawrence Galizio, and Recording Secretary Stephanie Dorcheus.

II. ELECTION OF BUDGET COMMITTEE CHAIR AND SECRETARY

Oregon's Local Budget Law requires the election/appointment of a Budget Committee Chair and Secretary.

Rosemary Baker Monaghan **nominated Kim Shillinger as Chair**. Larry Popkin seconded. The motion carried unanimously.

Kim Shillinger **nominated Larry Popkin as Secretary**. Robert Duehmig seconded. The motion carried unanimously.

III. ADOPTION OF AGENDA

Paul Gillum **moved to approve the agenda as presented**. Tessa James Scheller seconded. The motion carried unanimously.

IV. INTRODUCTION OF GUESTS

The Committee members and the audience introduced themselves.

V. APPROVAL OF MINUTES

Karen Burke **moved to approve the minutes of the May 6, 2014 Budget Committee Meeting as presented**. Tessa James Scheller seconded. The motion carried. Patrick Wingard abstained.

VI. REVIEW OF BUDGET MESSAGE, PRESIDENT'S MESSAGE, AND RELATED MATERIALS

President Larry Galizio welcomed and acknowledged the Budget Committee for their service. He also thanked the members of the Budget Advisory Committee for their service. The Budget Advisory Committee is a representative body of the faculty, staff, and students and is part of

the participatory governance structure practiced at the College. He first informed the committee that community colleges in the United States, including Clatsop, are experiencing an enrollment decline in response to a strengthening economy. Although not a crisis, it is a concern because the college is very dependent on tuition and fee revenue. Focus will need to go to retention of students and also providing programs and services that will attract new students. President Galizio then went on to inform the committee that the college is not seeking to increase tuition for the 15-16 academic year. Clatsop is near the top in tuition at this time and to make education accessible, the college has worked with the foundation to increase scholarship and grants monies to students. Although it may be a gamble to not raise tuition, it is hopeful that legislature will be favorable in supporting the community colleges. The final item President Galizio pointed out was the ranked list provided by the college's Budget Advisory Committee. This came from submitted requests for the use of new revenue and expenditures that the advisory committee prioritized. He stated that the college does not have the resources to fund most of the items, however it is the plan to carry the items over. The list is not set in stone and can change as the institution changes and it will be revisited again next year. This was the result of the representative body of the college having the opportunity to put forth what they believe would serve our mission best.

President Galizio then turned the meeting over to Vice President Zahn. VP Zahn drew attention back to the prioritized list and explained that the first two items were not ranked because monies were reallocated to cover those items and that the number one item is being budgeted for. She spoke about the various grants that have been applied for and the anticipated increase in funding for the community colleges for the next biennium and how these may fund more items on the list. VP Zahn then went to the last paragraph of the budget message to comment on other funds and items that are significant. One is that the college was authorized by the board to refinance the Full Faith in Credit obligations from 2006. This will save the college \$315,000 over the next 10 years. The second was timber revenue that the college receives annually and funds the \$602,000 college debt. The 2015-16 timber revenues for Clatsop are projected to be \$1.453 million. VP Zahn has conservatively budgeted \$250,000 beyond debt coverage into the general fund. She advised that any timber revenue beyond would be a way to reach the college's strategic goal of having a 15% end fund balance. She stated that this is important for the financial health of the college and reminded the committee that the college currently borrows money on a yearly basis to cover cash flow expenses from July 1 to November 1 when the college receives tax revenue. Another important factor is the \$300,000 deficit in the auxiliary fund that the general fund has been carrying. There needs to be a future discussion on how to resolve the deficit for accreditation purposes and for the financial health of the college. She then turned the meeting over to Tom Gill, Dean of Transfer Education and Institutional Researcher. Mr. Gill discussed the proposed 2015-16 Achievement Compact with the committee. He explained that the compact is between the college and the Oregon Education Investment Board (OEIB) which is currently undergoing a major restructuring. The compact will most likely not be continued but the metrics will still be used in some way.

Vice President Zahn presented information on YTD 2014-2015 Revenue and Expenditures, Ending Fund Balance Estimate, and FY2015-16 Budget Development. Some highlights of her presentation included:

- The largest variance in the budget from last year is the funding for the Patriot Project which adds \$17,453,645.

- The general fund balance is almost the same even though there is declining enrollment and fee revenue. This was accomplished by offsetting salaries for the project management team, that are current college employees, and charging their salaries to the project. This is temporary for the duration of the project. The costs will show up again in next year's budget.
- The variance in financial aid is because the college no longer sponsors Oregon Coast Community College for accreditation.
- The increase in general obligation bonds is due to the bond for the Patriot project.
- Property tax revenue have been estimated at a more conservative and realistic 2% instead of the 3% from previous years.

2015-2016 General Fund Budget Assumptions included but were not limited to:

#### REVENUE

- A 5 percent decline in credit-based tuition student enrollment
- State appropriations based on \$535 million biennial budget
- Tuition remains at \$99 per credit
- \$250,000 timber revenue (exceeding debt service requirements).

#### EXPENDITURES

- Steps for eligible employees
- Cost-of-living increase per collective bargaining agreements
- 5 percent increase for medical, dental, vision
- PERS rate continues at 18 percent
- Increases for fixed cost items such as utilities and insurance.

VP Zahn stated she is comfortable with the \$10.2 million budget with an estimated \$500,000 in end fund and \$165,000 contingency. She praised the budget managers and how they were able to pull out historically unspent budgets, identified non budgeted items, and the conservative spending of the budget aside from salary. David Oser commented that the college is not a for-profit business and asked why we should be saving and not spending the budget. He thinks it should be spent on basic educational needs such as professors and supplies so that students have what they need. VP Zahn agreed and explained that is the struggle the college has trying to balance the fiscal sustainability with the size that it is. Rosemary Baker-Monaghan commented that the college is almost there, another couple of years. VP Zahn said this is where the grants would help by bridging the finances to the point where the college can get back to investing. She pointed out that helping students persist and succeed through student retention is high on the list. David Oser asked if there is a clear plan for any extra money so that part of it is used for the students and not all of it is just banked. VP Zahn replied that this is the continuing role of the Budget Advisory Committee, the president, and the board with how to continue that balance. President Galizio added to the discussion that there will be added opportunities with Patriot coming online next year with the new health programs, Drug & Alcohol program, and Paramedic program. He also reminded everyone that bargaining agreements would be coming up next year. Larry Popkin commented that it's like living from paycheck to paycheck and we need to put some away for a rainy day and take baby steps with the extra money. VP Zahn also emphasized that the college is bringing on another 40,000 square feet next year and needs to be able to afford to operate the new building and programs.

The strategy is to be conservative this year so it can be invested into the building and programs next year. Becki Haglund-Smith commented that on the prioritized list there are no frivolous requests and the most important is the advising to retain the students and keep them on track.

#### VII. BUDGET COMMITTEE DELIBERATIONS

**Kim Shillinger commented that the budget presented and the presentation were very similar to last year's with a few exceptions and the Patriot project. Al Arp would like a copy of the detailed budget. VP Zahn will supply him with a copy. Rachel Jensen does not have any further questions. She was able to talk to JoAnn the previous week and is comfortable with the budget. David Oser complimented VP Zahn for the presentation and making a complicated process more clear. Larry Popkin said he was also comfortable with the budget. Robert Stricklin is confident, especially with Becki being involved in the participatory process and with Larry. He has been involved with the committee from the beginning and he is happy with the current process. Kim Shillinger asked if anyone else needed more time to review the budget. The committee felt that they were ready to make a motion after Public Comment.**

#### VIII. PUBLIC COMMENTS/CITIZENS TESTIMONY

None.

#### IX. FUTURE MEETING DATE

None.

#### X. OTHER

**David Oser moved that the 2015-16 Clatsop Community College budget in the aggregate of amount of \$35,274,269 for all funds be approved as proposed and that the permanent tax rate of \$.7785 per \$1,000 of assessed value be assessed in support of the General Fund. Robert Strickland seconded. The motion carried unanimously.**

#### XI. ADJOURNMENT

Without further business, the Budget Committee Meeting was adjourned at approximately 8:45 p.m.

---

Kim Shillinger, Chair

---

Larry Popkin, Secretary

---

Stephanie Dorcheus, Recording Secretary