

College of Eastern Idaho
Board of Trustees Finance Committee
Meeting Minutes
August 18th, 2022

Present:

Cal Ozaki, Board of Trustees Treasurer, Chair
Ken Taylor
Becky Holzemer
Mary Lynn Hartwell
Byron Miles, ex-officio, VP of Finance & Admin

Guests:

Rick Aman, President
Park Price, Board of Trustees Chair
Don Bourne, Controller
Malcolm Guess, Assistant Controller
Dustin Nielson, Budget Director
Penny Lyon, Interim EIWTC Director

Absent:

Lyndsay Goody

Chairman Ozaki called the meeting to order at 3:34 PM.

PUBLIC COMMENT

There was no public comment

APPROVAL OF AGENDA

M/S Taylor/Holzemer to approve the August meeting agenda as amended. *Motion passes unanimously.*

APPROVAL OF MINUTES

M/S Holzemer/Hartwell to approve the June minutes. *Motion passes unanimously.*

UPDATE ON ANNUAL AUDIT

Don Bourne, CEI Controller, provided an update on the audit that the College has performed annually. The auditors, Wipfli LLP, were on campus reviewing the College's financial documents last week. Over the next month, the review will continue, and other updates will be made to wrap up the 2022 fiscal year. The financial statement will begin being written after all the numbers have been compiled, and it should be ready for the October meeting.

DISCUSSION OF MAY FINANCIALS

Byron Miles, CEI Vice President of Finance and Administration, presented the June Financials to the Committee. This would be considered the final report for FY2022; some entries still need to be made, but it should not affect this report as a whole. Starting with the *General Fund*, we have 100% of our projected budget. Miles addressed the apparent surplus of the budget from FY2022; this surplus is mainly due to salary savings that come from vacant positions on campus. We must anticipate that these positions will eventually be filled, so the budget must account for them. This surplus is made up of one-time funds, and cannot be expected every year; the HEERF funding was able to cover expenses that we may have originally budgeted for, but it was able to cover instead.

Moving on to the *Other Funds Budget*: the first fund of *Fund 15 – Course Fees*; Miles provided a brief explanation of what it is; currently it has brought in 78% of its budgeted revenues, and has expended 67%. We

have worked with the departments to spend the surplus, and we should be seeing it get closer to zero as we progress. *Fund 35 – Grants*; Miles explained these are State and Federal Grants (CCR, Job Corp, CTE). 161% of its budgeted revenues have been received, and we have expended a total of 165% of the budgeted revenue. We must spend the money first, and then claim back the money. There is currently a deficit due to timing issues of receiving the grant funds, and some other requirements of the college providing support for some grants with personnel costs. *Fund 36- Unrestricted*; this is where the HEERF funds for COVID are located. Brief explanation of other accounts that fall into this fund too. We have received 77% of our expected budget, and have expended 81% of that budget. Penny Lyon, Interim EIWTC Director, noted that there are some timing issues with spending the money; however, we've earmarked the rest of the funds, but supply chain issues have caused setbacks. *Fund 92- Allocated Student Fees*; these are the 'fees' part of 'Tuition and Fees' for our students; these fees are allocated to different activities on campus such as IT, ERP, scholarships, parking, and student government & clubs. We have collected 93% of the budgeted revenues, and have expended 64% of the budgeted expenses. It is not unusual for funds to carry over to the next year in this account.

Miles reviewed the *WTCE Budget*; they have brought in 97% of their budgeted revenue, and only expended 94% of their budget. They did an amazing job managing their budget this year, and have remained in the black. We are impressed with their due diligence about remaining within their budget.

Miles then reviewed the traditional Bank Balance Report of where the College currently has its funds. This report shows our current operating funds, the funds in the LGIP, and other accounts. Miles then reviewed the Cash Availability Report. Small discussion on interest rates, and the allocation and use of different funds. Miles then spoke on the importance of building reserve funds.

DISCUSSION OF FY24 BUDGET

Miles informed the committee on the process that is underway in preparation of the FY 2024 budget. We have been given instructions from the State on how we should submit the budget request for FY 2024. The instructions included direction that we can only request up to 3% additional funds for our budget. This 3% must take into account a 1% Change in Employee Compensation (CEC) and Enrollment Workload Adjustment; these basically make the 3% additional requested funds, so it isn't strictly additional, but allows us to breakeven. We should not expect anything additional regarding our budget from the State Allocation portion of our budget.

UPDATE ON EIWTC & FUTURE TECH

Lyon provided an update on the Eastern Idaho Workforce Training Center to the Committee. This building was gifted to the College by Bonneville County. The building has eight high bays, and six classrooms with about four acres of land. Currently, INL has been the tenant in the building, but we have two bays available to start holding classes. We will have full use of the building in May 2024, once INL has moved out; they are currently paying us rent since we took over the lease. We will be using the building to train our community in business and industry skills such as construction, HVAC, electrical, heavy equipment, and welding. This is for the "just in time training" to help build up the skills of the workforce.

Bourne did note that this building/land is going to affect our balance sheet significantly. We're currently working on appraising the building. President Aman let the Committee know that a ribbon cutting will be held on September 21st.

President Aman updated the Committee on the progress of Future Tech fundraising. We're still looking at 6.5M to fundraise. Once we've reached our goal, we still will not know the total cost of this building, since we are

unable to go out to bid until then. Ann Marie Peters is chasing down leads for different funds. Things are still in the works.

DISCUSSION ON IMPACT OF ECONOMY

Miles started the conversation with the Committee about the possibility of a recession. The College is talking about and planning for what a recession may bring to the College. In a typical recession, more students come to school to work on their skills, so the enrollments go up. Yet, on the other side, typically there tends to be hold-backs by the government in their allocations of funds. Enrollments may increase, but we also may have hold-backs regarding funds. This conversation is only being brought up to let the Committee know that the College is talking about the possibilities of, and preparing for, a difficult economy. Discussion followed about the job market, unemployment, and the turn of the economy.

ADJOURNMENT

The meeting concluded at 4:31PM – The next Committee meeting will be held on September 22nd, 2022, at 3:30 PM via Zoom Conference Call/ in Building 3 room 310A.