

College of Eastern Idaho
Board of Trustees Finance Committee
Meeting Minutes
February 4th, 2021 – 3:30PM

Present:

Cal Ozaki, Board of Trustees Treasurer, Chair
Mary Lynn Hartwell
Becky Holzemer
Aaron Johnson
Ken Taylor
Lyndsay Goody
Byron Miles, ex-officio

Guests:

Park Price, Board of Trustees Chair
Don Bourne, Controller
Malcolm Guess, Assistant Controller
Dustin Nielson, Budget Director

Chairman Ozaki called the meeting to order at 3:32PM.

PUBLIC COMMENT

There was no public comment

APPROVAL OF AGENDA

M/S Johnson/Taylor to approve the February meeting agenda. *Motion passes unanimously.*

APPROVAL OF MINUTES

M/S Taylor/Hartwell, to approve the December minutes as amended. *Motion passes unanimously.*

REVIEW OF MONTHLY FINANCIALS

Miles started reviewing the Monthly Financials with the *General Fund Budget*. As of December, we have received 90% of our budgeted revenue; it is typical to see higher revenue amounts due the State providing the majority of funding at the start of the year and we have also received tuition funds for the Fall and Spring semesters. Starting to see some property tax revenue come in but there will be more on the next report since taxes are due to in late December.

Moving on to *General Funds Budget* expense, we are at 50% of our budgeted expenses; we are on target since we are half way through the year as of December. ‘Operating expenses’ are running a little high at 53% due to some larger expenses made earlier in the year. ‘Capital Outlay’ is over budget at 107% due to CTE expenses that were earmarked for them to purchase that carried over to this fiscal year; Bourne explained that this money came from CTE distributions from the previous fiscal year, when the simulators were ordered, but due to delays in shipment, the money had to carryover to this fiscal year so they could be paid upon delivery. Explanation of the ‘Contingency Funds’ line, it is there for items that were not specifically budgeted for. Clarification about ‘Personnel Costs’ and the note on why the July 15th payroll wasn’t reversed to last fiscal year; Bourne explained that payroll will be reversed at the end of the year to help provide a more accurate financial presentation. By not reversing the payroll it shows a more accurate estimate of payroll expenses and prevents CEI from showing favorable for that expense for the duration of the year

Question from the Committee regarding the timing of when the Monthly Financials are created and why the Committee reviews two months behind for Financials. There are a number of components of financial information that impact financial reporting that are not available until mid to late parts in each of the following month. We want all information reported each month to be complete and accurate when we present to the Committee and the Trustees; to allow for a complete report to be presented, we review two months behind (ex. In February we review December financial information).

Miles moved on to review the *Other Funds Budget*. He provided a brief explanation of the difference between *Other Funds Budget* and *General Funds Budget*, the *Other Funds Budget* reports funds that have very specific purposes such as grants, student allocated fees, donations with specific purposes, etc. While reviewing these funds, clarification was provided on why 'Restricted Student Fee Revenue' is much higher than budgeted; Dustin Nielson, CEI Budget Director, explained that the 'Restricted Student Fee Revenue' are about \$24 of the \$129 per credit, when creating the budget this year we tried to put more money towards tuition and less towards fees; after the budget was created this year there was discussion between CEI staff and the realization that we couldn't make those changes they hoped for. We will get more money in that section than budgeted this year but next year it will be adjusted based on the new information they learned during after the budget making process this year. Discussion on CARES Act funding, how the funds are being spent, and the reporting process for the funds.

Miles reviewed the WTCE budget prepared by Michelle Holt, the Executive Director of Workforce and Continuing Education. They are on track with their revenues (50%) due to their CTE allocation and they also received funds from the CARES Act as well. Miles noted that WTCE has suffered this year due to COVID-19 as they have not been able to hold all of the classes they would normally, however, the INL is still holding a number classes with WTCE online. Expenditures are just over the predicted budget at 52% while we are 50% through the year; once again 'Capital Outlay' is ahead but that is to be expected at the start of the year. There are still pending Accounts Receivable Revenue for WTCE for different grants, contract training, events, etc. Question regarding Holt moving to a different job in Washington and the impact that it could have on future Financial reporting; Holt kept her WTCE team very up to date on everything they are experienced and even created a one year business plan for their department, we expect a smooth transition.

Miles provided a review of the Quarterly Balance sheet which compares this current fiscal year FY 21 to last year FY 20; December 31 compared to year end of FY 20 as of June 30. Miles pointed out the increase in funds on the line 'Cash with state LGIP fund' since it was decided by the Committee to put reserves into the LGIP fund. 'Accounts receivable and unbilled charges' are on track to be similar to last year at the end of the fiscal year. The retirement numbers that are presented aren't entered until the end of the year when we make an annual adjustment. We are still working with Snyoptix to expanding reporting capabilities to provide more information in the future.

Miles quickly reviewed the Bank Balance Report with the Committee, which reflects the account numbers through the end of December This report demonstrates typical pattern of our finances; we start the year a little low before the money starts coming in from the State and other sources and then we start spending it throughout the fiscal year. Miles pointed out the note at the bottom stating that \$2 million has been committed to the Future Tech Building which was discussed in the previous meeting. Committee member Ken Taylor commented that he would like to see a 13-18 month rolling report for the Bank Balance so a comparison to last year can be done; we are working on different ways to present this report so we can properly display year to date information.

M/S Goody/Taylor, to approve the December financial report. *Motion passes unanimously.*

REVIEW REVISED CHARTER

With the Policy and Procurement Resolution that passed in November 2020 we are going back to review the Finance Committee Charter to be consistent with changes made. Miles walked the Committee through the changes that were made to the Charter in reflection of the passed Resolution. Overall the Charter appears to be a boilerplate type document with some of the language and tasks given to the Committee.

The Committee reviewed the document line by line documenting what items need to be updated to fit the role the Committee has in relation to the Board of Trustees. Wording changes and recommendations were noted. Chairman Ozaki and Miles will meet before the next meeting to discuss changes and work with the Colleges lawyer.

Discussion tabled until next meeting when a revised document will be presented.

UPDATE ON JFAC MEETING

Miles provided an updated on the meetings that he and President Aman attended for the Education Week at the Capital for the House and Senate for Idaho. Overall there were no issues of consequence for the College from the meetings.

Last Wednesday the Joint Finance-Appropriations Committee (JFAC) met and each College presented their budget requests for the next fiscal year; last year we had 5% of our budget withheld, no Change of Employee Compensation (CEC) raises granted, and we would have to pay \$320,000 in increased health insurance premiums and other benefit costs. This year have restored the 5%, granted CEC increases, and the State will cover the increase in health insurance and other benefit costs. We will also be receiving funds from the Education Stabilization Fund. Overall good news all around!

UPDATE ON FUTURE TECH

To recap from the previous meeting discussion, CEI has received 1.2 million dollars in funds from the Department of Public Works (DPW) and 1.2 million dollars in funds from the Economic Development Administration (EDA) for planning and designing money for the Future Tech building.

The DPW has lead an effort for a search for an Architect and twelve firms' submitted proposals and their information for consideration for the Future Tech Building project. A Committee reviewed and scored their proposals and came up with the top four candidates to come and give presentations to the Committee. Last week the presentations were given and Lombard Conrad Architects have now been approved by the Permanent Building Fund Advisory Council (PBFAC) for us to now negotiate a price and contract with them.

The project is becoming very real and we will be getting more plans, drawings, models, and materials we can hopefully presented to future donors so we can secure more funds for the building. We will be going back to the State to ask for additional funds and hopefully we receive an additional 7 million dollars to have a total of 10 million from the State.

Regarding the Regional Skills Labor Center, we are continuing to look at different empty real estate buildings in town. Ann Marie Peters continues to work to find a donor or someone who may lease us a building that would work for the planned purposes.

UPDATE ON FY22 BUDGET

Nielson is starting to make projections for the revenues for the budget for the next fiscal year, FY22. Currently, we are waiting for the Legislation to pass the bills for our funding. While we know what the amount is, we still are waiting for approval. Once we establish what the projected revenues are, we can start to work on the projected expenditures to create a balanced budget. As mentioned in the JFAC update, our budget should be restored for the next fiscal year and it should really help, especially hiring some new faculty members.

Committee member Taylor asked where we were regarding the discussion held previously about increasing the tuition. It is a discussion that will come back to and will start with this Committee.

ADJOURNMENT

The meeting concluded at 4:48 PM – The next Committee meeting will be held on March 4th, 2021 at 3:30 PM via Zoom Conference Call / in Building 3 room 310A.