

College of Eastern Idaho
Board of Trustees Finance Committee
Meeting Minutes
April 21st, 2022

Present:

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

Guests:

Malcolm Guess, Assistant Controller
Dustin Nielson, Budget Director
Penny Lyon, Financial Analyst
Park Price, Board of Trustees Chairman

Absent:

Becky Holzemer
Aaron Johnson

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

PUBLIC COMMENT

There was no public comment

APPROVAL OF AGENDA

M/S Taylor/Ozaki to approve the April meeting agenda. Motion passes unanimously.

APPROVAL OF MINUTES

M/S Hartwell/Taylor to approve the March minutes. Motion passes unanimously.

REVIEW OF FINANCIALS

Byron Miles, Vice President of Finance and Administration, presented the Financials to the Committee. As of March, we have completed 75% of the year. Starting with the *General Funds Budget*, we have received 93% of our budgeted revenues. We have expended 68% of our budgeted expenses; we are urging our departments to plan to spend their budget as we draw closer to the end of the year. To note: we received the last portion of the CTE State Appropriation, and a distribution from the State Liquor Fund; both will reflect in next month's financial report.

Miles briskly reviewed the rest of the Financials, noting the balances for the month in each fund. He particularly noted the net adjusted cash balance of the Cash Availability Report in preparation for the review of the draft of the 5-year plan.

OVERVIEW OF 5-YEAR PLAN

Miles introduced the prepared draft of the 5-year plan, first at a high level, showing the Committee the document that was used to calculate the projections for the next five years. He reviewed the different categories of revenue and expenditures, and explained how estimations were made. Discussion over the different categories that fund revenue, and how that is being projected. Further discussion on the projected rate regarding credits per year, the goal for enrollment for students per year, and the plan for achieving those goals.

Miles then went on to show the Committee what the projection would be regarding the end year balances for the next five years; specifically, how much is projected to be over or under the net budget. He reminded the Committee that for the current fiscal year (FY 22) budget, we had to use money from the reserves to balance the budget; this is considered a last resort for balancing the budget. There was then discussion on personnel costs, and what went into the potential increases in expenses. Further discussion on the inflation of the market, and how that affected hiring and retaining personnel.

Miles continued his presentation to the Committee, explaining the differences between having a balanced budgeted and having a sustainable budget. Our goal is to create a long-term strategy to create and have a sustainable budget to support the growth of the College. Plans need to be in place to create financial resilience to withstand any economic downturns, and to have continued operating success. Overall, since FY 21 and with every subsequent year, the revenues the College is bringing in are not keeping pace with the expenses of the college; there will not be a balanced budget unless significant changes are made.

Miles then presented recommendations of how we can possibly adjust the revenues and expenses of the College to help create a sustainable and balanced budget. Under revenues, he recommended that we increase the fees portion of 'tuition and fees', and have a set percentage of increase every year. Discussion about what currently goes into the set 'tuition and fees', what the state statute on raising fees are, the difference between tuition and fees, what our sister institutions are doing, and possible outside precautions.

Miles followed up by suggesting we may be able to make a case to the State to increase our allocation from them over the next four to five years. There was a lengthy discussion of what the College receives in State approval in comparison to our sister institutions, the points we would make to the State, and the reasoning of why we're looking to the State for this increase in our allocation. Discussion on property taxes, our current mill rate, and what it would take to increase our property tax.

The Committee showed a positive response to the draft report, and looks forward to seeing this document turned into an action plan and then be implemented. Minor discussion on what the 'go forward' plan is for the document, and what everyone's role would be in making it happen.

Further discussion on recommendations and changes they would like to see in a final document for the 5-Year plan. Clarification was provided on some questions as the Committee reviewed the document further. All agreed that this is a needed discussion, and a sustainable budget is necessary while maintaining the growth of the College.

UPDATE ON FUTURE TECH

Future Tech is still moving forward. We continue to raise funds, and hope to reach certain deadlines to start the project. If we are unable to meet those deadlines, we will be reassessing the timeline on the project. We will keep the Committee updated.

ADJOURNMENT

The meeting concluded at 5:13PM – The next Committee meeting will be held on May 19th, 2022, at 3:30 PM via Zoom Conference Call/ in Building 3 room 310A.