

Public Budget Committee Meeting Minutes

April 24, 2023

Board of Education Members present: Kathy Gervasi, Tamra Perman, Mary Jones, Mary Faith Bell, Andrea Goss, Betsy McMahon

Directors Absent: Shannon Hoff

Budget committee members present: Chris Weber, Doug Olson, Christi Clark, Steve Vanderhoef, Briar Smith, Justin Aufdermauer

Budget committee members absent: Janet Riedel

Staff members present: President Tomlin, VP Luquette, VP Jarrell, AVP Reagan, Director McCarley, AVP Hanson, and Executive Assistant Sommer Hendrickson

Call to Order and Introductions (agenda item 1)

The meeting was called to order by Chair Gervasi at 5:00 pm.

Election of Budget Committee Chair (ORS 294.414 [9]) (agenda item 2)

Justin Aufdermauer nominated Doug Olson as Public Budget Committee Chair. Doug Olson declined. Justin Aufdermauer nominated Andrea Goss as Public Budget Committee Chair. Betsy seconded. **The motion carried.** A vote was taken and Andrea Goss was named as Budget Committee Chair.

Election of Public Budget Committee Secretary (agenda item 3)

Justin Aufdermauer nominated Tamra Perman as Public Budget Committee Secretary. Betsy seconded. **The motion carried.** A vote was taken and Tamra Perman was accepted as Public Budget Committee Secretary.

Approval of the April 13, 2020 Minutes (agenda item 4)

Justin Aufdermauer motioned to approve the minutes of the April 11, 2022 Budget Committee meeting minutes. Doug Olson seconded. **The motion carried.**

Overview of Economic Conditions and Budget Message (agenda item 5)

President Tomlin called attention to his budget message. Highlights included:

- A new Strategic Plan is in place for the next seven years. The college came up with five vital priorities to focus on.
- Enrollment grew 16% this year and is continuing to grow. The college is already up 5% this year.
- Before the pandemic hit, TBCC had a goal to hit 500 FTE, and they were able to reach that goal this year. This has been TBCC's highest FTE since 2009-2010.

- The college went through a reorganization last January, which is working very well.
- TBCC's main challenge this year has been the turnover of staff. Almost all positions have been filled, with only two open positions. TBCC has 60 faculty and staff, the largest it's had before.
- The budget meeting is late this year due to the auditors. President Tomlin noted that many colleges were late getting their proposed budgets out.
- One of TBCC's most important goals this year is to compare its compensation packages to other colleges and businesses so that they can stay competitive. Portland State University is conducting a salary study. The Leadership Team is waiting for the results to come in. They will discuss the results in the coming months and use them to create a better salary system.
- President Tomlin noted that the college continues to have strong reserves and, as usual, will be budgeting a small amount to be used; however, in the past, they've never used the budgeted amount of reserves. This small amount is used as a buffer and will not cause the reserves to decrease. President Tomlin added that the Timber Tax revenue in the coming years would be less due to reduced harvesting. The reduction is going to be about 30-40%. It will not impact TBCC for a few years.
- A 3% COLA and 3% step increase was approved for those, not at the top step.
- TBCC will end the year with an ending fund balance of approximately \$1.2 MIL and start the next fiscal year with that amount.
- TBCC is anticipating a 3% growth in tuition and fee revenue.
- Tuition and universal fees will go up \$2 per credit this year. This will keep TBCC on track to be the 2nd least expensive college in the state.
- 50% of the General Fund is Community College Support Fund money. The college is anticipating around \$745 MIL for community colleges this biennium. Community colleges are still waiting for the May state revenue forecast to come out so that the Governor will release her budget. It is expected that the state revenue to be down.
- TBCC sold its bonds last week for the Health Education building. Due to a high premium and a double A minus rating, the college will receive an extra \$1 MIL for \$15.4 MIL. The state will sell its bonds for \$8 MIL in matching funds for \$22 MIL going to the college for the project.
- Wenaha Group was hired as the project manager, and OPSIS as the architect. OPSIS will design both the Healthcare and CIT building.
- Meetings have been scheduled with four different design committees in the coming weeks. Healthcare/Science/Instruction, CIT, Administration, and the Community Event Center are the groups.
- They are still on track to complete the building by June 2025 in time for that graduation.

- The college is in year two of the Title III grant. This money is used for transformational services like nursing and career services.
- TBCC is the only college that doesn't have a nursing program. TBCC has been partnered with Oregon Coast for the last few years.
- The Nursing Program is in the final leg of approval. It will be in front of the State Board of Nursing in June.
- The college is continuing to put work into DEI, Diversity, Equity, and Inclusion. This has been worked into the new strategic priorities and values.

Budget Committee member Justin Aufdermauer is concerned about faculty representation on the organizational chart attached to the draft 23-24 budget book. He noted that the chart looks like the college only has ten full-time faculty with adjuncts not represented. VP Jarrell advised that approximately 60 adjuncts are teaching, with about 40 teaching each term. Justin Aufdermauer requested that these figures be added to the final budget book.

Budget Officer Review (agenda item 6)

AVP Reagan detailed the budget assumptions for 2023-24, including:
The approved budget will go to the Board for adoption on June 5, 2023.

Review Proposed Budget Document (agenda item 7)

AVP Reagan reviewed the proposed budget. Information reviewed included the following, coming into the general fund from special funds:

AVP Reagan also called attention to the following:

- The college will follow a 249 contract year, as in previous years.
- Our contributions to unemployment are now only 1.3%
- Property taxes have increased by 3%
- AVP Reagan estimates that the Community College Support Fund will receive approximately \$8 MIL over the next biennium. She believes the TBCC will receive around \$4.04 MIL from the distribution formula.
- The projected revenue from Timber Tax is \$817,000.
- The ending fund balance and beginning balance will be \$1.2 MIL.
- The contingency fund is budgeted at \$140,677. This number has been static.
- The tuition fee revenue has been budgeted as last year for the next fiscal year.

Budget Committee Member Doug Olson asked whom TBCC used as an auditor. It was noted that the college goes through Kenneth Kuhns & Company. Unfortunately, the audit was late due to staffing issues with the company. Doug Olson then asked how many staff we have in each

tier and how many will be aging out. Kristin advised that less than five employees are in the tier one level; most staff are op-serve. Doug Olson asked if the college had any union issues, to which President Tomlin advised that the college had no union. Lastly, Doug requested to know how the college handles insurance. VP Luquette reported that the college is part of a special unit or pool that uses PACE. PACE is getting ready to undergo some changes and will not offer some of its original options. However, they are working to resolve this issue so that it doesn't impact any of their clients. TBCC provides a host of different coverages. The college pays about \$76,000 a year for property causality.

Justin requested to know how accurate the timber tax projection was last year and if this new projection was reasonably accurate. He noted that in one year, there was a significant decrease in the projected revenue. Board member Mary Faith Bell advised that the year in reference was the year Fallon Logging went out of business. Fallon Logging was building the roads that enabled companies to harvest timber. In general, the projections are close. Mary Faith Bell noted that they received notice from the county that the projection may, in all actuality, be higher.

The Leadership Team then reviewed individual department budgets and grant accounts for the Budget Committee.

The debt service fund property tax levy of \$322,581 was incorrect and must be corrected to \$338,383.

Public Testimony (agenda item 8)

There was no public testimony at this time.

Deliberation on Budget (agenda item 9)

There was no deliberation on the proposed budget.

Schedule Next Meeting or Approve Proposed Budget and Tax Levies (agenda item 10)

Justin Aufdermauer motioned to adopt the general fund permanent tax rate at **.2636 per \$1,000**. Betsy McMahon seconded. The motion carried.

Justin Aufdermauer motioned to approve the debt service fund property tax levy of **\$822,016** for the 2016 General Obligation Bond Indebtedness. Betsy McMahon seconded. The motion carried.

Justin Aufdermauer motioned to approve debt service fund property tax levy of **\$322,581** for the 2023 General Obligation of Bond Indebtedness. Betsy McMahon seconded. The motion carried.

Justin Aufdermauer motioned to approve the entire fiscal year **2023-2024** budget as amended. Betsy McMahon seconded. The motion carried. A vote was taken and all was accepted.

Adjournment (agenda item 11)

Andrea Goss motioned to adjourn the meeting at 7:58 pm. Doug Olson seconded. The motion carried.

Andrea called the meeting back to order at 8:01 pm.

Justin Aufdermauer motioned to rescind the approval of the permanent tax rate, 2016 General Obligation of Bonded Indebtedness, 2023 General Obligation of Bonded Indebtedness, and the 2023-2024 budget as amended.

Justin motioned to amend budget account number 4210 from **\$338,383** to **\$363,853**. Kathy seconded. A vote was taken the motion carried.

Justin Aufdermauer motioned to adopt the general fund permanent tax rate **at .2636 per \$1,000**.

Justin Aufdermauer motioned to approve the debt service fund property tax levy of **\$844,534** for the 2016 General Obligation Bond Indebtedness.

Justin Aufdermauer motioned to approve debt service fund property tax levy of **\$363,853** for the 2023 General Obligation of Bond Indebtedness.

Justin Aufdermauer motioned to approve the entire fiscal year **2023-2024** budget as amended. Doug Olson seconded. A vote was taken and the motion carried.

Betsy McMahon motioned to adjourn the meeting at 8:09 pm. Doug Olson seconded. The motion carried.