CASPER COLLEGE DISTRICT BOARD
Work Session/Finance Meeting
May 19, 2015  4 p.m.
GW 312

PRESENT:  Scott Bennion, Roy Cohee, Lynnde Colling, Kathy Dolan, Lauren Griffith, Robyn Landen, Matthew Loucks, Susan Miller, Sue Schilling, Walter Nolte

ABSENT:  

GUESTS:   Laura Driscoll, Executive Dean, Continuing Education
           Chauncy Johnson, Director of Human Resources

Board Treasurer Matthew Loucks called the meeting to order at 4:10 p.m.

FINANCE COMMITTEE:
•  Robyn Landen presented the bills dated May 14, 2015, to the Trustees and presented the Fiscal Report dated April 30, 2015.
•  In the Operating Fund
  ✓ The 3rd quarter health reimbursement was received on April 28th in the amount of $1,040,973.
  ✓ The 3rd quarter retirement contribution reimbursement was received on April 27th in the amount of $78,767.
  ✓ A tax distribution was received on April 16th in the amount of $28,527.
  ✓ Total revenues were $36,890,259 or 89.62% of the budget.
  ✓ Total expenditures were $32,281,906 or 77.79% of the budget.
•  In the Auxiliary Fund
  ✓ Total revenues were $3,835,448 or 86.07% of the budget.
  ✓ Total expenditures were $3,677,006 or 83.45% of the budget.
  ✓ Operating Income was $158,442.
•  In the Operational One-Mill Fund
  ✓ A tax distribution was received on April 16th in the amount of $7,131.
  ✓ Total revenues were $1,192,781 or 72.17% of the budget.
  ✓ Total expenditures were $939,399.
•  Comparison by Function
  ✓ Salaries were $17,412,910 and benefits were $7,042,840.
  ✓ Operating Expenses were $7,213,572.
  ✓ Capital outlay was $612,584.
•  Investment Recap
  ✓ There were no new investments for April.
  ✓ The Wyo-Star yield as of April 30 was .628%. Last month it was .266%.
•  Investment balances as of April 30th
  ✓ Total Investments through April 30th were $28,351,853.

COLLEGE PRESIDENT/BOARD MEMBERS:
•  Discussion was held in reference to move the July 21, 2015 Casper College District Board meeting to July 15, 2015. According to State statutes, the budget has to be approved by the Board of Trustees by the third Wednesday of the month of July.
•  Trustee Kathy Dolan thought it would be of some benefit to the Board of Trustees to visit prior to Dr. Divine’s arrival to discuss priorities, direction, where we have been, where we want to go, and what to focus
on moving forward. It was discussed to start the June 16th Casper College District Board meeting at 3 p.m. instead of 4 p.m. to talk about the direction the Board may want to take going forward.

- President Walt Nolte stated that he signed an application for a plat on behalf of the YMCA. There is a road surrounding the area where the armory stood that has never been platted and the YMCA can’t move ahead with their projects without the road being platted.

OTHER

- Vice President Lynnde Colling discussed her recommendation to the Board of Trustees to continue the appointment of the banks listed in her memo to the Board of Trustees dated May 12, 2015 to serve as depository institutions for Fiscal Year 2016.
- Dr. Grant Wilson discussed the Strategic Plan Update with the Board of Trustees. The Vision, Mission, Values, and Goals statement was updated this spring which included a few editorial changes and clarification of the statement. He stated that the Strategic Plan objectives had been reviewed and identified as to whether or not they were accomplished, whether or not they are ongoing or whether or not they pertain any longer. Dr. Divine will then be able to take the Strategic Plan to the next step after his arrival.
- Discussion was had concerning the draft of the updated Tenant Lease Agreement between the Casper Community College District (“Casper College”) and Darren Divine (“Tenant”). There may be some modifications to the agreement before it is presented to Dr. Divine for his review and signature.
- Vice President Lynnde Colling discussed the memo to the Casper College District Board dated May 19, 2015 concerning the FY2015 Proposed Discharge of Uncollectible Debts in the amount of $51,935.31. The accounts have been turned over for collection and are considered uncollectable. As stated in the memo, the accounts will remain assigned to the collection agency and subsequent payments will be credited to miscellaneous revenue within the appropriate fund. Persons with outstanding obligations to Casper College are not allowed to register until their debts are cleared. If students drop before a certain time in the semester, the College is obligated as an institution to repay the federal government on their behalf. It is up the institution to try and collect those funds from the student. “Financial Aid Repayment” listed on the memo is money the College has repaid on behalf the student to the federal government.
- Vice President Lynnde Colling reviewed the Fiscal Year 2016 Preliminary Budget as outlined in a memo to the Casper College District Board dated May 9, 2015 which fulfills the State Statute requiring a preliminary budget for the forthcoming year be filed with the Board of Trustees on or before May 15th. The preliminary budget shows what has been budgeted for this year, what has been expended for this year, and what is proposed for next year. The preliminary budget FY2015/16 is $60,313,325 compared to $61,148,039 for FY2014/15. The FY16 preliminary budget anticipates slightly more than $32,000,000 for compensation and benefits as compared to $31,438,620 last year. She stated that departmental allocations in the operating fund have not been increased much over the previous year although there have been some increases in a few areas. The preliminary equipment budget is $668,000 compared to $660,000 last year. There were changes made in compensation mostly due to the Affordable Care Act. Several part-time positions were combined into full-time positions. Preliminary estimated expenditures were $42,424,268 using approximately $275,000 of carryover. The campus plaza will be funded from reserves, the operating fund, and the one mill fund the amount of which will be requested from the Board of Trustees at an upcoming meeting.
- Dr. Laura Driscoll discussed the additional information that the Board had requested, copies of which were made for the Board prior to the May 19th work session. She asked for further direction from the Board. She stated that the Board had asked to look at the current plan at 150% and the current plan at 100% so that was the information which was included in the chart that the Board received. She stated that all eligible employees were included in the chart as there was no way to predict which year they would choose to retire. The Board of Trustees had also asked to look at the 16 employees under the draft plan who are currently eligible but would no longer be eligible under the draft plan. It was then clarified that the Board of Trustees has always given final approval for those requesting early retirement. Chauncy Johnson stated that the information was projected on the idea that the percentage would be reduced from 150% to 100%. Laura
Driscoll stated that it has always been the option of the Board within the policy to approve the application, so if they decided to approve the applications up to a certain amount, that it would be their prerogative and that the policy states that those approvals are based on seniority. Board Chair Roy Cohee stated that the change in the payout could make more sense to more people than it would to reduce the amount of the payout under the currently existing payout. Trustee Susan Miller had a concern over the sustainability of the plan and maintaining the budget but were only able to give a 1% raise and felt bad that the Board wasn’t able to give more of a raise to employees and would rather give a raise, if there were extra dollars, than be looking at an additional retirement benefit. She thought it more broad based across the board way to reward our employees to give them a raise that is ongoing but makes more sense than offering an early retirement to people who already have a retirement plan. Trustee Matt Loucks said he concurred 100% and asked if $300,000 was pulled out of reserves for the raises. Vice President Lynnde stated that it was the amount for the entire budget at this point in time. Trustee Kathy Dolan stated that she has been thinking about this quite seriously for some period of time and that we have to look at the environment and the context in which we are living and working. As she stated with what is going on in the state, there will likely be a decrease in revenues from energy production and the coal situation. She mentioned that she is fairly confident, unfortunately, that the coffers of the state are going to be diminished and what the community colleges get are going to be diminished and is fairly confident that we are not going to get a predictable funding formula going forward. She stated that she was very concerned about the long term commitment of the early retirement policy and doesn’t think it is sustainable. She stated she would rather have the money be going forward rather than going backward and stated that the employees have a very generous retirement program from the state. The early retirement incentive has been in place for 30 years and it has become part of the culture, like an expectation, and people have shared with us that there is confusion that this is part of the statutorily designated retirement program, which it isn’t. This is a benefit policy that can be changed, modified, deleted, at any time. She stated that one or two schools are eliminating benefits for people hired after a certain date and stated that none of the community colleges have the Cadillac of ERI programs that Casper College has. She said that the Board promised to have the new policy in place July 1, 2017 which means that people who wanted to stay under the old policy would have to put in for early retirement Fall of 2016 stating that going forward, there will be two more academic years of the policy being at 150%. Anyone applying for retirement after July of 2017 would be subject to the new policy. She stated that she has very seriously looked at the fiscal implications and doesn’t think it is healthy for the college to have that kind of commitment. She stated that the policy states that the college may offer an early retirement incentive program and that the college may revise or suspend the early retirement incentive program at any time. The Board of Trustees uses seniority as a determining criteria when ranking applications and didn’t think that the Board had ever denied anyone early retirement. Trustee Kathy Dolan recommended going forward, that the Board receive names, fiscal implications, and seniority presented to them in full at the December Board meeting and further, the Board formally votes in January but going forward and anticipating that there will be an increase in applicants, that information needs to be available for the Board to review at their December board meeting for their first consideration in the event that they do have to focus on the seniority piece. She said that looking at the report, the procedural guidelines would entail some reporting changes that Human Resources would have to work out because as it is stated now, the information is not going to be available by the December board meeting. She also looked at the very last piece of the policy which addressed a death benefit which means that going forward if a retiree dies, payment to the retirees beneficiary continue on the same schedule. She recommended to delete that piece of the policy which is under 7.11. She suggested changing the initial submission to November 1st so people would still have 21 days to decide for sure and then they would still have 7 days to change their mind if they decide not to. Based on that and her concern, she recommend that we consider as we indicated to people, July 1, 2017, the incentive payment would not exceed 100% of the base compensation. Going forward looking long term, she recommended that the Board consider July 1st of the next year the payment incentive decreasing to 75% of the base compensation, 2019, the next year, the payment should not exceed 50% of the base compensation, and as of July 1, 2020, the first day of that fiscal year, the incentive program would
cease to exist and noted that if that time frame is followed, the budget and the college would still be liable for payments through June 30, 2025. She said that looking at that time frame, there would be a commitment for early retirement 10 years from now and after 10 years, that piece would disappear from our budget and those funds would be allocated to other resources. She then asked for comments from the other Board members. Trustee Scott Bennion agreed thinking that as the College is starting to dip into our reserves and funds from the State are likely to decrease over the next several years, that it is best to be on the front end than on the back end trying to pedal backwards trying to figure out who we are going to have let go and how many people we are going to have to fire. It was his feeling that as a Board member, he would be happy to make it as revenue neutral as far as salary is concerned and agreed with Trustee Susan Miller that he would rather be giving a raise every year to everyone and take that money for salaries rather than early retirement. He said he agreed with and supported Trustee Kathy Dolan’s plan.

At 5:35 p.m. A motion was made by Trustee Scott Bennion to convene into Executive Session regarding a legal and personnel issues. The motion was seconded by Trustee Matthew Loucks. The motion carried.

At 5:52 p.m. a motion was made by Trustee Kathy Dolan to adjourn the Executive Session. The motion was seconded by Trustee Susan Miller. The motion carried.

Trustee Kathy Dolan asked Vice President Lynnde Colling if she had the figures available for the Expenditure Authority Resolution. Discussion followed.

Trustee Susan Miller asked Vice President Lynnde Colling to get the Board information as to costs associated with future asphalt work that will be needed at the college. Vice President Lynnde Colling stated that bid documents will be prepared to go out next January as it is too late in the season to start the bid process. She stated that asphalt work would need to be done on Josendahl Drive as well as the TBird parking lot. Trustee Susan Miller made the note that it might be cheaper to have the work done all at once and maybe less expensive because the price of oil is down and usually the price of asphalt will go down or perhaps the College would have to do the work in stages because of budget restraints. Vice President Lynnde Colling stated the work would require a probably a 2-3 inch overlay. They are looking at patching it this next year in preparation for doing an overlay bid in 2016 stating that some of the work could have been done a couple of years ago but there was no sense in it due to all of the construction on campus.

Trustee Kathy Dolan asked a question on the Board of Trustees Budget. Robyn Landen replied that $12,000 was allocated under the employee out of state travel budget code but in the Trustee’s case, it should have been budgeted under a non-employee travel budget code. Trustee Kathy Dolan also noted that the Trustees could save money if they ate in the cafeteria, perhaps purchasing their own meals. Discussion followed.

At 6:10 p.m. a motion was made by Trustee Scott Bennion to adjourn the meeting. The motion was seconded by Trustee Matthew Loucks. The motion carried.

Submitted by,

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Scott D. Bennion, Secretary