Members

Present:
Bert Landau, Jesus Manzanedo, Marie Nemerguth, Tracy Nuckolls, Adrianne Regrutto, Scott Stewart, Nathanael Tarwasokono (Chair), Clarence Vatne, and David Bea (ex officio)

Absent:
David Longoria

Guests:
Ina Lancaster

General Matters

Call to Order
Chair Nathanael Tarwasokono called the meeting to order at 9:03 a.m.

Action Items

Approval of Minutes for Committee Meeting, February 25, 2015
Motion No. 201503-01

Tracy Nuckolls motioned and Marie Nemerguth seconded, to rectify the seconded motion made by David Longoria approving minutes for January 16, 2015 when he was not yet a member; with this change, the minutes for the February 25, 2015 meeting were approved.

Vote: All Committee members present voted “aye” by voice vote.
Motion CARRIED

Approval to recommend the appointment of a new Committee member
Mr. Tarwasokono led the Committee in a brief discussion regarding filling the committee open seat. During the discussion, the Committee recommended keeping Chad Driedger as an alternate candidate and requested administration open a recruitment invitation with the following preferred criteria:

- Fraud/Investigative background
- Human Resource knowledge
- CPA

Mr. Tarwasokono asked administration to consider advertising the recruitment to Beach Fleischman Financial Professional Services Firm, if there is no conflict between the College and PCC Foundations office.

Ms. Adrianne Regrutto will compose and send a recruitment letter draft to Dr. David Bea for distribution.

(Continued)
Approval to add Budget to Actual Report Enhancement to future College Financial Reports

Motion No. 201503-02

Bert Landau motioned and Adrianne Regrutto seconded, to add the Budget to Actual Report Enhancement to future College Financial Reports.

Vote: All Committee members present voted “aye” by voice vote.

Motion CARRIED

Approval of Financial Ratio Analysis for distribution

Motion No. 201503-03

Jesus Manzanedo motioned and Tracy Nuckolls seconded, to post the Financial Ratio Analysis for distribution with the following modifications:

- Put definitions below each chart instead of on a different page
- A definition of the High Benchmark and Low Benchmark
- Enhanced explanation of viability ratio (explain why it is meaningless)
- Inform committee members before the ratios are published

Vote: All Committee members present voted “aye” by voice vote.

Motion CARRIED

Reports

Committee Chair Comments

Mr. Tarwasokono had no comments outside of posted agenda topics for Charter Review and Finance and Audit Committee update to the Board of Governors.

CFO Executive Summary Updates

Preliminary Fiscal Year 2014-15 results through January 2015

Dr. Bea provided a brief discussion of the financial statements that are presented to the Board of Governors for the period ending January 2015.

Key points discussed include:
- Slowing expenditures in current year
- Delayed capital budget expenses in current year and for next year
- Slowed and/or delayed facility modifications
- Hiring freeze for non-mission critical positions

State Budget Update

Dr. Bea provided a state budget update that included the following key points:
- Expenditure Limit House Bill is no longer active
- State funding has been eliminated resulting in a loss of $6.5 million
- PCC budgets will be no longer be driven by the state deficits
- Revenue generating
  - Board approved $5 tuition increase
  - Board approved $5 processing fee increase (from $10 to $15)
  - Eliminated $15 graduation fee and $2 ID fee

(Continued)
Board to consider approving tax levy - $2 million
Goal to increase enrollment by 1000 FTSE - Exploring specific targets
Researching creating an incentive so all are engaged in increasing enrollment

Dr. Bea also noted that the College is reviewing a new organization structure for campus presidents, enrollment initiatives, no salary increases, possible position freezes for non-mission critical positions, and retaining students through excellent customer service.

Mr. Clarence Vatne provided feedback after participating on a Budget Planning Subcommittee that is creating PCC budget criteria stating his appreciation for how complex PCC is as an institution and how decisions are based on committee consensus. Mr. Vatne also noted his concern with learning the lack of consistency with curriculum across the district.

Mr. Tracy Nuckolls noted his observations after attending a campus budget update presentation noting that approximately one hundred individuals were in attendance and many appeared to be interested in the topic and many contributed good revenue generating ideas and expressed concerns with possibly cutting certain programs.

The Committee was invited to attend a “Conversation with the Chancellor” to be held on March 27, 2015 at West Campus. Detailed information was emailed to Committee members.

Expenditure Limit Projections – Ina Lancaster
Dr. Bea informed the Committee that House Bill 2424 regarding Expenditure Limit projections has been tabled for the 2015-16 year and is no longer an immediate threat to the College.

Ms. Ina Lancaster, Director of Budget and Reporting, reported that the February expenditure limitation projections are $68 thousand under the limit after cutting some project spending.

Committee took a break at 10:25 a.m.

Committee re-convened into open session at 10:31 a.m.

Charter Review
Committee members discussed the Charter and noted the following:
• Be more proactive and involved in reports before they are finalized/posted
• More involved with internal auditor reports
• First year more exploration, year two needs more focused items added to the Charter
• Continue as an oversight and transparency committee
• Non-oversight items should be removed from the Charter and should be management items
• Oversight for reporting not review of all/every report detail
• Corporate compliance
• Meetings with auditors are key to validate information being reported by administration(concerns with misinformation)
• Next year’s focus should be more charter focused – oversight, transparency, ask questions, make recommendations, partner committee members with key management personnel i.e. auditors, budgeting, etc.

Mr. Tarwasokono and Dr. Bea will meet and prepare suggested changes, tactical details, and deletions send them to committee members for review prior to the next committee meeting on May 15.

(Continued)
Mr. Tarwasokono suggested reviewing the term length to extend longer than the current 1-3 year terms; possibly staggering the number of year to “not exceed” an agreed upon number of years. The committee will also create a process for recruiting to fill open seats and approve selecting a chair elect person who should not be the co-chair which is occupied by a PCC Board member.

Mr. Nuckolls expressed interest in becoming the Committee Chair Elect, which will be formalized during the May 15 meeting.

**Finance and Audit Committee update to the Board of Governors on April 8, 2015**
After a brief discussion the Committee agreed to postpone presenting to the PCC Board of Governors from April 8 to May 13. Dr. Bea noted that he will also present the proposed budget to the Board of Governors during the May 13 meeting.

Key points to share with the Board include:
- Transparency
- Oversight
- Initiated staff increase to Internal Auditors office
- Met with Auditor General’s Office Representatives without management
- Trainings
- Added Actuals vs. Budget Report enhancement
- Ratio Reports distributed

**Future Agenda Items**
- Finalize Charter revisions
- Data Security (VC of IT)
- Investment Update (RBC)
- Health Plan Self-Insurance
- Risk Management
- Investment Policy review and update
- Public Information/Transparency Enhancement
- IPEDS

**Adjournment:**
Meeting adjourned at 11:12 a.m.

**Next Meeting:**
Friday, May 15, 2015 at 9:00 a.m.

Crystal Wheeler, Support Coordinator to EVC for Finance and Administration

May 15, 2015

Date approved by Committee