

Finance/Audit Committee
May 9, 2019
Burns Hall 3rd Floor Board Room
Meeting Minutes

Members Present: Ron Branscum - Chair, Laura Favorite, Grant Fowler, Chris Rogers

Members Absent: Mark Lundy

Guests: Dr. Evelyn E. Jorgenson, Gulizar Baggson, Lindsay Robinson, Rai Starr, Jason Degn

Mr. Branscum called the meeting to order at 2:04 p.m.

Standard Reports

- **Cash Flow Status**

Ms. Starr shared a graph of cash flows and projections for fiscal years 2014 – 2019.

- Cash flow position is strong and improving each year.
- Expenses continue to be controlled well.

- **Summary of Accounts Receivable**

Ms. Robinson reviewed the accounts receivable report with the group.

- Receivables are lower this year compared to March 2018.
- Financial Aid posted student loans and remaining aid monies.

- **Budget to Actual**

Ms. Robinson explained that total unrestricted fund operating revenues for the period ending March 2019 increased 3.6% and expenditures increased 12.6% compared to March 2018. This was partly due to construction costs of the Integrated Design Lab. These costs are reimbursed by the capital funds that are recorded as transfers on the report. Non-credit expenditures have decreased 25.2% for the period ending March 2019. Non-credit Food Studies revenues have increased by 34.5% and expenditures increased 15.5%. Designated Fund revenues have increased 8.0% and expenditures have decreased 23.6%.

Brightwater: A Center for the Study of Food – Fixed Assets

Ms. Starr discussed progress with the process of accepting donations from the Foundation. Ms. Starr reported that fixed assets have been donated to the College from the Foundation to the satisfaction of both parties.

Workday

Mr. Degn, CIO, presented information about Workday, an Enterprise Resource Planning system used for the core system and processes needed to operate the college. An integrated database and Student Information System are components of a

comprehensive system from recruitment through graduation. The college has evaluated the system, held interviews with subject matter experts, and developed a framework for implementation partners. The CIO conducted informational forums with campus faculty and staff on April 10. Significant costs are incurred in the first three years of implementation. Costs decrease significantly after three years. A return on investment is projected after twelve years. There are also significant costs of not adapting. Next steps include presenting the information to the Board of Trustees.

Action Items

FY2020 Budget Approval

Ms. Baggson presented a summary of the proposed FY2020 budget. The budget process for the FY2020 budget year began in November 2019, with discussions of preliminary budget assumptions and guidelines, and the distribution of the budget calendar. Informational Forums were held on March 6 and May 2 to seek employee input and feedback. State general revenue is projected to increase. Millage revenue is also projected to increase by an estimated \$396,000. College Administration requested a general tuition rate increase, which was approved by the Board of Trustees at the March 2019 meeting. In-district tuition rates will remain unchanged. The operating budget also provides funds for across the board salary increases, with one-step for faculty and 2% COLA for staff, and a \$500 merit increase for all eligible full-time employees. The FY2020 proposed operating budget is \$43,610,209, plus a one-time funding budget of \$627,768 funded by state incentive funds. The Board of Trustees cash reserve will be maintained at 7.6% of E&G funds.

Mr. Branscum called for a motion that the Finance/Audit Committee recommend that the Board of Trustees approve the FY2020 Operating Budget based on the recommendations of NWACC Administration. Mr. Fowler made a motion to approve, Ms. Favorite, seconded. Vote: approved unanimously. All approved the motion to present the request for approval to the Board of Trustees.

Additional Information

Ms. Baggson is now the interim VP of Finance and Administration. Ms. Robinson is now the Executive Director of Budget & Treasury Services.

Ms. Starr stated the year-end timeline for the close-out of fiscal year 2019 has been published.

The meeting was adjourned at 4:16 p.m.
Recorded by Todd Glass