



**CLOVER PARK TECHNICAL COLLEGE**  
**District #29**  
**Board of Trustees**  
**Special Meeting Minutes**  
**June 9, 2011**

**Call to Order:** Chair Martinez called the Board of Trustees meeting to order on June 9, 2011, at 4:05 p.m. He welcomed those present, opened with introductions, and led the flag salute.

**Board of Trustees and Cabinet:**

Mark Martinez, Chair	John Walstrum, President
Robert Lenigan, Vice Chair	Amy Goings, VP for Operations & College Relations
Bruce Lachney	Kathy Yost, Int. VP for Finance & Budget
Mary Moss	
Shauna Weatherby	

**Other Attendees:**

Vicky Buford, Information Office Assistant & Classified Union President  
Diannè Bunnell, Confidential Secretary to the President  
Elaine Holster, Faculty Librarian  
Gina Hughes, Technology Technician  
Michael Miller, Security Coordinator  
Cynthia Requa, Coordinator of Institutional Research & Planning  
Maureen Simmons Sparks, Instructor, Pharmacy Technician and President for Faculty Federation  
Kathy Smith, Instructor, Environmental Sciences & Technology

President Walstrum introduced the College's new Emergency Preparedness and Security Director, Michael Miller and welcomed him to his first Board meeting.

The Chairman was addressed by the President concerning the need to include a "Public Comments" section in today's Board agenda.

**Adoption of the Agenda**

**MOTION:**

**Motion to adopt the Agenda with the modification of adding a "Public Comments" section was made, seconded, and Approved unanimously.**

**Approval of Minutes**

Approval of the May 4 Board meeting minutes will be postponed until the June 17 Regular Board of Trustees meeting.

**President's Report**

President Walstrum stated that this special Board meeting was called to give trustees an opportunity to review the budget for the coming year, 2011-12 only, the first year of the biennium. The President stated that the Board should not feel compelled to take action on the budget today, but rather take in the wealth of information provided, deliberate, and vote at a later time.

Budget packets distributed to Board members at today's meeting do not include the final budget and allocations from the state because that information is not available at this time. Dr. Walstrum noted that information from the State Board was received at 11:00 a.m. today. The Interim Vice President for Finance & Budget will review the budget. Following that, the Vice President for Operations and College Relations will offer an update regarding the capital

budget. One bright note is that Clover Park Technical College is one of five colleges that had funding approved by the state for a capital project.

### **Review of Operating Budget**

Vice President Kathy Yost gave the Board an overview and timeline of the budget process.

The Governor has until June 16 to line-item veto the budget, and until then, the final state budget will remain in flux. However, the College has a good indication of the parameters of the state budget because of information received on May 24 indicating the State Board allocation based on the Conference Committee proposal. The State Board for Community and Technical Colleges (SBCTC) will distribute their finalized budget allocation to colleges after their Board meeting on June 23.

The state is eliminating one-time funding of Worker Retraining and one-time funding of the Opportunity Grant. A one-time reduction of higher education funding is projected to return by July 2013. A 3% salary reduction is also called for, as well as a 6% state contribution cap on the TIAA-Cref retirement plan. The compromise version of the state budget includes an efficiency reduction of \$2 million system-wide the first year and \$5.5 million the following year.

The College bases its budget on Allocation #6 of "Conference Proposal 5/25/11." The figure \$18,783,403 is approximately \$4.7 million less than the general fund level of 2008, and less another \$2 million in July 2011. Vice President Yost explained how the state allocation figures were arrived at and how it impacts the College's budget computation.

The question was raised about the difference between the State Board (\$377,000) calculation and one of the trustee's calculations (\$471,000) of the 3% salary reduction. It was explained that the State Board figure is embedded in draft initial allocations (attachment C-7 of the Draft FY 2012 Initial Allocation Schedule from the State Board). The salary expenditure figures were verified by Vice President Yost.

Trustee Lachney asked whether pensions and insurance are built into the 3% salary reduction. Ms. Yost said she didn't think so, but would find out and report back to the Board. Mr. Lachney asked that this point be clarified before they were asked to approve the budget. Ms. Yost stated that she will find out what they call "technical changes," which is where that question would be answered.

Also discussed was whether the cuts would be made to employees earning less than \$30,000 annually. It appears that the higher education system will have some flexibility in how they account for the 3% salary reductions.

Months ago, the state said that a \$751,000 mid-year cut would be included in the biennial cut, but that wasn't the case, and the mid-year cut is in addition to the biennial cut. So the question becomes how to address the \$751,000 mid-year cut plus the \$2 million reduction that will come out of the budget July 1, 2011. In addition, tuition rates in the fall can be raised to 12%.

Material fees, job accounts, and self-supporting programs were discussed, including the conference center, and continuing education. The \$250,000 loan for the Certificate of Participation (COP) for the College's airplanes was paid off, so rather than a \$50,000 interest payment, the program now shows a profit. It was noted that the Aviation Maintenance job account is not a true realistic training enterprise and has not done training for a number of years. The COP for the conference center was also discussed.

There was an inquiry about the interest rate for the COP for the McGavick Conference Center and whether it was possible to renegotiate the note. There remains \$16.5 million owed on the building. Vice President Yost responded that she had inquired about that issue, and learned that the Treasurer's Office re-evaluates the loan automatically at the ten-year point; however, the College took out the loan in 2006. The only way an exception can be made is if the payer is struggling to make payments. Trustee Lachney inquired about what the rate of interest is, saying he'd been involved in a similar situation where the note was at a much higher rate than what was commercially available and was allowed to pursue a commercial note. President Walstrum was charged with finding out what percentage the College is paying and what is allowed in the contract regarding seeking a lower interest rate.

The 2010-11 and 2011-12 budgets were compared side by side. Last year, the College's operating budget was \$30 million and now it is approximately \$28 million, a difference of \$2.1 million. It was brought to the Board's attention that the difference between \$15.8 and \$18.8 million is closer to \$3 million, due to the fact that there was no way to know about a \$754,000 mid-year cut that would occur. Another factor is that this year's budget, \$15.8 million, has backed out \$541,000 of the program portion of Worker Retraining funds as well as new earmarks in the amount of \$224,000. Also impacting this amount are the self-support programs and tuition.

President Walstrum related that a Budget Advisory Task Force was established to consider ways to bring about the \$2 million budget reduction in the coming year, and the task force ultimately sanctioned the consideration of academic programs.

Trustee Lenigan asked for FTE counts for each division to be included in the budget analysis. Vice President Yost agreed to include them in future quarterly budget reports.

Vice President Yost summarized, stating there have been five buy-outs, two of them faculty; three classified positions; three people will go from full-time to half-time July 1; there are five vacancies and five lay-offs; and more than 7% in budget reductions in areas such as goods and services, furlough days, college closure days, and \$84,000 in utility savings. Also, six programs will close, eventually, after they have been "taught out."

Chair Martinez and trustees felt sufficiently apprised of budget details that even though final figures from the state will not be available, he requested that the final submission of the College budget for a vote by members of the Board of Trustees be made at the June 17 Board meeting.

#### **Review of Capital Budget**

Vice President Amy Goings thanked trustees for their advocacy to the legislature on behalf of the College and presented a report on capital projects and shared architects' renderings.

The legislature has approved \$620,000 to renovate Bldg. 15 as well as the construction of a state-of-the-art Health Sciences Building, although the funding allotted is not quite sufficient and will need to be augmented. This brings together into one building the 13 healthcare programs that are currently housed in buildings all over campus. Because the plans are two years old, faculty, administrators, and Cabinet will revisit them to be sure all needs and concerns are addressed. The demolition of Bldg. 18 is also planned as part of this project.

Discussion followed regarding elevators, a loading dock, and impervious surface ratio for rainwater collection.

#### **Public Comments:**

No public comments.

#### **Next Meeting:**

July 13, 2011, at the Lakewood campus.

#### **Adjournment:**

Chair Martinez adjourned the Special Board meeting at 6:15 p.m.

  
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John W. Walstrum, Ph.D.  
President  
College District Twenty-Nine

6/20/11

  
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Mark Martinez  
Chair, Board of Trustees  
College District Twenty-Nine