

MINUTES OF THE DECEMBER 12, 2024
BOARD OF EDUCATION
Regular Board Meeting

Board Members Present: Ed Johnson, Tim Lyman, Lloyd Mueller, Sheila Roley, Jody Stahancyk, Mitra Vazeen

Others Present: Bill Meck, Deborah Howe, Anita Jensen, Tina Kotson, Julia Mabry, Josie Kero, Teena Toyas, Margaret Antilla, Evon Jacobsen, Carolyn Adler, Fernando Rojas, "clatsopjohnson", Caroline Wright, Sarah Geleynse, President Jarrod Hogue and Recording Secretary Felicity Green

Ed Johnson called the meeting to order at 5:33 pm.

Jody Stahancyk moved to approve the agenda as presented. Sheila Roley seconded the motion. **Ed Johnson, Tim Lyman, Lloyd Mueller, Sheila Roley, Jody Stahancyk and Mitra Vazeen voted Aye. Ashley Flukinger was absent. The motion carried.**

Introduction of Guests

Ed Johnson asked regular Board meeting Zoom attendee clatsopjohnson to identify themselves, they did not.

Public Comment

Tina Kotson and Caroline Adler brought in a cart of holiday wreathes made by the Nursing Club. They were offering the wreathes for donation to benefit the Lackner Family Fund.

TEN MINUTE PRESENTATION: Caroline Wright with CliftonLarsenAllen on 2023-24 Audit

Carolyn Wright presented the audit. The Powerpoint is attached as Appendix A. She thanked Margaret Antilla and her team for all their work on the audit. This year's audit contained no findings on Oregon government standards or on federal standards. The single audit findings this year were related to Financial Aid. The governance communication letter was very similar to last year and reported few changes, which is a good thing.

She said that the repeat findings for financial aid are concerning. They relate to COD reporting, NSLDS enrollment reporting, noncompliance with GLBA Safeguards rule and an issue with Third-part Tier One Arrangements. She asked the Board to follow up on this in a few months and see if it's been addressed. She said they are a material weakness which reflects a lack of internal controls but she felt that they could be addressed and changed. Margaret Antilla and Sarah Geleynse have seen these findings and have come up with a plan to address the issues.

She discussed the statement of net position. College assets increased \$132,000, which was made up of swings in a variety of places, including a net cash increase of \$1.6 million, which she believes is from the tax anticipation of the \$1.7 million the College will pick up at the end of the year. Accounts receivable decreased about \$1.3 million. She commented that Covid-19 funding has dropped to almost nothing, which accounts for much of the decrease. Assets increased \$781,000, which she attributes to

the Ellucian software, which is considered a subscription based information technology and thus an asset. However, Ellucian also added to the College's debt, but is offset by payments. She also commented that showing an operating loss is normal for colleges, as their revenue comes in at different times from multiple sources. She noted that the decrease shown in revenue is primarily the ERC which has not yet been received. College operating expenses have increased, which is expected.

Caroline Wright said that the governance letter shows that there is no change in scope and no new accounting principles. She said that there were no difficulties in the audit process, no adjustments or journal entries and thanked Sarah Geleynse and Margaret Antilla again for a good audit. She said that changes are being made by the General Accounting Standards Board this year that will impact next years audit; those changes will include recording employee sick leave as a liability and more stringent reporting requirements around risk disclosure.

Tim Lyman asked why the Board did not receive the audit until today. Caroline Wright apologized and said that they are working on making improvements to their processes to be more timely. Mitra Vazeen thanked Margaret Antilla and her team for keeping things going. There was some discussion of sending the draft audit to the Budget Committee; the final version will be available by December 31 and the Budget Committee will be sent a link when it is posted on the website.

CONSENT AGENDA

Mitra Vazeen moved to accept the November 14, 2024 Regular Board Meeting Minutes as presented. Sheila Roley seconded the motion. **Ed Johnson, Tim Lyman, Lloyd Mueller, Sheila Roley, Jody Stahancyk and Mitra Vazeen voted Aye. The motion carried.**

VERBAL REPORTS / DISCUSSION ITEMS

Report of the President

President Hogue said he was sorry to start with sad news; the campus is grieving the sad loss of Carly Lackner. He invited the Board to donate to the Lackner Family Fund and said that Julie Kovatch had sent out an email with details on the Celebration of Life to be held on December 21 at Patriot Hall. Ed Johnson said he had a card for the Board to sign.

President Hogue continued his report by saying the College is seeing positive trends for winter term, with retention, headcount and FTE all trending up. He thanked ASG and the staff for all their efforts to build community on campus and reach out to students. He commented on the leadership vacancies, saying that the College is not getting qualified applicants and he is considering changing some requirements. He said this is an issue everywhere right now. The county and city are reporting the same problem; he thinks the College should consider less traditional candidates and people with less experience. Salaries are an issue as are local housing costs and some qualified applicants are also looking only at remote positions.

Financial Report

Bill Meck reported that the operations fund balance increased by \$11,769 and the new fund balance is \$1,674,128. He cautioned that that \$826,000 of that is the ERC money, which has not yet been resolved. The plant fund, which is also unrestricted, has \$1,475,391, but \$1 million of that is also the ERC and cannot be counted. Removing that credit, the College has slightly over \$1 million of unrestricted reserves as they move through the rest of the fiscal year.

The College has adjusted the operating budget revenue for the current fiscal year to \$14,063,000 to reflect reduced state appropriations and by the full amount of the property tax appeal. If that appeal is resolved and there is more revenue, the operating budget will be changed to reflect that. Even with the change, revenue seems to be trending higher than a year ago. Most of that trend, however, is due to the new ERP, which books tuition and fees sooner than the College had historically done. In fact, revenues are basically flat despite enrollment trending higher. Bill Meck said that he is watching state appropriations and property taxes while continuing to try to figure out what timber is going to do. He has no information on timber revenue but is continuing to budget them very conservatively. He noted that the county is only budgeting for a 10% decrease. Expenses so far this fiscal year are down \$836,000.

Sheila Roley asked if the College had any updates on PERS rates. She said that the K-12 systems have just received them and there is a large hike. Astoria and Seaside had a 20 year bond to pay for PERS but that has now expired and cannot be renewed. The College also has a PERS bond; Bill Meck said he would investigate.

Tim Lyman asked about the ERC and the Wauna Mill property suit. Bill Meck said that there is no news on the ERC. He spoke with Suzanne Johnson about the Wauna Mill suit and they are hoping it will be resolved quickly. The College budget has been adjusted to account for the maximum possible loss; he hopes that the resolution comes quickly so it does not affect next year's budget.

Report of the Board Chair

Ed Johnson said that in the interest of transparency he wanted to explain how the Board conducted President Hogue's 90 day evaluation. He, Jody Stahancyk and Lloyd Mueller are the members of the Presidential Evaluation Committee. They came up with three questions for the Board to answer: Describe what Jarrod has been doing well in his first 90 days; Describe what improvements Jarrod could make to enhance his Presidential position at the college and Describe in detail how you intend personally to assist Jarrod in making the improvements you have identified in question two. The Committee plans to conduct another evaluation in six months and then another towards the end of 2025.

WRITTEN REPORTS

Josie Kero said that her report stands as written. She reported that the ASG team is now complete with eight students participating. They had a good fall term and are looking forward into winter.

Ed Johnson asked Tina Kotson why her report reflected 22 first year Nursing students when she previously said there were 24? Tina Kotson explained that not all students complete their first year, usually due to life circumstances. He also said he had questions for Kevin Leahy and Amy Magnussen but would reach out to them later.

OLD BUSINESS

NWCCU Ad Hoc Committee Report Follow Up

The President said that his assessment of the report and the visit itself was that staff did a great job being transparent and helpful but could have done a better job logistically. He said that this is the year that the College will stop getting the data driven decision finding; he is confident that working with the strategic plan in monthly meetings and focused staff will answer these issues. Lloyd Mueller asked about the next step. President Hogue said that this is the fifth year of a seven year cycle and this year is focused on policies and procedures. He has made it a priority this year that all outdated policies and procedures get updated.

Teena Toyas added that she attended the recent NWCCU conference and feels the College should return to doing program reviews. She has met with the Instructional Leadership team about it and they are looking for the old templates. They hope to mesh those with the strategic plan priorities and move forward in a simple but effective way. She added that NWCCU is very interested in peer comparisons and that the College needs to have a dashboard comparing itself to both state and national peers. Currently, the College finds peers via IPEDS data but this is an imperfect method and they are looking for a better way.

Teena Toyas passed around the Faculty Development Report.

NEW BUSINESS

COLA Considerations for FY 2025-26 (see Appendix B)

President Hogue distributed a chart of cost-of-living adjustments (COLA) over the last three years. He said that some of these increases were pretty large but across the state this has not been uncommon. He said that he wanted to set expectations now that these sorts of increases are not sustainable. He recommended using the consumer price index (CPI) as a metric to guide the College in COLA decisions. He also reminded the Board that while Faculty and Classified employees are going to have COLA bargained, S&S and Confidential Classified will not. He said that discrepancy is visible in the chart. He repeated that this is simply informational and that while he wants to ensure pay equity, he is also responsible for a sustainable budget.

The President said that there is a staff budget meeting tomorrow and planning is ahead of last year. Tim Lyman asked when the budget would be delivered. Staff have until the end of January to submit budget requests. State forecasts come in in February and Evon Jacobsen will begin building the budget in March. The first Budget Committee meeting is tentatively scheduled for April 22; the budget will be done by Friday, April 18.

Review Board Goals

Ed Johnson commented that there is no sense in having goals if the Board is never going to talk about them. He read the Board goals.

Goal 1. Create a positive atmosphere for students, faculty and staff.

Sheila Roley commented that she has heard things are seeming more positive. She asked if there was a tool available for measuring that. President Hogue said that he has spoken with ASG and is planning a

student experience survey with them. It will be established this spring and then administered annually. A staff and faculty climate survey to be done by May 31, 2025 is also one of his goals.

Goal 2. Ensure fiscal responsibility.

Ed Johnson asked how the Board felt about this one and whether they were satisfied with Bill Meck. The Board agreed that Bill Meck was doing a very good job; several Board members thanked him for his work.

Goal 3. Strengthen the collaborative relationship between the Board and Foundation.

President Hogue said that the College is in the process of hiring a new Director who everyone is excited about and who he thinks will be instrumental in reestablishing and strengthening the relationship. He said they will be coming out with the annual event information soon; the Foundation Board has hired an event planner. Ed Johnson said he asked about having a joint meeting but the Foundation Board said they would prefer to wait until they have a director. President Hogue also said he had signed a new MOU and he will be the new director's supervisor; their salary will be paid 50% by the College and 50% by the Foundation.

Goal 4. Support the goals of the President of the College.

Ed Johnson stated that each Board member had an assignment to work with the President. The President said that he feels supported.

Request for Early Retirement

Anita Jensen reported that Toni Middleton, MERTS Program Assistant II, has submitted a request to retire in January 2026. She has been with the College since 1994. Her early retirement will not cost the College anything.

Tim Lyman moved to approve Toni Middleton's request for early retirement. Lloyd Mueller seconded the motion. **Ed Johnson, Tim Lyman, Lloyd Mueller, Sheila Roley, Jody Stahancyk and Mitra Vazeen voted Aye. The motion carried.**

OCCA Legislative Priorities

Ed Johnson asked for a motion to support the OCCA legislative priorities. Jody Stahancyk asked if this needed to happen in December or could be moved to January. Sheila Roley said that it would be better to do it in December, as many people are working hard on this right now. She said that representatives of most K-12 organizations are on the ground getting ready to go in January, so it would be timely to do it now. She reminded the Board that it is not just community colleges or K-12 who will be lobbying, but most public services. She also said it is pretty straightforward: Oregon does not do a good job of funding education and everyone needs money.

Ed Johnson pointed out that the resolution had been emailed to the Board several weeks ago and is also in the December packet, so they should have had time to read it. Sheila Roley said that the Governor's budget came out a week ago and is more generous than the last biennium, which is good, but still will clearly not be adequate. President Hogue added that the Governor's recommended budget for community colleges is a 6.9% increase. Tim Lyman said that 6.9% over the \$800 million from the last biennium would be about halfway between the last biennium's budget and what OCCA is asking

for in the next biennium. President Hogue said that OCCA is lobbying for more and that the Governor's budget is widely seen as a starting point.

Jody Stahancyk said that the issue before the Board is whether they will support the OCCA priorities and whether their positions differ from OCCA priorities. Sheila Roley said that the OCCA goals seem to be aligned with CCC Board goals, such as more operating funds, increasing the Oregon opportunity grant, raising bond funding caps, scholarships and funding students for basic needs.

Sheila Roley **moved that the Board of Education agree to support the OCCA legislative priorities.** Jody Stahancyk seconded the motion.

Lloyd Mueller commented that as representatives of Clatsop Community College, this is in their best interest and he urged the Board to vote for it.

Ed Johnson, Lloyd Mueller, Sheila Roley, Jody Stahancyk and Mitra Vazeen voted Aye. Tim Lyman voted Nay. The motion carried.

ANNOUNCEMENTS/COMMUNICATIONS

President Hogue asked the Board if they would be okay with an electronic version of the Board packet instead of a printed version. He said that it is a lot of paper. Ed Johnson asked Board members to let Felicity Green know if they want only an electronic version.

BOARD FORUM

Sheila Roley said she was happy to see people in person.

Mitra Vazeen agreed with Sheila Roley.

Tim Lyman wished everyone a Merry Christmas and Happy New Year.

Jody Stahancyk said it was great to hear everyone.

Ed Johnson said he was concerned that Board members were not looking at their packets before the meeting.


Ed Johnson adjourned the meeting at 6:59 pm.

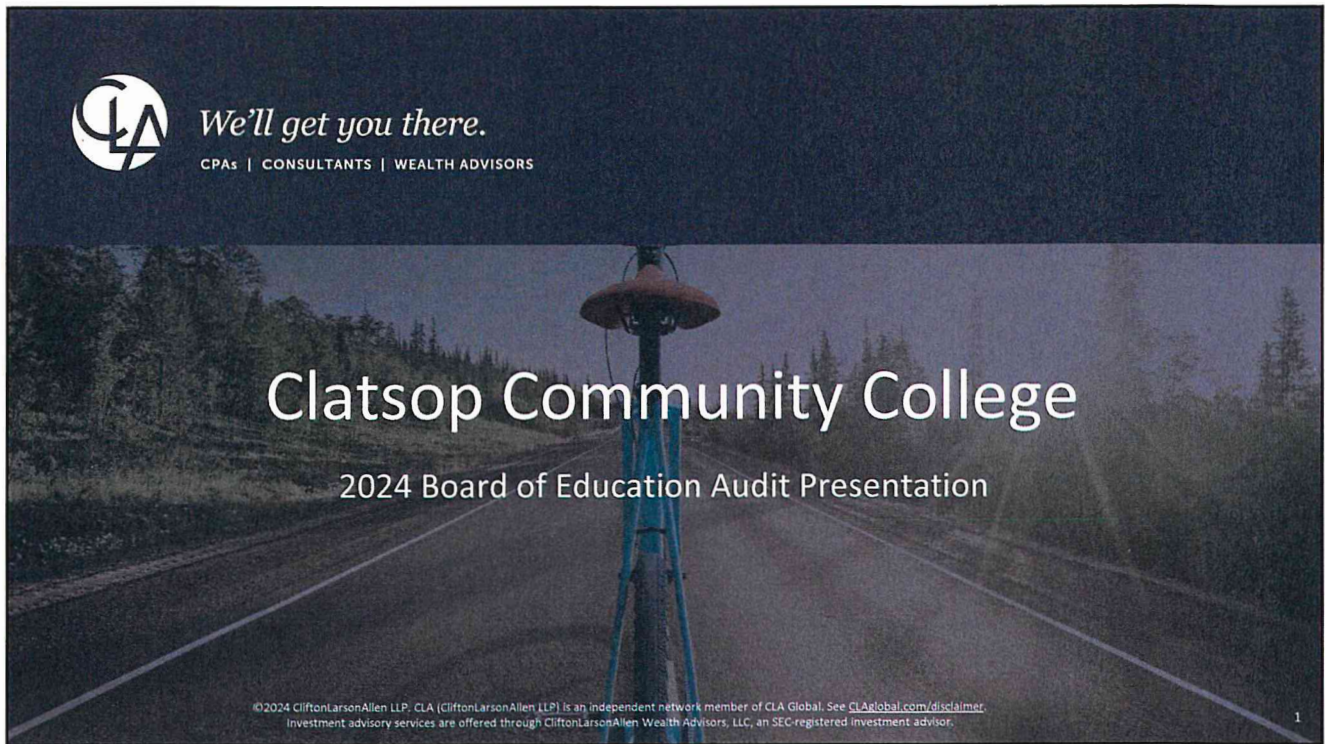
APPENDIX B - 12/12/24 BOARD MINUTES

3-year COLA vs Annual Consumer Price Index

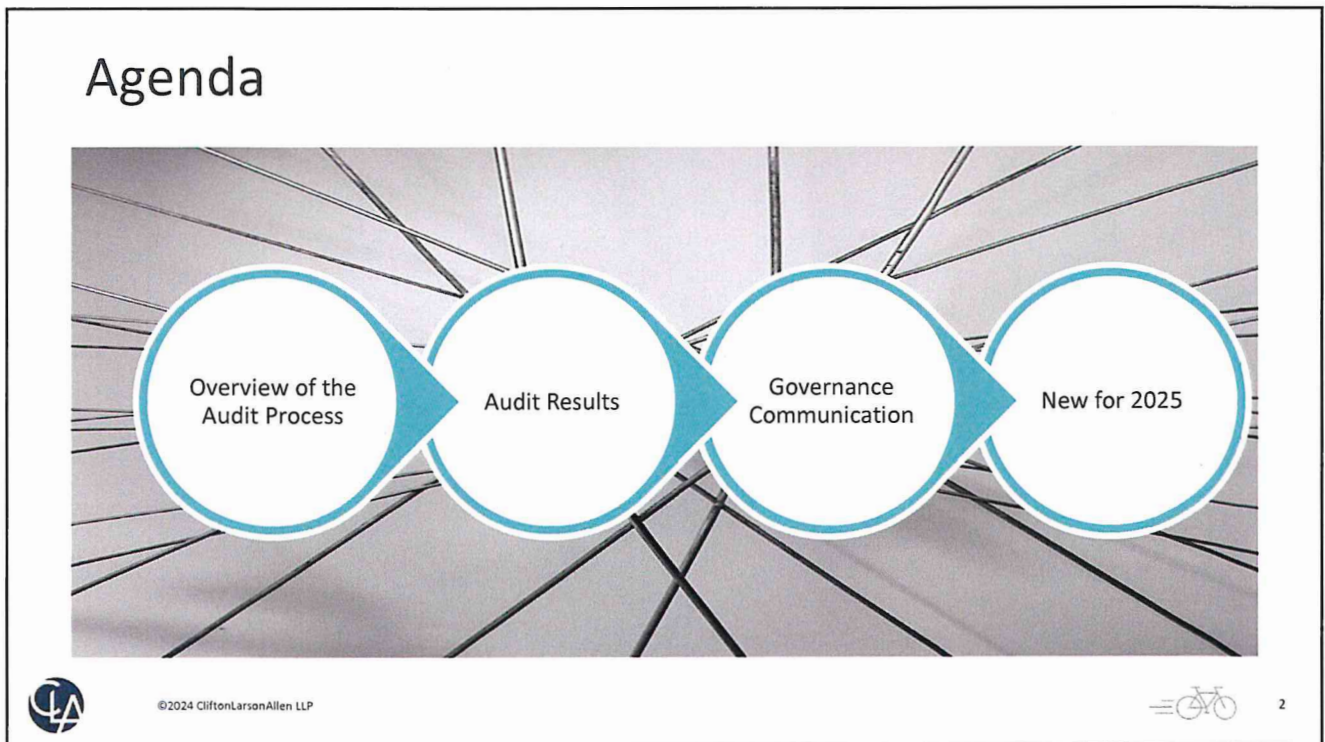
Actual	23-24	24-25	25-26	AVE	CUM
FT Faculty	5.0%	3.0%	3.5%	3.8%	11.9%
PT Faculty	8.0%	6.0%	0.0%	4.7%	14.5%
Classified	9.0%	8.0%	0.0%	5.7%	17.7%
S&S	5.0%	0.0%	0.0%	1.7%	5.0%
Annual CPI (Nov) from previous year*	7.1%	3.3%	2.4%	4.3%	13.2%
West Region					

w/ S&S Adjustment	23-24	24-25	25-26	AVE	CUM
FT Faculty	5.0%	3.0%	3.5%	3.8%	11.9%
PT Faculty	8.0%	6.0%	0.0%	4.7%	14.5%
Classified	9.0%	8.0%	0.0%	5.7%	17.7%
S&S	5.0%	0.0%	5.0%	3.3%	10.2%
Annual CPI (Nov) from previous year*	7.1%	3.3%	2.4%	4.3%	13.2%
West Region					

 = not determined



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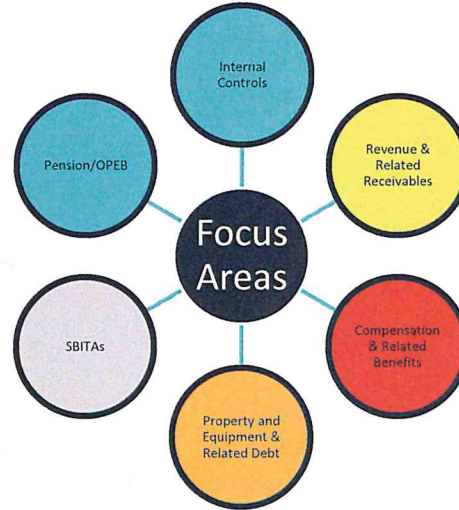
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Risk Assessment

Significant Risks



Areas of Focus



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Audit Results

Financial Statement Results – Unmodified Opinion

Oregon State Regulations – No findings

Governmental Auditing Standards – No findings

Single Audit Report – Unmodified Opinion

Governance communication letter



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Audit Results – Single Audit

SFA Findings

Eligibility-PELL over award/over paid
 COD Reporting
240-Day Check Requirement
NSLDS--Enrollment reporting & lack of internal control
GLBA – Not in compliance with GLBA Safeguards Rule
 Third-part Tier One Arrangements

Prior Year Findings

Education Stabilization Fund – All findings have been resolved

COD Reporting
 Eligibility – Direct Loans overpayment
NSLDS—Enrollment reporting & lack of internal control
GLBA – Not in compliance with GLBA Safeguards Rule
 Third-part Tier One Arrangements
 Direct Loan Reconciliations



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Statement of Net Position

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 3,493,377	\$ 788,427
Restricted cash and investments	369,953	391,866
Restricted cash and investments - Bonds	1,258,925	2,314,527
Receivables		
Accounts Receivable, Net	3,107,620	4,417,164
Property Taxes	418,310	441,405
Other	146,318	116,861
Noncurrent assets		
Other Noncurrent Assets	190,201	162,010
Capital assets	40,718,741	39,938,107
Total assets	<u>49,703,445</u>	<u>48,570,367</u>
Deferred Outflows of Resources	<u>3,749,312</u>	<u>4,750,094</u>
Total Assets and Deferred Outflows of Resources	<u>53,452,757</u>	<u>53,320,461</u>
Liabilities		
Current liabilities		
Current liabilities	6,590,327	4,288,569
Long-term Debt	13,363,815	14,601,124
Pension and OPEB Liability	11,212,376	9,340,159
Total liabilities	<u>31,166,518</u>	<u>28,229,852</u>
Deferred Inflows of Resources	<u>1,607,166</u>	<u>3,403,084</u>
Total Liabilities and Deferred Inflows of Resources	<u>32,773,684</u>	<u>31,632,936</u>
Net investment in capital assets	28,484,882	29,199,995
Restricted expendable	190,201	162,010
Unrestricted	(7,996,010)	(7,674,480)
Total Net Position	<u>\$ 20,679,073</u>	<u>\$ 21,687,525</u>



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Revenues and Expenses

	2024	2023
Operating revenues		
Student fees	\$ 2,100,210	\$ 2,123,257
Federal and State Student Financial Aid Grant	808,760	769,385
Federal, State and Local Grants and Contracts	2,014,149	2,521,034
Other operating revenues	30,290	18,333
Total operating revenues	4,953,409	5,432,009
Operating expenses		
Instruction and Instruction Support	8,439,063	7,392,584
Student Services	2,829,448	2,694,408
Institutional Support	3,624,114	3,775,139
Operation and Maintenance of Plant	1,874,927	1,567,320
Community Services	583,044	430,857
Student Financial Aid	1,493,256	1,619,784
Other Operating Expense	255,333	169,920
Depreciation/Amortization	1,754,248	2,171,835
Total operating expenses	20,853,433	19,821,847
Operating loss	(15,900,024)	(14,389,838)
Non-operating revenues (expenses)		
State appropriations	4,106,512	3,771,129
Property Taxes and Timber Revenues	8,521,336	7,987,491
Federal Pell Grants	1,161,713	979,304
Investment Income	278,176	193,628
Other net non-operating	1,390,129	3,841,920
Interest Expense	(566,294)	(592,093)
Total non-operating revenues	14,891,572	16,181,379
Change in Net Position	(1,008,452)	1,791,541
Net Position - Beginning of Year	21,687,525	19,466,299
Restatement - Correction of an Error	-	429,685
Net Position - Beginning of Year, as Restated	21,687,525	19,895,984
Net Position - End of Year	\$ 20,679,073	\$ 21,687,525



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Operating Revenues

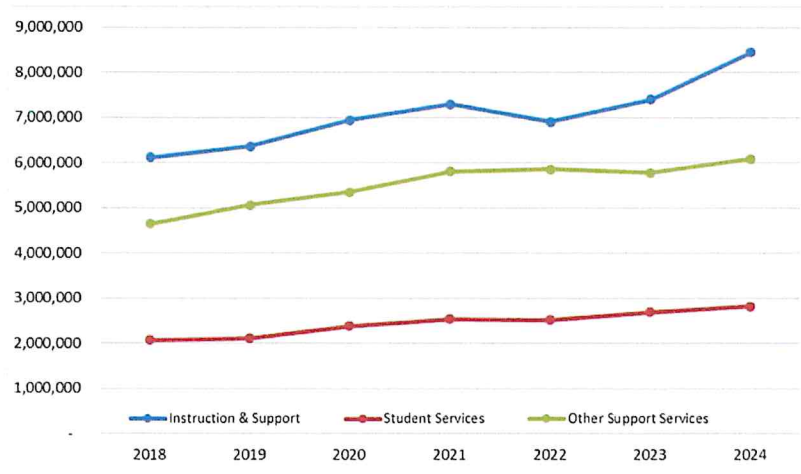


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Operating Expenses



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Cash Flow

	2024	2023
Operating activities	\$ (12,383,677)	\$ (13,531,037)
Noncapital financing activities	16,990,838	14,146,800
Capital financing activities	(3,257,902)	(1,346,145)
Investing activities	<u>278,176</u>	<u>193,628</u>
Increase (Decrease) in cash	1,627,435	(536,754)
Cash - beginning of year	<u>3,494,820</u>	<u>4,031,574</u>
Cash - end of year	<u>\$ 5,122,255</u>	<u>\$ 3,494,820</u>
Cash and cash equivalents	\$ 3,493,377	\$ 788,427
Restricted cash and cash equivalents	1,628,878	2,706,393
Total cash and investments	<u>\$ 5,122,255</u>	<u>\$ 3,494,820</u>



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Governance Communication Letter

Overall	Estimates	Difficulties	Other
<ul style="list-style-type: none">• Purpose is to provide an update on the audit since the planning meeting• No changes in scope of audit• No new accounting policies.	<ul style="list-style-type: none">• No significant estimates	<ul style="list-style-type: none">• No difficulties• No disagreements encountered• No other findings to report	<ul style="list-style-type: none">• Nothing significant to report



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GASB 101 Compensated Absences

CLA can help by assisting with or evaluating financial statement disclosure updates



Effective date
June 30, 2025



Updates recognition requirements around compensated absences
Follows a “more likely than not” threshold for recognition



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GASB 102 Certain Risk Disclosures

CLA can help by assisting with or evaluating financial statement disclosure updates

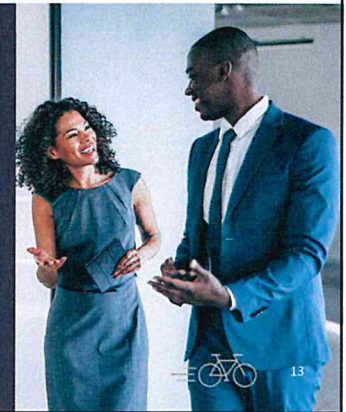


Effective date
June 30, 2025



Increased footnote disclosures surrounding risk:

- Limitations on raising revenues
- Concentrations related to tax revenue or vendors
- Debt or mandated spending — especially unfunded mandates
- Impact of major employer leaving the community
- Collective bargaining agreements



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Questions and Feedback

- We welcome any questions pertaining to the audit, governance communication letter or other matters related to the engagement.
- We appreciate the opportunity to serve as the auditors for Clatsop Community College and welcome any feedback relative to our performance.



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