

MENDOCINO-LAKE COMMUNITY COLLEGE DISTRICT
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES

A special meeting of the Mendocino-Lake Community College District Board of Trustees was convened on Wednesday, January 26, 2022 at Mendocino College, 1000 Hensley Creek Road, Ukiah, CA and also using ZOOM remote meeting technology.

GENERAL MATTERS

Call to Order Trustee Pinoli, Board President, called the special meeting to order at 4:00 PM.

<i>Board Members</i>	President	Robert Jason Pinoli	present
	Vice President	Marie L. Myers	present
	Clerk	Ed Nickerman	present
	Trustee	Xochilt Martinez	present
	Trustee	John Tomkins	present
	Trustee	TeMashio Anderson	absent
	Trustee	Noel O’Neill	present
	Student Trustee	Leonardo Rodriguez	arrived at 4:15 pm

Secretary Timothy Karas, Superintendent/President

Support Staff Mary Lamb, Executive Assistant to the Superintendent/President

Staff Representatives Eileen Cichocki, Assistant Superintendent/Vice President of Administrative Services (present)
Debra Polak, Vice President of Academic Affairs (present)
Ulises Velasco, Vice President of Student Services (present)
Nicole Marin, Director of Human Resources (present)

<i>Constituent Representatives</i>	Academic Senate	Catherine Indermill, President (present)
	Classified Senate	Isabel Lopez, President (present)
	Management Team	Janet Daugherty, President (present)

Agenda Approval M/S (Nickerman/Tomkins) to approve the agenda as presented. The matter was approved with the following vote:

Ayes	Myers, Martinez, Nickerman, O’Neill, Tomkins and Pinoli
Noes	None
Abstentions	None
Absent	Anderson
Advisory Vote	Rodriguez - absent

Public Comments • There were no comments from the public.

JOINT FOUNDATION BOARD AND BOARD OF TRUSTEES

Discussion Linda Chapman, President of the Mendocino College Foundation Board extended her appreciation to the Board of Trustees for the opportunity to meet

with them. Board President Pinoli expressed his thanks to the Foundation for their support of the college and our students.

Trustee Nickerman expressed his appreciation for the Foundation members being present.

Julie McGovern, Executive Director of the Foundation shared some of her experiences since coming to the college in January and expressed the energy she felt around the opening of the spring semester.

Superintendent/President Karas shared that beginning in July, it will be our 50th anniversary year which will give us many reasons to collaborate and celebrate as we move forward. It will also be an opportunity to highlight many things from our history and share those things with our community.

Channing Cornell a Foundation board member commented that the Foundation was formed many years ago as its own separate entity to support the college and its students. The Foundation came into existence in 1984. If the administration has anything in mind that the Foundation can help with, please let them know.

Trustee Pinoli commented on how nice the digital sign is that is located at the end of Hensley Creek Road.

Foundation President Chapman added the Emergency Access Road is a huge project that has been a collaboration through the Foundation and its member donations, as well as with the college administration.

Trustee O'Neill stated that he and his spouse are very happy with the Adopt-A-Fifth Grader program and how wonderful the program is. He thanked them for all their effort regarding this effort.

Trustee Martinez asked what the Trustees can do better on their end. She expressed a request for the trustees to receive a copy of the Foundation board meeting schedule.

Superintendent/President Karas stated he doesn't see a big gap between the Foundation Board priorities and the Board of Trustees priorities. The change in the Foundation emergency funding has been huge for the students and for the institution as a whole.

Trustee Pinoli expressed his request to the Foundation staff to not be bashful in asking for the money from the Trustees regarding their adopt-a-fifth-grader support. He added they can always reach out if they need something on an emergency basis.

Marilyn Harden from the Foundation Board stated she appreciates Superintendent/President Karas and his staff for all their support at the Foundation's various meetings.

Foundation Board member Barbara Rice added we can help them by telling our story whether it be about faculty members, students, or staff members. We need to work together to find ways to communicate the needs to those who can help.

Trustee Tomkins asked about obtaining more information on how students move through the Adopt-A-Fifth-Grader program. 7 years is a long time and any information shared on the recipients would be helpful. Foundation Assistant Fields informed the board there is some data we have gathered in this area, but outreach has been limited recently by COVID.

Foundation Board member Wilda Shock reminded everyone of the important role of the affiliate organizations play in supporting the students.

CONSENT AGENDA

M/S (Myers/Nickerman) Board of Trustees does hereby approve the Consent Agenda as presented. The consent agenda was approved with the following vote:

Ayes	Myers, O’Neill, Tomkins, Nickerman, Martinez and Pinoli
Noes	None
Abstentions	None
Absent	Anderson
Advisory Vote	Rodriguez - aye

Items with an asterisk * were approved by one motion as the Consent Agenda.

Other Items

Authorization for Remote Teleconference Meetings – Resolution 01-22-01

*RESOLVED, That the Mendocino-Lake Community College District Board of Trustees hereby adopt Resolution #01-22-01 and authorizes the continuation of virtual meetings pursuant to the conditions outlined in Assembly Bill 361 as presented.

INFORMATIONAL ITEM

Board Docs

An overview of Board Docs was provided by Superintendent/President Karas where he reviewed for the board some of the functionalities and capabilities of the software which will be implemented soon.

REVIEW OF THE COLLEGE BUDGET

Discussion

Assistant Superintendent/Vice President of Administrative Services Cichocki presented information on the college budget and the budget processes.

She began her presentation by stating the areas she would be covering today would include the following:

Quick review of the current year budget – 2021/22
Governor’s Budget for 2022-23
History of the COLA and how it is spent

Multi-year Scenarios
Reserves
Budget Parameters

She included an annual budget calendar which incorporates both the State and the College budget dates.

Sources used to garner information when developing the budget include the Community College of California Chancellor's Office, the Community College League of California, the Legislative Analyst's Office, the Association of California Community College Administrators, the Association of Chief Business Officials, and the California Department of Finance.

Current Year Budget

The current year budget is what the board adopted for the 2021-22 year. This review will only cover the Unrestricted General Fund which is our main operational fund.

This year, we anticipate receiving \$27,183,385 in revenue and our beginning fund balance was 9,526,540. The largest revenue line is our income from apportionment. The State portion comes from the State and the local portion comes from property taxes in Lake and Mendocino County.

Under expenditures, included under certificated salaries and wages is faculty and educational administrators. Classified salaries and wages includes classified staff and classified administrators.

Currently, we are projecting to end the year with just over 8,057,242 in reserves.

Governor's Budget

The Governor's budget is very preliminary. The economy of California is continuing to be very robust with projected income continuing to be more than anticipated.

Items in Governor's budget at this point includes a 5.33% Cost of Living Allowance (COLA) on the Student-Centered Funding Formula (SCFF). This number will be revised and there is no guarantee until it is actually funded. This COLA is also being applied to many of our categorical programs which is very good news but currently excluded is the Student Equity and Achievement (SEA) program.

There are 30-35 different initiatives included in the proposed budget which include funding for retention and enrollment strategies. Also included at this time is funding for technology and cyber security.

Mendocino College is still protected under hold harmless for this fiscal year. The Governor's budget proposes making a new "floor" in the 2024/25 year below which funding would not drop. However, under this new version, colleges would no longer automatically receive COLA going forward.

All of the Governor's proposed budget will still need to go through the Legislative process until the State has an Enacted Budget in June 2022.

History of COLA Revenue

Statutory COLA based on State and Local Governments across the nation and not the Consumer Price Index (CPI).

The COLA comes to the college as part of our apportionment. This year, we received an additional \$662,181 (1.70%) in COLA revenue which was \$416,929 in statutory COLA and \$245,252 (1%) in additional "catch-up" COLA monies. Even with the "catch-up" funds, we are still down 14.72% between what was due from the state and what was actually received from 2007/08 through 2021/22.

When reviewing where those funds were expended, we can see 164% of the COLA amount received were expensed to a 2% salary increase to employees, step and longevity increases, health benefit, PERS and STRS rate increases, and new positions. If we include other additional expenses including an increase to our legal rates, IT maintenance agreements, property and liability insurance increases and MCOE charges, we can see that expenditures increased \$517,514 more than the revenue generated from the COLA.

Pension costs over the last 6 years equates to a total of \$1.5 million - \$858,000 in PERS rates and \$638,000 in STRS rates.

Our sign language interpreting costs are very fluid as we never really know how many students will need the service. In 2019/20, the District paid \$342,119 in sign language interpreting costs versus \$158,400 in 2016/17.

Multi-year scenarios

The multi-year scenarios are based on the 2021/22 working budget and runs through the 2025/26 year.

The revenue assumption used includes adding a COLA on apportionment per the Department of Finance estimates. These estimates are not given and the actual calculations are done the May before each fiscal year and depends on funding from the State.

Expenditure assumptions include step and longevity increases for each year, PERS and STRS rate increases through 2024/25, and continuing costs in facilities and IT (after HEERF funding is spent) for filters, software and hotspots.

Not included items include future collective bargaining agreements, new staffing, changes in health care costs, changes in interpreting costs, and changes to the cost of the schedule (number of sections offered).

The bottom line is the reserves stay between 25-27% of expenditures.

2025/26 is a critical year in terms of revenue. Without additional hold-harmless, we hit the fiscal cliff with a \$4.6 million loss of revenue, dropping our reserve to 11%.

Reserves

If the new hold-harmless floor for apportionment in place at the 2024/25 level, we would return to a 27% reserve level.

Historically, over the last six years the reserves have run between 24% and 39% with the lowest year being 2019/20 and the highest being in 2020/21.

Reserves are a key indicator of the fiscal health of the institution. We keep reserves for five main reasons – to manage cash flow, to mitigate volatility in funding and expenditures; to address unexpected costs, to save for large purchases, and to reduce costs when borrowing money.

Currently, we are using reserves to help pay for the costs incurred with the Emergency Access Road (\$900,000) and the Battery Energy Storage System (\$750,000).

Budget Parameters

The Board approved the 2021/22 District Priorities at their October 2021 meeting which included:

- Demonstrate purposeful allocation of resources, make strategic investments in technology, infrastructure, facilities and strengthen sustainable and resilient practices to create a supportive and collaborative 21st Century learning environment.

ACTION ITEMS

*Board of Trustees
Budget Parameters
for District 2022-
2023 Budgets*

After reviewing the information and discussion, the board took the following action:

M/S (Myers/Martinez) that the Mendocino-Lake Community College District Board of Trustees does hereby adopt the 2022/2023 Budget Parameters as presented with the following vote:

Ayes	Myers, O’Neill, Tomkins, Nickerman, Martinez and Pinoli
Noes	None
Abstentions	None
Absent	Anderson
Advisory Vote	Rodriguez - abstain

Adjournment

With agenda business concluded, Board President Pinoli declared the meeting adjourned at 5:30 PM.

Submitted by:

Timothy Karas, Superintendent/President
Secretary, Board of Trustees