

**SHORELINE COMMUNITY COLLEGE
BOARD OF TRUSTEES
SPECIAL MEETING OF MAY 22, 2019**

3:00 PM Study Session – Room 2120 (“Automotive Showroom”), Bldg 2100

4:00 PM Special Session – Room 2120 (“Automotive Showroom”), Bldg 2100

A G E N D A

3:00 PM – STUDY SESSION: ROOM 2120 (“AUTOMOTIVE SHOWROOM”) ▪ BLDG 2100			
NO.	AGENDA ITEM	RESPONSIBILITY	TAB
	2019-2020 Services & Activities (S&A) Budget	<i>Marisa Herrera & Sundi Musnicki</i>	
4:00 PM – SPECIAL SESSION: ROOM 2120 (“AUTOMOTIVE SHOWROOM”) ▪ BLDG 2100			
NO.	AGENDA ITEM	RESPONSIBILITY	TAB
1.	Convene Meeting	<i>Clara Pellham</i>	
2.	Report: Chair, Board of Trustees	<i>Clara Pellham</i>	
3.	Consent Agenda a. Approval of Previous Meeting Minutes ▪ Regular Meeting of April 24, 2019	<i>Clara Pellham & Trustees</i>	
4.	Communication from the Public	<i>Clara Pellham</i>	
5.	First Reading: Proposed College Budget for FY 2019–2020	<i>Bill Saraceno & Satoko Prigmore</i>	
6.	College Update(s) <ul style="list-style-type: none"> • All-Washington Academic Team Members • Program Navigation Project 	<i>Terry Taylor Martha Lynn</i>	
7.	Report: Shoreline President	<i>Cheryl Roberts</i>	
8.	Constituent Report: Shoreline Faculty	<i>DuValle Daniel</i>	
9.	Constituent Report: Shoreline Classified Staff	<i>Paul Fernandez</i>	
10.	Constituent Report: Shoreline Associated Student Government	<i>Denish Oleke</i>	
11.	Report: Closing Remarks – Board of Trustees	<i>Trustees</i>	
12.	Executive Session <ul style="list-style-type: none"> • To review the performance of a public employee • To discuss with legal counsel matters in litigation or matters of potential litigation • To discuss strategies and/or positions to be taken in labor proceedings 	<i>Clara Pellham</i>	
13.	Action: Adjournment	<i>Clara Pellham</i>	

MINUTES

STUDY SESSION

Chair Clara Pellham called the study session of the Board of Trustees of Shoreline Community College District Number Seven to order at 3:02 PM in room 2120, located in building 2100 at Shoreline Community College. A quorum of the Board was present.

Facilities, Capital Projects & Grounds

Director Jason Francois provided an overview of Facilities and Capital Projects: purpose; key areas of responsibility; and “who we serve.”

Safety & Security

Director Edwin Lucero provided an overview of Safety, Security & Emergency Management: “who we serve”; purpose; key areas of responsibility; 2018 statistics; and community relationships – on and off campus.

The Trustees recessed until 4:30 PM.

CONVENE IN SPECIAL SESSION

Chair Clara Pellham called the special meeting of the Board of Trustees of Shoreline Community College District Number Seven to order at 4:31 PM in room 2120, located in building 2100 at Shoreline Community College. A quorum of the Board was present.

MEMBERS PRESENT

Trustees Catherine D’Ambrosio, Douglass Jackson, Tom Lux, Clara Pellham, and Gidget Terpstra were present.

Assistant Attorney General (AAG) John Clark represented the Office of the Attorney General.

REPORT: CHAIR, BOARD OF TRUSTEES

Chair Pellham read *Board Chair Report for April 24, 2019 Meeting*. (Report attached.)

CONSENT AGENDA

Chair Pellham asked the Board to consider approval of the consent agenda. On the agenda for approval:

- a. Minutes from the regular meeting of March 20, 2019 and the special meeting of March 26, 2019
- b. Two-Year College Calendar

Motion 19:18: Motion made by Trustee Jackson to approve the consent agenda.

Motion seconded by Trustee Terpstra, followed by all Trustees in favor of the motion.

COMMUNICATION FROM THE PUBLIC

Professor Steven Bogart read statement. (Statement attached.)

Student Rachel Lough shared that Shoreline Community College has changed her outlook on education (“so grateful for the opportunity”) and that she currently has a GPA of 3.78.

Student Mashaal Shameem commended faculty and staff and shared what she has gained from being a student in The Honors College, as well as from her work in The Writing & Learning Studio. She noted that she currently has a GPA of 3.9.

REPORT: GENERAL BUDGET & FISCAL UPDATE

Interim Chief Financial Officer Bill Saraceno (via telephone) went over a slide presentation entitled *Shoreline Community College Budget Overview*. (Presentation attached.)

President Roberts went over a document entitled *Board & CEO Checks and Balances*. (Document attached.)

ACTION: BOARD OF TRUSTEES 2020 REGULAR MEETING SCHEDULE

Secretary to the Board of Trustees Lori Yonemitsu noted a correction to tab 2 (Board of Trustees 2020 Regular Meeting Schedule): the date of the December 2020 regular meeting is December 2, 2020, not December 2, 2019.

Motion 19:19: Motion made by Trustee Lux to approve the Board of Trustees 2020 regular meeting schedule.

Motion seconded by Trustee Jackson, followed by all Trustees in favor of the motion.

COLLEGE UPDATE(S)

DECA

Shoreline's Collegiate DECA (Delta Epsilon Chi) Faculty Advisor Kyle Winslow provided an overview of the student organization and the team's achievements at the Washington state competition where Shoreline was the only community college represented, competing against teams from 4-year institutions. Students spoke about the events she/he/they competed in, her/his/their experiences, and the gains (e.g. team work; real world application) from the competition and from being a member of DECA.

Skills USA Competition

Toyota T-TEN Faculty member Jeff Cromwell provided an overview of SkillsUSA and shared that four Shoreline students placed first, third, fourth, and fifth in the SkillsUSA Washington competition—with student Caleb Bagwell qualifying to compete in the SkillsUSA national competition.

College Spark Community Grant

Professor Shana Calaway and Director Lisa Malik shared information on the *co-req project* in Math and the receipt of a grant from College Spark Washington to support expansion of the project.

REPORT: SHORELINE PRESIDENT

President Roberts distributed the *President's College & Community Engagement* report (March 21 – April 24, 2019) and provided updates related to the student residence hall, frontage improvement work, and ctcLink.

President Roberts thanked SCCFT President DuValle Daniel for her words at the April 23 Campus Budget Conversation and conveyed that she tends to trust but also needs to verify. "I let you down and publicly apologize to all for putting us in this position. I am going to do better and want to have deeper trust and more conversations in the future."

CONSTITUENT REPORT: SHORELINE FACULTY

SCCFT President DuValle Daniel read the Federation President's report. (Report attached.)

CONSTITUENT REPORT: SHORELINE CLASSIFIED

WFSE Steward Ric Doike-Foreman shared that the Classified Staff has the same concerns as the Faculty. He added that Classified Staff feels under-appreciated and wants to be more involved.

CONSTITUENT REPORT: SHORELINE ASSOCIATED STUDENT GOVERNMENT

ASG President Denish Oleke spoke about recent (Earth Week) and upcoming (Amazing Race; Sunfest; Club Awards) events. He added that the Services & Activities (S&A) Committee has received proposals for funding totaling \$1.6 million and noted that the video he shared at the March 20 Board of Trustees meeting, is used as a tool to educate students regarding the utilization of the S&A fee.

REPORT: CLOSING REMARKS – BOARD OF TRUSTEES

Trustee D’Ambrosio expressed appreciation to Mr. Doike-Foreman for providing the report on behalf of the Classified Staff.

Trustee Jackson expressed appreciation for the reports. “We have learned a lot and need to ensure that the information we have, is accurate.”

Trustee Lux shared that April 28 is Workers’ Remembrance Day.

Chair Pellham thanked the presenters and students.

EXECUTIVE SESSION

At 6:13 PM, Chair Pellham announced that the Board would convene in executive session for twenty minutes to discuss with legal counsel matters in litigation and matters of potential litigation and would reconvene in open session following the executive session to adjourn.

The Executive Session commenced at 6:22 PM.

At 6:42 PM, Secretary to the Board of Trustees Lori Yonemitsu announced that the Board would extend its executive session by fifteen minutes.

At 6:57 PM, Secretary to the Board of Trustees Lori Yonemitsu announced that the Board would extend its executive session by five minutes.

At 7:02 PM, Secretary to the Board of Trustees Lori Yonemitsu announced that the Board would extend its executive session by two minutes.

At 7:04 PM, Secretary to the Board of Trustees Lori Yonemitsu announced that the Board would extend its executive session by two minutes.

SHORELINE COMMUNITY COLLEGE
DISTRICT NUMBER SEVEN
BOARD OF TRUSTEES
SPECIAL MEETING OF APRIL 24, 2019

ADJOURNMENT

Motion 19:20: Motion made by Trustee Lux to adjourn the special meeting of April 24, 2019.

Motion seconded by Trustee D'Ambrosio, followed by all Trustees in favor of the motion.

Chair Pellham adjourned the meeting at 7:10 PM.

Signed _____
Clara Pellham, Chair

Attest: May 22, 2019

Lori Y. Yonemitsu, Secretary

BOARD CHAIR REPORT FOR APRIL 24, 2019 MEETING

President Roberts has been working closely with Interim Chief Financial Officer Bill Saraceno since mid-March. Under the leadership of Interim Chief Financial Officer Saraceno, considerable work has transpired to address the concerns regarding the College's budget identified by President Roberts, College leadership and SCCFT President Daniel. Mr. Saraceno has held meetings with the Board of Trustees, Executive Team, Dean Team, Facilities leadership, Capital construction, Technology Support Services, Budget, and Financial Services, as well the SCCFT leadership.

The following work has been started or completed in the past month:

- Developing an inclusive budget development process to ensure we have a balanced budget over the next 12 months.
- Working on implementation planning for ctLink.
- Establishing fully audited, annual financial statements going forward.
- Providing opportunities to managers and employees to understand more clearly the budget and budgeting process going forward.
- Working to add financial dashboards containing budget information that can be widely shared with the entire College on a daily basis.
- Reviewed all capital projects and cash flow.
- Engaged Clifton Larsen Allen (CLA), a certified public accounting firm, to prepare financial statements for the years 2015-16, 2016-17, and 2017-18.

Thank you to President Roberts for supporting last week's WalkOUT/TeachIN. Your support helped faculty feel more comfortable participating, increasing turnout and strengthening our message about increasing community college funding. I appreciate your willingness to work with faculty to make this event successful.

Thank you to President Daniel for your repeated questioning of the college's financial statements and procedures. After yesterday's budget meeting, I think the campus community understands the validity of the concerns you've been expressing for years.

Thank you to the Board of Trustees for granting me a sabbatical for the 2017-18 academic year. I spent a lot of time updating my data science and statistics skills by working with Tableau visualization software and the R programming language. I'll present some of what I did at the Washington College Mathematics Conference next week. My knowledge of R has been important this year in discussions with UW about transferability of one of our statistics classes because the relevant UW class now uses R.

I submitted a sabbatical report in the fall but I'll send it to Lori tomorrow in case you didn't receive a copy. The report has links to some of my projects.

Steven Bogart
Professor of Mathematics
April 24, 2019

Shoreline Community College

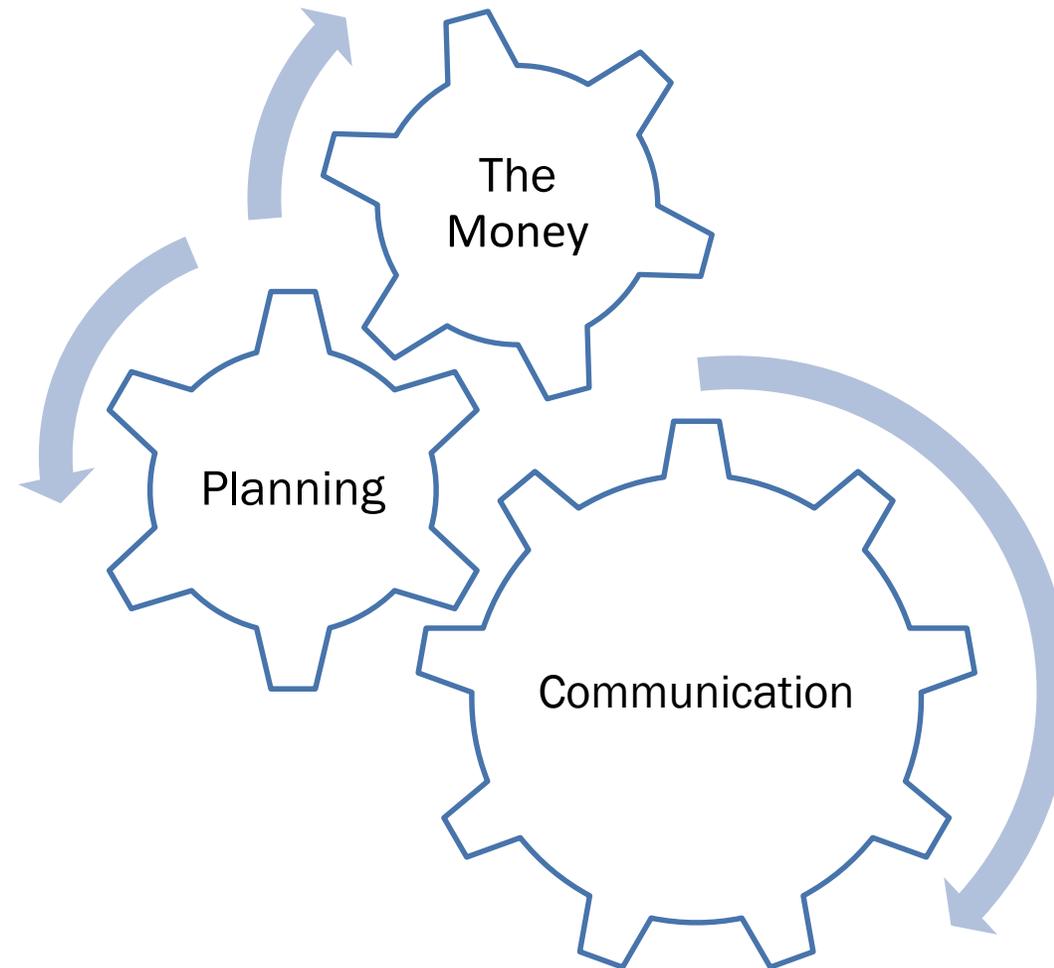
Budget Overview



Overview

- **Financial Wellness**
 - A request from our Faculty Union
 - Clifton, Larsen and Allen CPA 2015-16, 2016-17, 2017-18 financial statements
- **Accreditation Standards**
- **Key Relationships in Budget Balancing and Oversight**
- **Approaches to Budgeting**

Components of Financial Wellness



Communication

**Who understands the budget and finances
for your college?**

**The more people who understand how it all
works, the healthier the organization.**

Operating Budget Equation

**Listening x (Participation + Reporting)
= Integrity = Peace**

Key Relationships in Budget Balancing and Oversight

- 1. Main Focus: The General Fund**
- 2. Allocation/Base Enrollment**
- 3. Types of Enrollment**
- 4. Faculty: A Major Part of the Equation**
- 5. Don't forget Student Success:**
 - Student Achievement Initiatives**
 - Retention and recruitment**
- 6. College Strengths:**
 - 1. International Education**
 - 2. Foundation**
 - 3. Grants and Contracts**
 - 4. Running Start**
- 7. Oversight and Communication is important**

Board Reserves vs. Cash Balances

- An absolute minimum would be \$3,750,000
 - Covers one month's payroll
- Target Operating Cash should be approximately \$22,500,000
 - Represents 6 months of cash to operate, pay bills and Payroll
- At present we have approximately \$12,000,000
 - Represents 3.2 months of cash

Board Reserves vs. Cash Balances

- Board Reserve is set in the Board Policy (4.1 to 4.8) as 5% to 8% of annual operating budget surplus is placed into a Board controlled reserve account(s)
- Previously it was reported that the reserve was approximately \$14,700,000
 - This number has now been found to be incorrect
 - Correct number is \$10, 237,369
- However, our total cash balance is unchanged at \$22,800,000

Actual Board Reserve Funds

BOT Reserve funds year to date March 12, 2019

RBOT RESERVE BOARD TRUSTE 1110	643,284.00		
RCAP RESERVE CAPITAL FUND 1110	1,500,000.00		
RGFB RESERVE GEN FUND BAL 1110	4,258,576.00		
RINO RESERVE INNO& OPP 1110	2,000,000.00		
RTUI RESERVE TUITION CONT 1110	1,835,509.00	Total	\$10,237,369

Past 3 Years' Expenditures

- **Cash balances have been decreasing for several reasons:**
 - **Increases in Faculty compensation funded through local funds**
 - **Resident and International enrollment decreases**
 - **State average for Instructional expenses is 47% of budget. At Shoreline, Instructional expenses are 54% of budget**
- **There is danger in using unstable funded sources (Cash balances) to pay for fixed costs (Compensation) in our budget**
- **Cash balances will continue to fall unless we address and stabilize our revenue stream and align our expenditures to realistic revenue generation**

Past 3 Years' Expenditures

Past 3 Years Expenditure by Program Index

Revised 4/10/2019

Program Index	FY1516	%	FY1617	%	FY1718	%	FY1819	%	SBCTC FY1516 Average	SBCTC FY1718 Average
01x - Instruction	21,057,163	49%	22,067,990	51%	24,497,841	53%	16,994,840	54%	47%	46%
04x - Instructional Support	2,295,821	5%	2,231,836	5%	2,278,460	5%	1,899,257	6%	8%	8%
05x - Library Operation	1,391,767	3%	1,509,560	3%	1,618,538	4%	1,017,569	3%	3%	3%
06x - Student Services	7,036,317	16%	4,675,756	11%	4,878,211	11%	3,556,683	11%	13%	13%
08x - Institutional Support	6,830,815	16%	8,225,373	19%	8,476,814	18%	4,905,637	16%	18%	18%
09x - Plant Operation & Maintenance	4,478,802	10%	4,765,124	11%	4,456,547	10%	2,955,244	9%	11%	12%
Total Expenditure	43,090,685	100%	43,475,637	100%	46,206,411	100%	31,329,230	100%	100%	100%

04X= all support accounts for Instruction, examples would be Distance E-Learning, Instructional Deans, sabbatical accounts, professional development account etc.

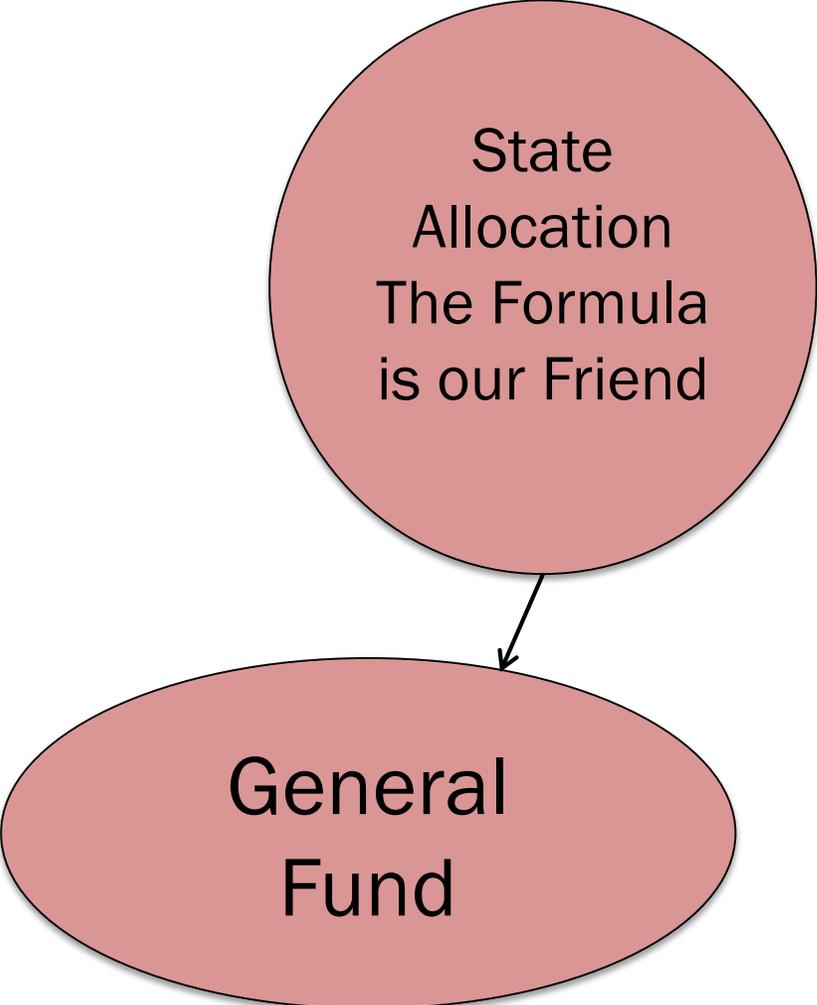
08X= President's Office, Administrative Services, Purchasing, Business Office, Payroll, Human Resources, Mail Services, Marketing. It includes both exempt and classified staff, full and part-time.

FY1819 - as of 4/10/2019

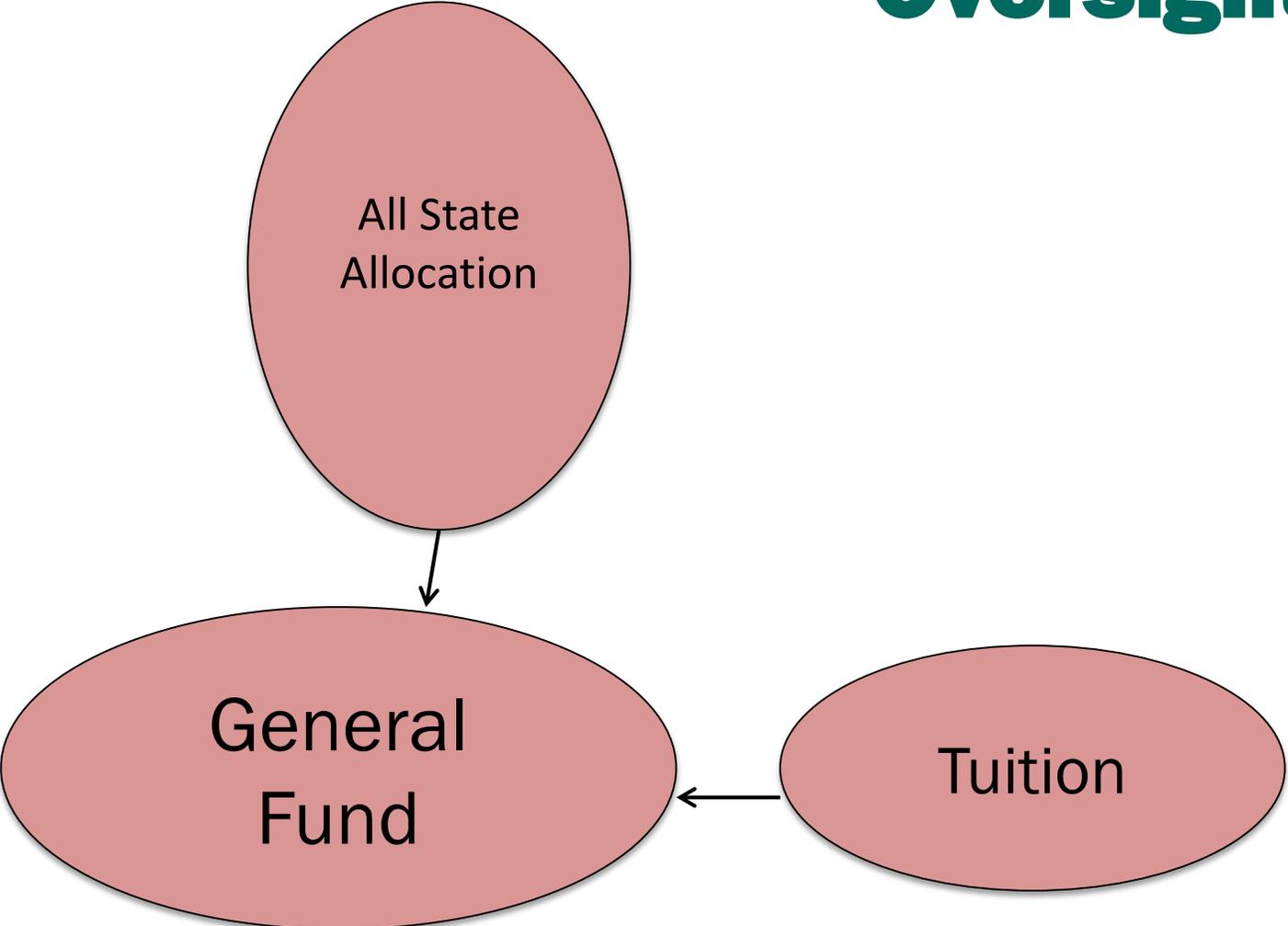
Key Relationships in Budget Balancing and Oversight



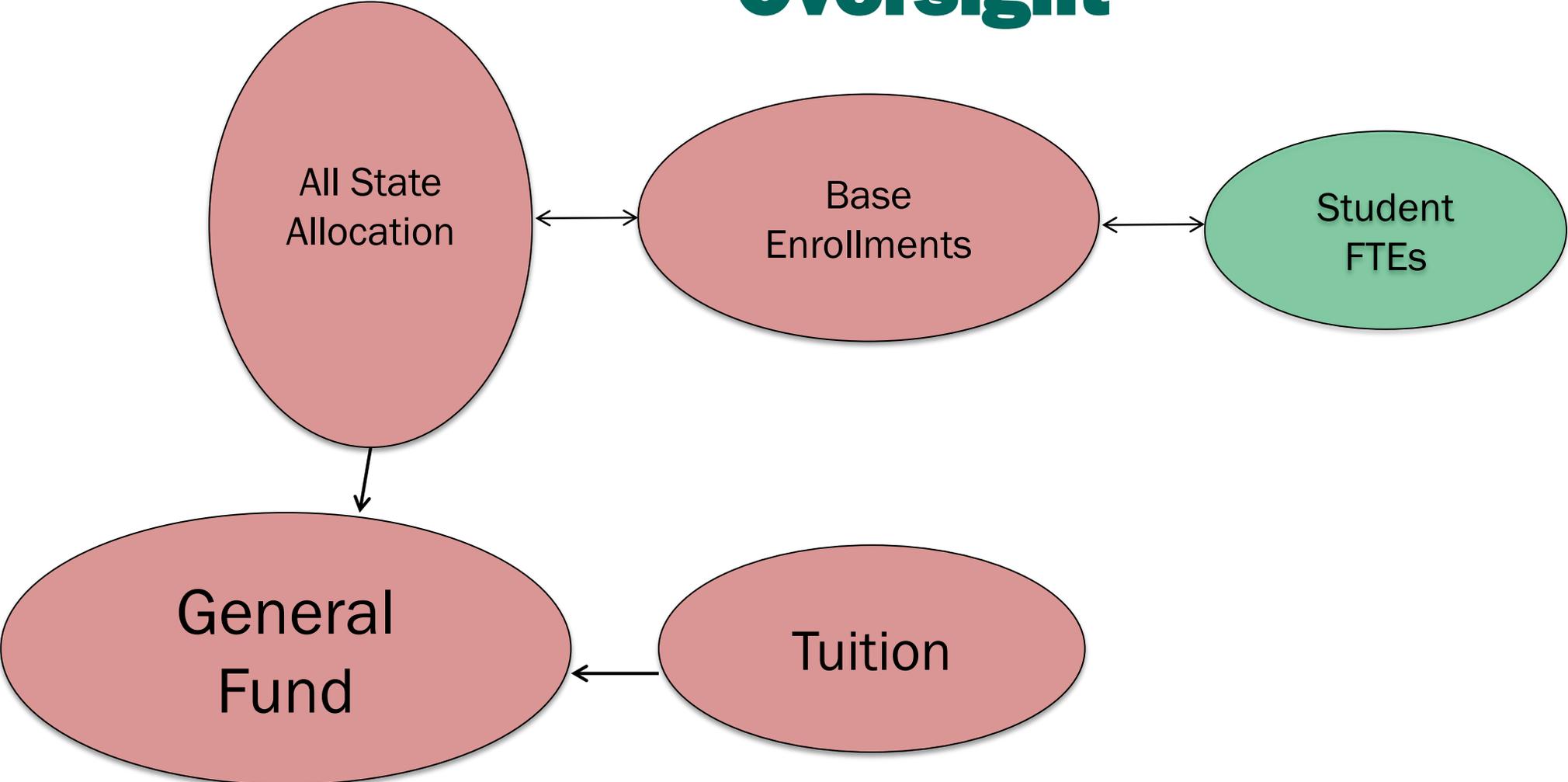
Key Relationships in Budget Balancing and Oversight



Key Relationships in Budget Balancing and Oversight



Key Relationships in Budget Balancing and Oversight



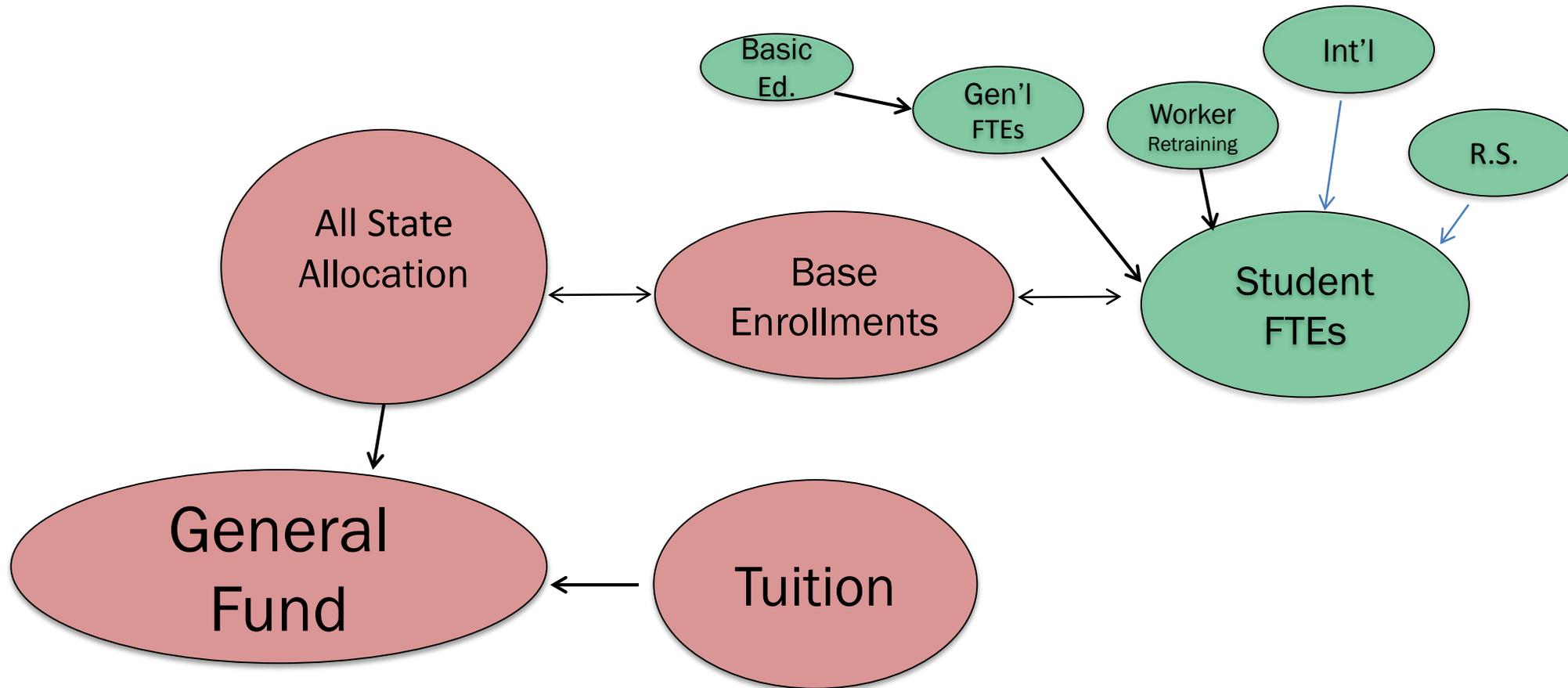
What Does FTE Mean?

A Full-Time Equivalent (FTE) is not an FTE (Explanation) rounded numbers

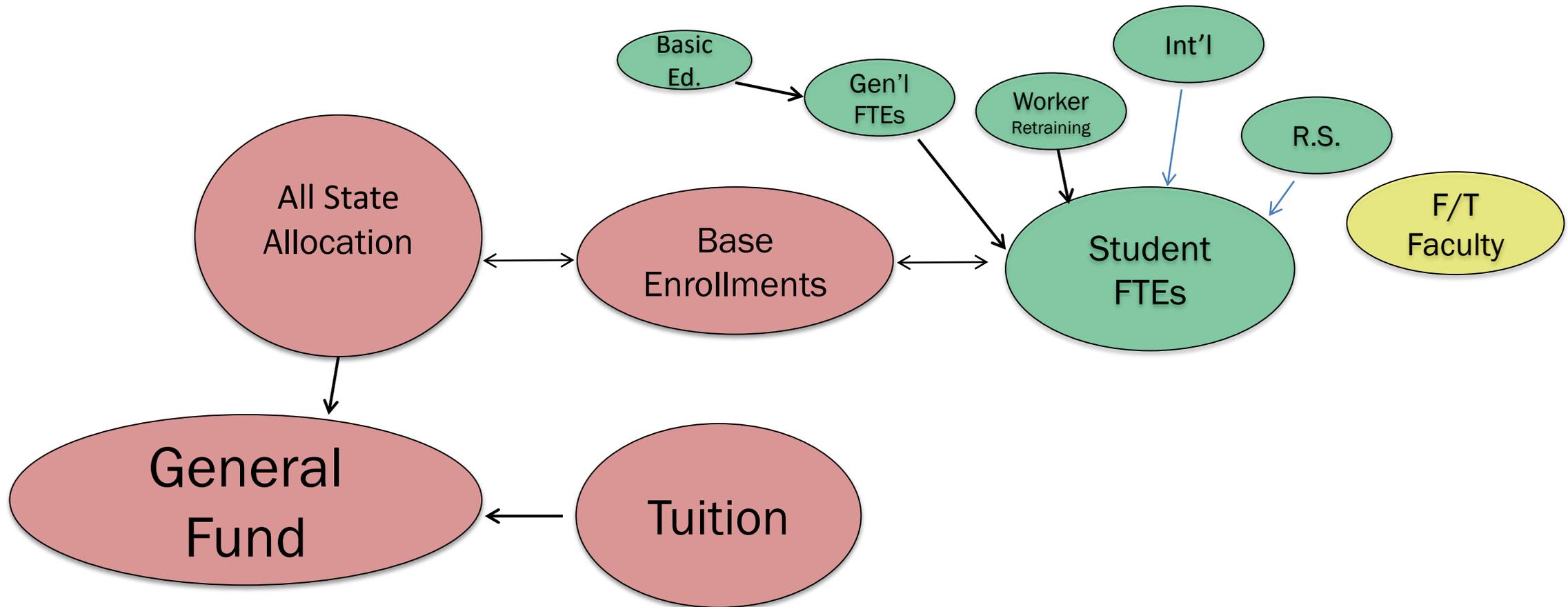
	Tuition	State Support	Contract
State Supported	\$4,000	\$4,000	N/A
SS Basic Skills (130%)	Minimal	\$5,200	N/A
International	\$9,000	N/A	N/A
Running Start	N/A	N/A	\$6,700

- We are a comprehensive Community College
- Understanding the three-legged stool of funding

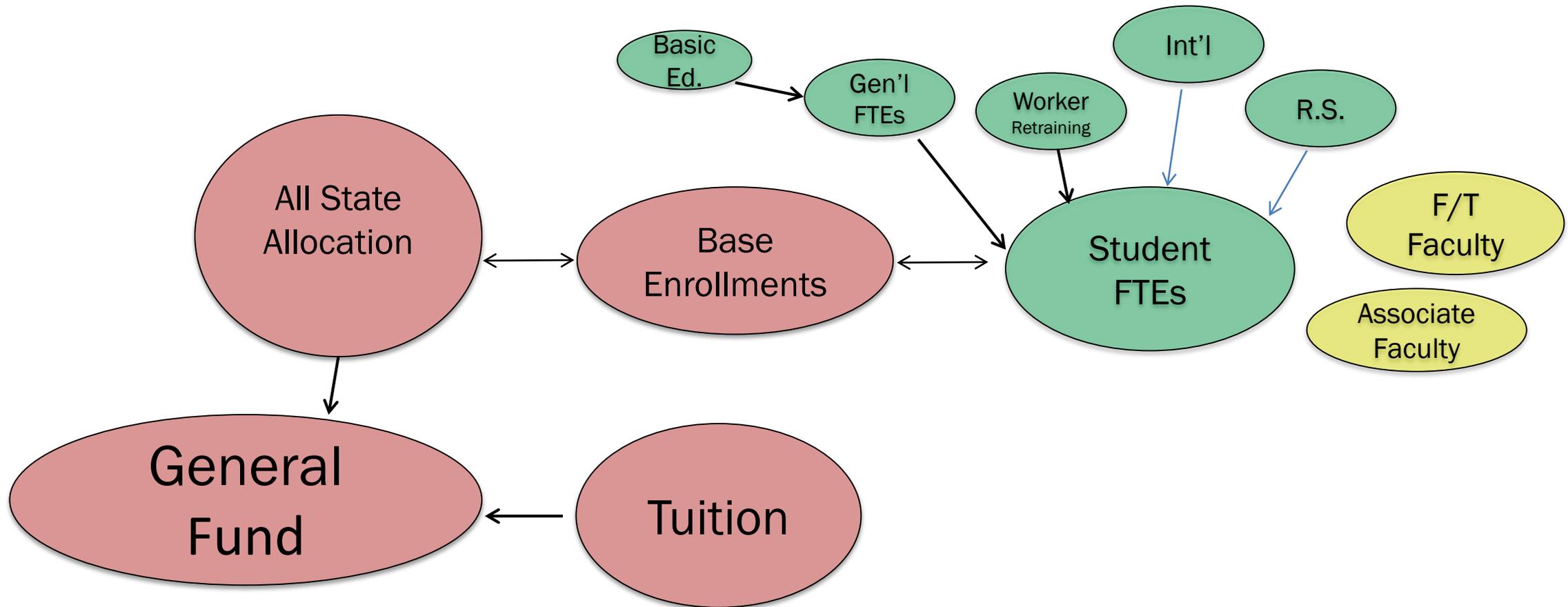
Key Relationships in Budget Balancing and Oversight



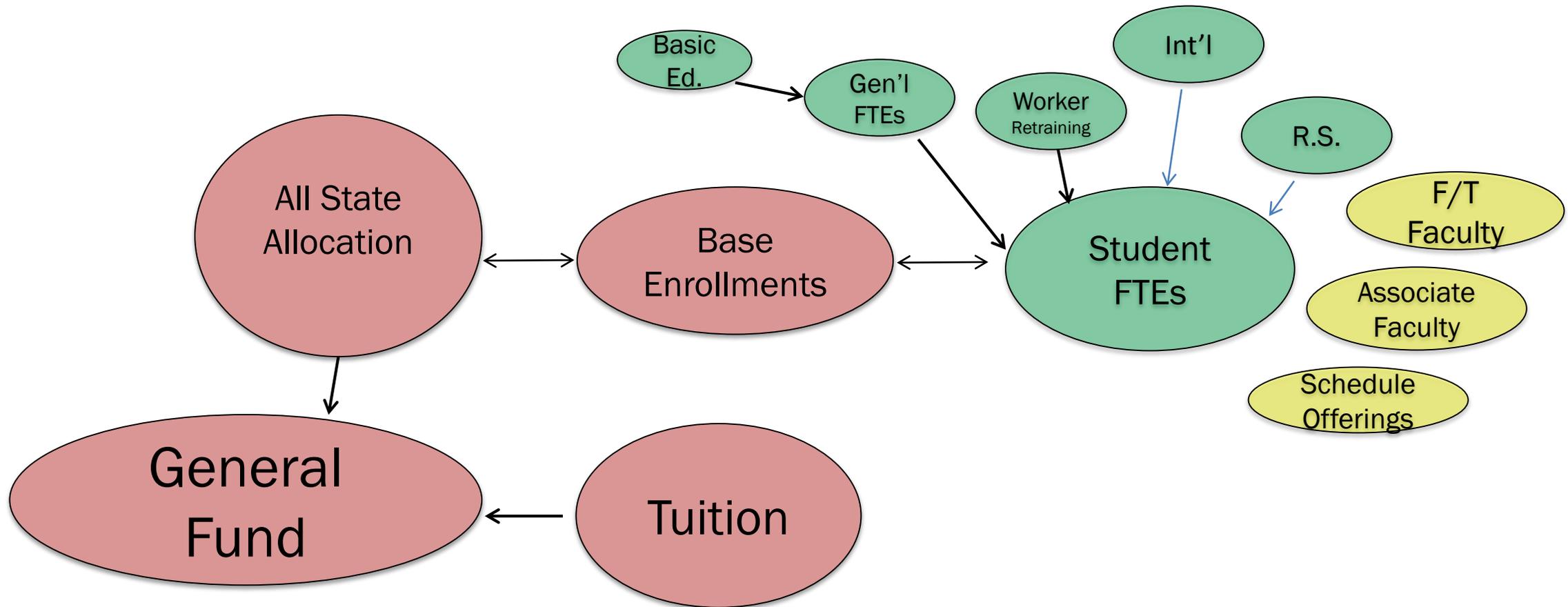
Key Relationships in Budget Balancing and Oversight



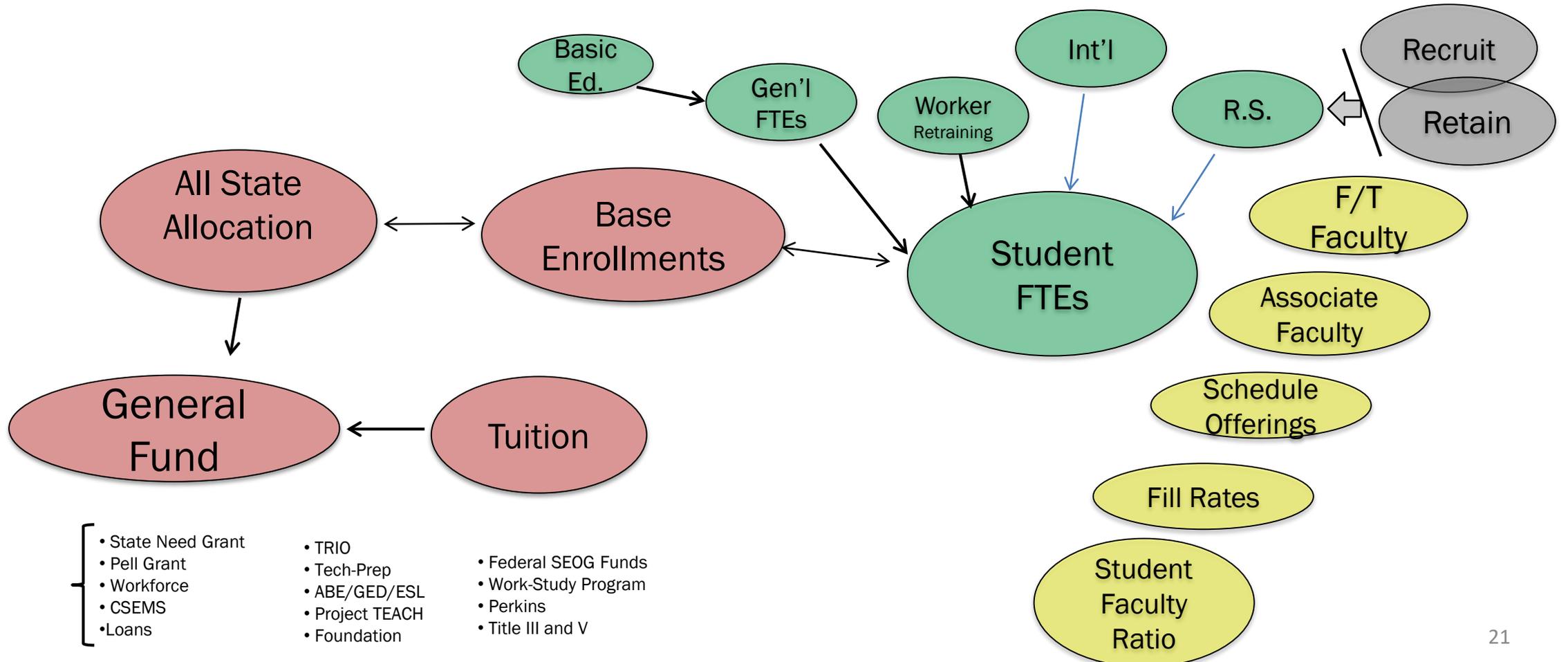
Key Relationships in Budget Balancing and Oversight



Key Relationships in Budget Balancing and Oversight



Key Relationships in Budget Balancing and Oversight



Explanation of Different Funds and Their Restricted Use

- 101 State Funding from Allocation Model used for general operations of the college**
- 147 Local capital funds only for use in capital repair and construction**
- 148 Student Fees used by instructional budgets that generate the revenue**
- 145 Grants and contract funds - International, Running Start, Federal Grant Funds and general contracts. These funds are used for mostly general and one-time expenditures.**
- 149 Tuition Revenue – used for general operations and payroll of the college**
- 522 S&A Fee only used for student activities and/or debt service for student projects**
- 524 Bookstore funds for operating the Bookstore**

Reductions in Our Operating Cash for 17-18

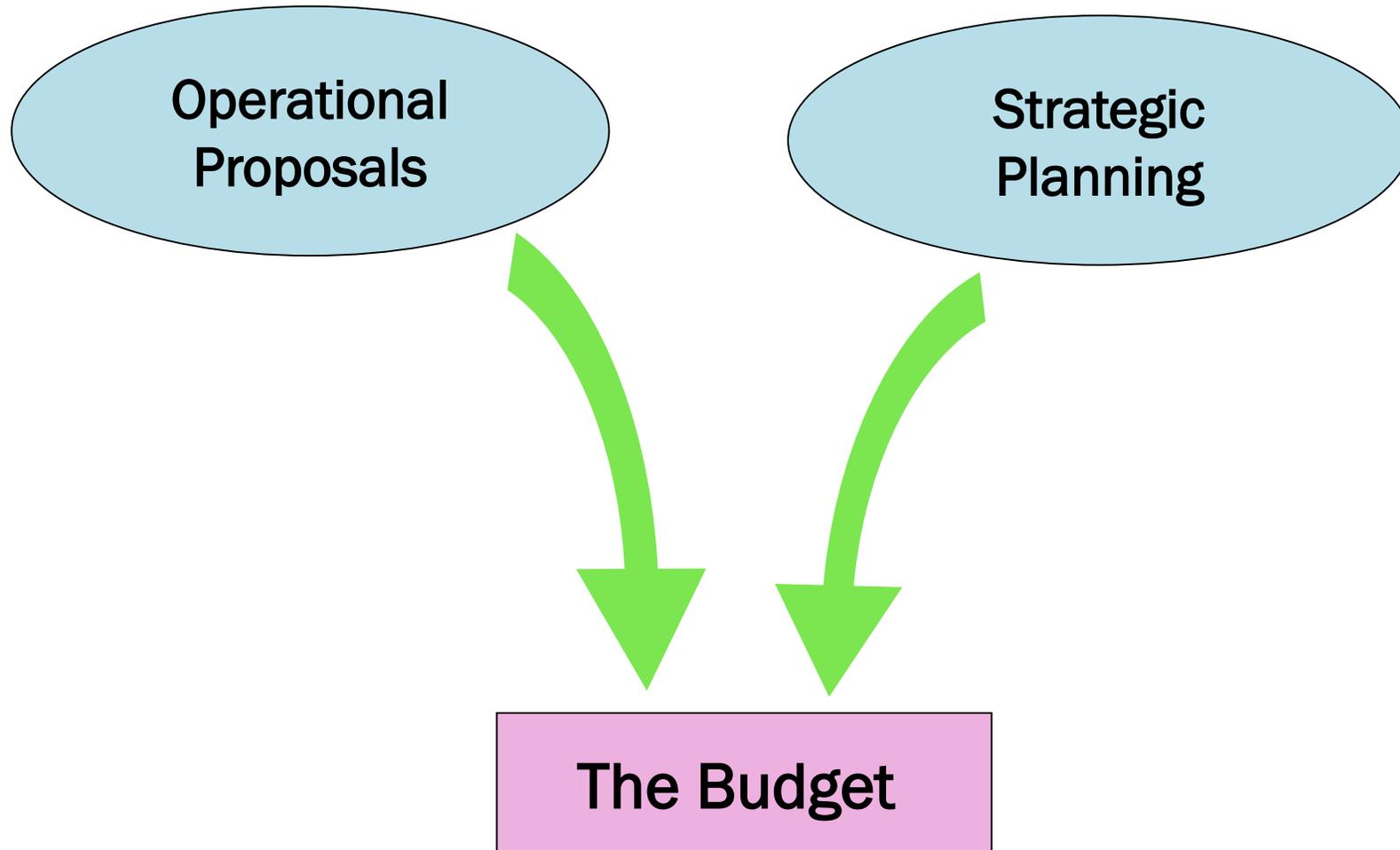
Significant Expenditure/Operations in Deficit	
Items	Amount
Student Housing Pre-Architectural Expenses	2,033,000.00
Housing Construction Expenses reimbursed in new fiscal year	178,353.63
Faculty Retroactive Pay (Ax99)	859,728.00
Benefit Based on Retroactive Pay	146,153.76
\$400 PTF Training (AH7x)	125,000.00
Benefit Based on PTF Training	21,250.00
Office of Advancement & Capital Campaign (FY1718 only)	270,663.00
Institutional Financial Aid Overspent	432,783.00
Bookstore Deficit	167,292.00
Parking Operations Deficit	221,398.00
Room Rental Deficit	134,526.83
(COLA/Step Increase/Minimum Wage Increase) - 35% College portion	519,420.00
Benefit based on COLA /Step Increase)	88,301.43
TOTAL	5,197,869.65

Approaches to Budgeting

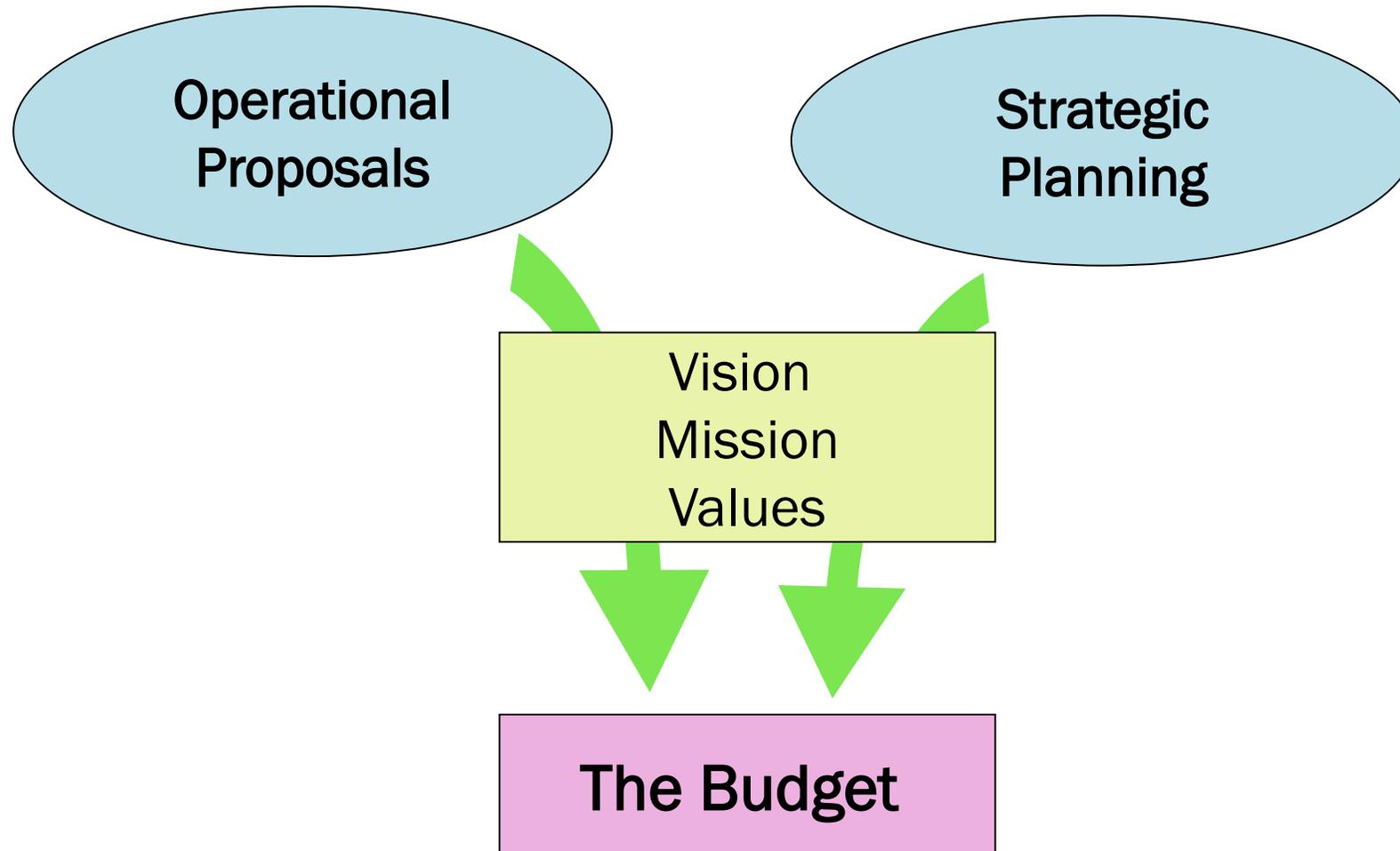
**Operational
Proposals**

**Strategic
Planning**

Approaches to Budgeting



Approaches to Budgeting



Informational Dashboard

BOT Expenses and Revenues Report (BOT_EXP_REV)

Row Type	SO	State	Local Fees	Local Tuition	Contracts	S & A	TOTAL
Revenue							
TOTAL Revenue		23,309,396.00	3,466,759.05	7,172,932.97	7,890,510.52	1,417,987.80	43,257,586.34
Expense							
Salaries & Wages	A	10,998,537.52	1,244,751.37	9,268,781.53	336,340.34	418,901.54	22,267,312.30
Benefits	B	3,732,595.32	486,804.35	3,297,197.87	146,453.01	58,969.78	7,722,020.33
Personal Services Contracts	C	0.00	56,533.11	129,737.12	0.00	8,600.00	194,870.23
Goods & Services	E	1,066,028.59	546,122.97	2,176,528.69	10,986.87	220,041.21	4,019,708.33
Cost of Goods Sold	F	0.00	0.00	0.00	0.00	0.00	0.00
Travel	G	3,549.16	9,224.46	165,757.58	429.46	65,056.98	244,017.64
Capital Outlays	J	9,308.20	0.00	79,942.47	0.00	148.18	89,398.85
Software	K	9,379.64	289,445.70	57,640.10	0.00	1,532.60	357,998.04
Grants Benefits & Client Svcs	N	33,625.29	54,206.72	0.00	95,091.92	0.00	182,923.93
Debt Services	P	0.00	0.00	58,613.55	0.00	113,177.25	171,790.80
Interagency Reimbursements	S	(163,545.58)	(16,245.60)	0.00	0.00	0.00	(179,791.18)
Intraagency Reimbursements	T	549,226.59	(116,989.23)	(8,875,692.95)	6,487,365.50	105,000.00	(1,851,090.09)
TOTAL Expense		16,238,704.73	2,553,853.85	6,358,505.96	7,076,667.10	991,427.54	33,219,159.18
NET RESOURCES		7,070,691.27	912,905.20	814,427.01	813,843.42	426,560.26	10,038,427.16

Board & CEO

Checks and Balances

- Independently prepared Financial Statements
- Fully Audited Financial Statements
- Bank prepared Monthly Bank Statements
- FMS Query prepared Dashboards
 - At least quarterly budget updates
- Trust but Verify

April 24, 2019

Tonight, I want to address the budget, its impact on our bargaining, accountability and lack thereof.

I no longer have to convince you that there is a problem because you now see it for yourself.

What I do want to say is this:

What has brought us to this place is gross incompetence, negligence, lack of oversight and lack of due diligence on behalf of the Board and this Administration.

What this results in is the College is coming to the bargaining team refusing to bargain salary increases, saying that we don't know what our financial status is and therefore, not only did we short you in the past, we are also going to short you in the future, unless the State makes us pay you something. This, after having cheated us in the last bargaining session with the improper implementation.

Not having enough money to bargain, and not knowing how much money you actually have are two different things. Unfortunately, for us, the results are the same.

So what can you do?

First, take responsibility for your lack of oversight.

Second, acknowledge that if not for the persistence of our union, most notably Brad Fader, we would be in an even worse place than we are. Thank us for making you understand what we've been seeing for the last two years or so.

Third, Take responsibility and hold yourselves and all parties accountable for creating this situation.

Fourth, Send a message to the faculty that you accept the responsibility for this lack of clarity and understanding of our current financial situation and that as soon as you are able, you plan to seriously consider some of the 20 odd proposals and not just reject them because you have no understanding of the current financial situation. Do this in writing. Make a commitment to us.

Fifth, Remember that while we brought our concerns to you about the implementation of the CBA incorrectly and you were presented with our ULP, you, the Board, praised Stuart Trippel and the Administration promoted Veronica Zura to Executive director, both of whom were identified in the ULP as participating in the misapplication of funds. We got your message then. I hope you get our message now.

Last, recognize that because of your actions and inactions as a Board, our College is facing what may be a financial crisis. Maybe, it is time for you to provide more oversight and get more involved in the day-to-day running of this College. Get some training and work to regain the trust and confidence of the faculty and staff at Shoreline CC.

We are facing suggestions of loss of jobs, already being felt in the part-time ranks. We didn't create the mess. We did our jobs. We don't deserve to lose them because of what, as I said in the beginning, gross incompetence, negligence, lack of oversight and lack of due diligence on behalf of the Board and this Administration