



Finance Committee Minutes

February, 2016 12:00 – 1:30 p.m.
 College of Western Idaho
 President's Conference Room, room 201B
 6056 Birch Lane
 Nampa, Idaho

| Present, Community: | | Present, CWI: | |
|---------------------|------------------------|------------------|------------------------------|
| Stan Bastian, Chair | CWI Trustee | Tony Meatte | Comptroller |
| Dave Gadda | Boise Cascade, retired | Marilyn Griggs | Director, Financial Analysis |
| Tom Beitia | Banner Bank, retired | Mary Jo Hayes | Associate Controller |
| John McDevitt | Skinner Fawcett LLP | Brian Smith | Accounting Manager |
| Andy Warren | Bank of the Cascades | Elizabeth Conner | Executive Asst to VPFA |
| Chris Larson | Boise Inc. | | |
| | | Absent: | Cheryl Wright |

Call to Order: Chairman Bastian called the meeting to order at 12:05

Update from the President: President Glandon reviewed a number of topics with the committee including: CWI programs for remedial English and math; CWI students are doing very well at a speaking tournament at NNU and he will be attending this event as a judge on Saturday and Sunday; St. Luke's and St. Alphonsus hospitals are working cooperatively with CWI to further enhance CWI's Health Sciences programs; the Western States/Caterpillar program has just had the first graduating class; currently CWI has 23, 000 students enrolled; he is engaging the Northwest for accreditation for CWI and the Association appears to understand now that CWI runs on a business model not a traditional community college model and CWI has no debt, good reserves and good resources.

President Glandon and Chairman Bastian discussed with the group CWI's future bond election efforts; initially goal was to have a bond election in 2016 but it was decided to hold off to develop a concise plan including contingency plans for bond implementation and bond election failure.

Chairman Bastian requested guidance for the trustees to deal with questions about funding; President Glandon said that he's met with both Boise Metro Chamber and Nampa City Chamber and both groups have "young leaders" subcommittees and these subcommittees are really interested in helping with bond election awareness and explaining why CWI needs additional funding. As for the Trustees, they can explain that CWI is getting out of leases by building a new campus in Boise; this is an investment in your community that will help 30 – 40 thousand students in the long run and develop more people ready to enter the workforce.

Mr. Beitia stated that he understood that any results from a bond election will not be seen in projects until FY 18 or FY 19. Mr. Meatte concurred.

Answer to Cost per credit hour question from 01.15.2016

Mr. Meatte presented a graph that was developed in response to Mr. Gadda's inquiry on cost per credit hour for CWI.

M/s: Beitia/Gadda, made the motion to approve the January 15, 2016 minutes as presented. Motion passed unanimously.

Audit Firm Recommendation: Chairman Bastian stated there were three companies that were selected for interviewed for audit services:

- Moss Adams
- Clifton Larson
- Eide Bailly

The selection committee interviewed each group and Eide Bailly was the group recommended by the selection committee to be chosen.

M/S: Beitia/Gadda, made the motion to approve Eide Bailey as the audit firm for CWI. Motion passed unanimously.

Legislative Update:

Mr. Meatte presented the Legislative Update: he stated that there were no significant changes from the memo that Cheryl Wright had written on Monday. Mr. Beitia asked if the "tuition lock" bill was passed – how would this affect CWI. Mr. Meatte stated that until he can review the bill, he does not know the full extent it could impact CWI. Also, "portable leave" bill will impact CWI, but the impact should be minor as it applies to teachers coming from school districts to work at CWI and there are not many teachers who do this so the impact will be negligible.

2017 Budget Development Process

Mr. Meatte explained that it is very early in the budget process so therefore the information in the packet is very preliminary. He also stated the challenges of budgeting a \$50 million organization on Excel and he and his team are reviewing what options for budgeting software is available that would better suit the needs of a growing and complex organization. Mr. Meatte said that by next month (March) there will be more information for a more detailed report and the executive staff will meet with the President's Cabinet to discuss and establish priorities for budgeting. He will bring back more information next month to the Finance Committee.

Cash Flow Report:

Brian Smith presented the cash flow projections and highlighted the student refunds and the drawdown from the federal government to cover this; explained line item 30 that shows the Boise property purchase. He also asked if the Finance Committee had any recommendations for investing more to PFM. Mr. Smith said staff recommends investment of \$5 million at this time with PFM and then review this amount in six months. Some discussion occurred regarding investing more than \$5 million but Mr. Gadda said that if Cheryl Wright recommends this investment, he approves this amount as he knows Cheryl to be conservative in her estimates and would not have recommended this amount unless it was of little or no impact to the budget at this time.

M/S: Beitia/Warren, made the motion to direct staff to invest an additional \$5 million with PFM. Motion passed unanimously.

Financials:

Marilyn Griggs presented the Financial Reports and Chairman Bastian asked for questions. Mr. Gadda asked about operating expenses and are we satisfied that our control on operations remain in place and are effective. Ms. Griggs answered that yes, the controls are in place and everything is fine, it was just part of the cyclical nature of higher education operations.

Financial Ratios & CFI Calculations from CWI

Marilyn Griggs explained the three handouts she provided the committee. One was the consolidated Financial Index Ratio graphs for three fiscal years ending June 30 2013 to 2015. The second handout was attached to the graph chart that explained the math behind the numbers and the third handout was the FY2015 College and University Financial Ratios.

Mr. Meatte commented that we were handling the volume adequately but one more big project could have a significant impact on staff

Requests for Proposals:

There were no questions regarding the schedule of requests for proposals on page 23 of the committee packet.

Adjournment:

Chairman Bastian adjourned the meeting at 1:30 p.m.