

**South Puget Sound Community College
BOARD OF TRUSTEES
REGULAR MEETING
MINUTES**

Tuesday, September 10, 2024

Building 25-Boardroom

**South Puget Sound Community College
2011 Mottman Road, S.W.
Olympia, WA 98512-6292**

CALL TO ORDER

Board Chair Steven Drew called the meeting to order at 2:32 p.m.

ROLL CALL

Trustee Doug Mah, Trustee Steven Drew, and Trustee Jeff Davis were present. Trustee Judy Hartmann attended the meeting remotely. Trustee Garman was absent. Justin Kjolseth, Assistant Attorney General (AAG), Education Division, attended the meeting remotely.

Trustee Mah announced that he would need to leave the Board meeting at 3:45 p.m.

APPROVAL OF CONSENT AGENDA

It was moved by Trustee Davis, seconded by Trustee Mah, and carried **THAT THE FOLLOWING CONSENT AGENDA BE APPROVED:**

A. ADOPTION OF MINUTES

- June 11, 2024 regular board meeting
- July 9, 2024 special board meeting

B. MEETINGS AND CONFERENCES

- ACT Trustee Tuesday, September 10, Virtual
- ACT Trustee Tuesday, October 8, Virtual
- ACCT Leadership Congress, October 23-26, 2024, Seattle

C. ANNOUNCEMENTS

D. DATE OF THE NEXT BOARD MEETING

Regular Meeting

October 15, 2024

2:30-4:30 p.m.

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PUBLIC COMMENTS

Chair Drew announced, "Board Policy 105 (*Meetings*) allows for oral comments or questions by members of the public on any matter relevant to its responsibilities and duties in the operations of the college. Consistent with this policy, comments may be limited to three minutes per person. The board is here to listen and typically does not respond and/or engage in public comments. We will now hear from individuals who wish to comment."

There were no comments.

BOARD SPECIAL COMMITTEE LIAISON REPORTS

- ACT Legislative Action Committee (LAC): Trustee Doug Mah--primary; Trustee Steven Drew—secondary
 - Trustee Mah reported:
 - As part of the ACT Trustee Tuesday, the State Board presented an overview of the 2025 legislative requests, including operating budget, capital budget, and policy items that they are working on. Operating: \$110M in maintenance level requests; \$273M in new policy level requests including \$183M for competitive compensation and \$90M for increased operating funds. Capital: Almost \$208M in minor works and facility maintenance and repairs; \$407M in major projects in rank/priority order that they were added to pipeline. Policy bills in development include: dual credit financial aid and Financial Aid Navigator pilot program and mental health counseling services expansion.
 - Important dates:
 - November 5: General Election that includes at least two citizen initiatives that may have budget repercussions.
 - November 14: ACT Fall Legislative Conference
 - November 14: ASPEN site visit and meeting with the Board.
 - Week of December 16: Governor's budget released
 - January 13: First day of 2025 legislative session
 - January 28 (not confirmed): Regents & Trustees Day
 - March 28: CTC Showcase. They will let the college know what they would like the college to do.
- Board Finance Committee: Trustee Jeff Davis--primary; Trustee Doug Mah--secondary
 - Trustee Davis reported:
 - The Board Finance Committee met on September 3 to review the financial reports. The reports were all positive, and they have no concerns. They deferred the detailed reporting to Dr. Tolefree later in the meeting.
- Foundation Board: Trustee Judy Hartmann--primary; Trustee Rozanne Garman—secondary
 - Trustee Hartmann asked Dr. Stokes to provide the report on her behalf:

- The Foundation ended last school year raising a record \$82,000 at the Clipper Scramble in June. Net revenue for the day ended up at \$59,000, nearly double the net proceeds from 2023.
- In July they held the first Board & Trustee Reunion since 2019. More than 60 current and former Foundation Board members and Trustees attended. The Foundation Board thanks Trustees Steven Drew and Doug Mah for attending.
- They are working to hire 2 people: a development support position to help fundraisers with campaigns and events and a fiscal person to support the growing Brewing & Distilling LLCs.

REPORT FROM THE COLLEGE PRESIDENT

Dr. Stokes reported:

- There were no reports from the ASB President, Faculty Union President, and faculty Senate.
- Fall enrollment looks great—4176 FTEs, which is above our fall 2020 pre-COVID numbers. State enrollment is up 40% currently, but will likely end up around 17%. Running Start, International, ABE and ESOL enrollments are up.
- There were not enough students to enroll in the BAS Degree in Craft Beverage Management & Quality Assurance, so the launch is delayed until Fall 2025. The BS Degree in Computer Science is going well with five students so far. The degree notification was late in the cycle, and so the marketing and recruiting cycle were also delayed. The executive team has discussed marketing for our bachelor's degree programs.
- Percival Creek Distilling's gin and vodka will be coming out with our labels very soon. The Tasting Room is doing well.
- The Aspen Site Visit will be on November 13-14. The visitors will meet with the Trustees on November 14. Currently they have asked for board chair and three trustees. We are waiting to hear from ASPEN if we can include all of our trustees.
- During his time with the Aspen Presidential Fellowship, it became apparent to him and the executive team that the college needs to work on post-transfer success rates. He and Dr. Pelkey have been diligently working on MOUs with UWT and WSU. They are working with TESC as well.
- The President's Outreach/Professional Development/Advocacy Activities List in TAB 2.

POLICY No Report.

BUILDINGS AND GROUNDS

Capital Projects

Darrell Huggins, new Facilities Director, was introduced to the Board. He provided status updates on the following projects:

- Master Plan Update

- Building 22 – Building Envelope Project
- Building 25 – Business Office Renovation
- Building 27 Construction (main student spaces--Student Life and DEIC)
- Building 34 Some crucial HVAC, electrical, data and program improvements
- Building 35 actuators and valves being replaced
- Stormwater Improvements – Phase 1 and Phase 2
- Building 21 Boiler/Cooling Tower Replacement
- Building 25 Data Center HVAC
- Campus Wide Lighting Audit
- Parking Lot Resurfacing and Striping
- EV Charging Stations Five to be located in Lot C and 5 to be located in Lot J
- S-2 (Card Reader Access) Installations

Dr. Stokes reminded the Board of the reserve expenditure request that will be presented in October for two critical projects: Building 35 recommissioning and the Building 25 Data Center HVAC.

Capital Budget Report

Dr. Tysha Tolefree, Vice President for Finance and Operations, presented the Capital Budget Status report for month ending June 30, 2024. The report contained the 23-25 appropriations for projects, local funded projects, allocations, expenses through June 30, 2024, and uncommitted through June 30, 2024. Total Capital Projects 23-25 Appropriation = \$9,216,799.97; Allocation = \$9,216,799.97; Expenses through June 30, 2024 = 2,914,872.25; and Uncommitted as of June 30, 2024 = \$6,301,927.72. With the exception of the failing heat pumps in multiple buildings, all the projects listed are actually either happening or have been completed since the June 30 report. Of the unspent, the majority, if not all, will be spent by the end of this fiscal year.

BUDGET AND FINANCE

2023-24 Budget Closeout

Dr. Tysha Tolefree reported on the FYE24 budget closeout balances using reports: 2023-2024 Operating Budget through June 30, 2024 and Non-Operating Accounts Statement of Revenue & Expense and Change in Net Position Year to Date through June 2024.

- FYE24 total Operating Revenues: \$49.6M (\$45.9M for FY23). This increase is due to \$1.4M increase in state allocation, \$1.8M and \$1.5M increase in Tuition Operating Fees and Running Start Program revenues, respectively.
- FYE24 total Operating Expenses: \$47.7M (\$44.2M for FYE23). The increase is primarily due to negative variances in salaries and wages related to COLA increases and Goods and Services.
- FYE24 total Operating Surplus: \$1.8M (\$1.6M for FY23).
- She referred to the variance column between our budget and our actual and

noted that earlier in the spring the budget was revised from where it was earlier on. Even with our expected revenues with the revised budget, we were actually above that by \$1.6M, but when it came to our expenses, we were just shy of about \$218,000. She explained the process of revising our budget to make sure that it is where it needed to be versus where we were initially, was a good process to go through, because it set us up for our budget development for this year.

- FYE24 total Non-Operating revenues: \$23.7M, offset by \$23.4M expenses, resulting in a net gain of \$341K. The overall net surplus for the year is primarily due to the positive revenue variance from the CCE program, offset by negative variances in Institutional Support, Student Services, E-Learning, and Technology Fees.
- The FYE24 results indicate commendable performance in total operating revenues attributed to increased state allocation, tuition operating fees, and revenue from the Running Start program. The budget revision during Q3 approved by the Board, helped to align projected revenues and expenses to anticipated actuals, to include a more realistic forecast for FY25.

2023-24 Reserves Report

Dr. Tysha Tolefree reviewed the FYE24 Reserves Report, which listed assets, liabilities, cash balance, dedicated and non-dedicated reserve balances, FY24 Board-approved (revised) Operating Budget, and the Board's emergency reserves policy.

The Reserves Report shows the reserve balances as of June 30, 2024 and July 31, 2024. Due to the timing of year-end transactions, adjustments, and the close of fund balances that occur after June 30, the July report was provided as a comparison.

- The cash balance for FYE24 is lower than the July 31 balance given the reimbursement of payroll and non-payroll expenses and allocation reimbursements were not received until July 2024.
- The net cash balance for FYE24 is \$14.1M as compared to the July 31 net balance of \$23M. This increase in net cash is largely due to student tuition and fees related to the fall term.
- 15% of the FY24 Board-approved (revised) operating budget is set aside per Board policy for emergency reserves at \$7.1M. Our revised operating budget increased by \$2.8M over the initial estimate, so \$406K more in set-asides are required.
- The remaining Operational Reserves balance as of FYE24 and July 31 are \$8,597 and \$9M respectively.

DIVERSITY, EQUITY, AND INCLUSION

DEI Strategic Plan

Amanda Ybarra, Executive Diversity Officer, provided an update of the 2024-2026

Office of Diversity and Equity Strategic Plan:

- The Washington State SB5194 requires community and technical colleges to create DEI strategic plans every two years. Our DEI strategic plan has been created by, and carried out by, the Office of Diversity and Equity in collaboration with departments across the college. The DEI plan is aligned with the college's operational plan.

She reviewed each core theme and associated goals, operational strategies, expected outcomes, and success metrics.

- Core Theme 1: Student Achievement
 - Goal 1: Increase student persistence
- Core Theme 2: Equity
 - Close equity gaps
 - Increase the ethnic diversity of faculty, staff, and administrative exempt employees

The board acknowledges their role in this goal—looking at support structures for the probationary review process and tenure process and looking for barriers that might inhibit success; also, their role in active participation and leadership and collaboration out in the community.

 - Support and collaborate with the Thurston County Equity Coalition and DEI Professional's Network to enhance and build community partnerships.

Amanda noted that she has been working with Trustees Mah and Garman on this strategy—how does our institution not only do the advocacy work within our college, but in the larger community.
- Core Theme 3: Learning and Engagement
 - Goal 1: Enhance General Education competency
 - Goal 2: Enhance quality student experiences and campus life activities

COMMENTS FROM INDIVIDUAL MEMBERS OF THE BOARD OF TRUSTEES

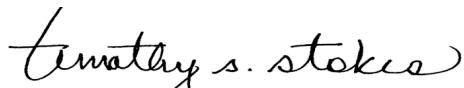
EXECUTIVE SESSION None.

ACTION ITEM FROM EXECUTIVE SESSION None.

ADJOURNMENT 4:30 P.M.



STEVEN DREW, BOARD CHAIR
SOUTH PUGET SOUND COMMUNITY COLLEGE



TIMOTHY STOKES, SECRETARY
SOUTH PUGET SOUND COMMUNITY COLLEGE