

**PIERPONT COMMUNITY & TECHNICAL COLLEGE
BOARD OF GOVERNORS**

Finance and Administration Committee Meeting

**Tuesday, November 19, 2024
10:00 AM**

**Pierpont's Advanced Technology Center (ATC)
500 Galliher Drive
Fairmont, WV 26554
Room 216A**

MINUTES

Notice of Meeting

A meeting of the Pierpont Community & Technical College (Pierpont) Board of Governors Finance and Administration Committee was held on November 19, 2024, beginning at 10:00 AM. The meeting was conducted in person at the Advanced Technology Center in Fairmont, WV. Advanced announcement of this meeting was posted on the WV Secretary of State's Meeting Notices Webpage.

Committee Members Present: Jeffrey Powell – Committee Chair, Susan Woods Coffindaffer, and Anthony Hinton

Committee Members Absent: Lisa Lang

Other Board Members Present: Jessica Barker, Thomas Cole, Joanne Seasholtz, and Nathan Weese

Others Present: Members of the President's Cabinet, faculty, staff, and others

I. Call to Order

Jeffrey Powell called the meeting to order at 10:07 AM.

II. Approval of Minutes – May 14, 2024

Anthony Hinton moved to approve the May 14, 2024, meeting minutes. Susan Woods Coffindaffer seconded the motion. All agreed. Motion carried.

III. Revenue Analysis

A. Dale Bradley presented and reviewed the FY 2025 Tuition Revenue Analysis as of November 11, 2024, Report (Report provided in Agenda packet).

IV. BOG Action Item

A. Acceptance of the Independent Auditor’s Report by Suttle & Stalnaker, PLLC of Pierpont Community & Technical College’s Finance Statement for the year ended June 30, 2024

Dale Bradley presented and reviewed the FY 2024 Financial Overview (presentation included in the agenda packet). The overview included key financial information for the College over the last five years and reflected improvements in all those areas. The College has a negative Unrestricted Net Position since the recognition of the \$27.8 Million loss in FY 2021 resulting from the final separation from Fairmont State University. The Unrestricted Net Position has improved each year since FY 2021 from a low of negative (\$12.4 Million) in FY 2021 to negative (\$3.5 Million) in FY 2024. Mr. Bradley explained that the College can continue to improve its unrestricted net position by ensuring that operating revenues exceed operating expenses. The institution's long-range goal is to improve and maintain a positive Unrestricted Net Position that is a minimum of 10% of annual unrestricted operating expenses.

Having a negative unrestricted net position negatively affects the primary reserve ratio which is one of the ratios used in calculating the Composite Financial Index (CFI). The College’s CFI dropped from 1.32 in FY 2023 to 0.72 in FY 2024 primarily due to a reduction in Non-Operating Revenues in FY 2024 compared to FY 2022 and FY 2023. Non-Operating Revenues in FY 2022 and 2023 included additional funding from the State of WV for capital improvements, CARES ACT funds received and HEPC payments on behalf which bolstered the CFI score in FY 2022 and FY 2023. The impact of not having significant Non-Operating Revenues in FY 2024 had not been recognized until the FY 2024 CFI was calculated after completion of the FY 2024 Financial Statements. He presented various scenarios for increasing the CFI in the current fiscal year (**Attachment A**).

*Anthony Hinton requested a meeting with Pierpont’s HLC liaison to discuss the CFI score. He also requested a CFI scenario where the institution does not spend the \$304,000 in supplemental state appropriations, as it is the only expenditure currently under full control. It was suggested that these funds could be released as other financial outcomes materialize.

Susan Woods Coffindaffer moved to recommend the acceptance of the auditor’s report to the full Board. Anthony Hinton seconded the motion. All agreed. Motion carried.

V. BOG Information Items

A. October 31, 2024, Combined Finance Report

Dale Bradley presented and reviewed the Budget/Finance FY 2024 Report as of October 31, 2024 (Report provided in Agenda packet).

B. Prioritized Expenditures of One-Time Supplement State Appropriation

Dale Bradley presented the Prioritized Expenditures of One-Time Supplemental State Appropriation Report (Report provided in Agenda packet). He highlighted the two top rated projects. The top-rated project is the Ellucian (Banner) Self-Service upgrade, as Ellucian will no longer support Banner 8 Self-Service after Fall 2025, necessitating an upgrade to Banner 9 Self-Service. The second top-rated project involves making changes to various classroom door locks to simplify a student or instructor's ability to secure classrooms should the need arise in an emergency.

C. Capital Projects Expenditure Report as of October 31, 2024, and Deferred Maintenance Projects Update

Dale Bradley presented the Capital Projects Report as of October 31, 2024 (Report provided in Agenda packet), noting that approximately \$72,500 in Contractor retainage for the Vet Tech project has yet to be released. Payment of the retainage has not been issued due to an issue with a flat spot in the waste line which on occasion has created a waste line blockage. The corrective action that is being tested is the installation of two pressure assisted toilets to increase waste flow through the identified flat spot. One pressure assisted toilet has been installed and appears to have helped overcome the blockages associated with the waste line flat spot issue. Release of the retainage is awaiting the installation of a second pressure assisted toilet and refinishing the topcoat applied to the exterior steps.

The ATC 3rd Floor and Clarksburg Campus deferred maintenance projects are expected to go out to bid shortly after the start of the new calendar year.

D. Years 2021, 2022, & 2023 Clery Act Report Summary (All Campus Locations)

Dale Bradley provided an update on the Clery Report (Report provided in Agenda packet), noting 2 drug-related arrests on the Clarksburg campus and 6 drug related arrests on Public Property near the Clarksburg and Culinary Academy campuses. None of the individuals arrested were Pierpont students or employees.

VI. Adjournment

There being no further business, Susan Woods Coffindaffer moved to adjourn the meeting. Anthony Hinton seconded the motion. All agreed. Motion carried.

Respectfully submitted by Amanda N. Hawkinberry

Composite Financial Indicator (CFI) Analysis - Projections

FY 2025 Projection Scenario's				
Step 1 - Modify Financial Statements to Remove GASB 68 and GASB 75 (Pension nad OPEB)	Scenario #1	Scenario #2	Scenario #3	Scenario #4
	2025-1	2025-2	2025-3	2025-4
The Modified Statements are starting point for FY2025 Projections	Cash, revenues and expenses remain constant from FY 2024	Operating Revenues - plus \$600,000	Operating Revenues - plus \$600,000	Operating Revenues - plus \$600,000
		Operating Expenses -plus \$100,000	Operating Expenses -plus \$100,000	Operating Expenses -plus \$100,000
	Foundation amounts remains constant from FY 2024	Foundation amounts remains constant from FY 2024	Foundation amounts remains constant from FY 2024	Foundation amounts remains constant from FY 2024
	Reduce debt liability by FY 2025 payment amounts	Reduce debt liability by FY 2025 payment amounts	Reduce debt liability by FY 2025 payment amounts	Reduce debt liability by FY 2025 payment amounts
	State Appropriations at FY 2025 amount/increase salaries by the increase	State Appropriations at FY 2025 amount/increase salaries by the increase	State Appropriations at FY 2025 amount/increase salaries by the increase	State Appropriations at FY 2025 amount/increase salaries by the increase
	Remove paid on behalf amounts from HEPC	Remove paid on behalf amounts from HEPC	Added paid on behalf from HEPC - For 3rd Floor	Added paid on behalf from HEPC - For 3rd Floor
	Expenses increased by FY 2025 planned budget deficit of \$190,000	Expenses increased by FY 2025 planned budget deficit of \$190,000	Expenses increased by FY 2025 planned budget deficit of \$190,000	Expenses increased by FY 2025 planned budget deficit of \$190,000
	Add new federal grant Revenues, Expenses, Capital Assets and Net Position change	Add new federal grant Revenues, Expenses, Capital Assets and Net Position change	Add new federal grant Revenues, Expenses, Capital Assets and Net Position change	Add new federal grant Revenues, Expenses, Capital Assets and Net Position change
				One time supplemental appropriation of \$304,973 reflected as unspent.
Ratio names	2025 -1	2025 -2	2025 -3	2025 -4
Primary Reserve	-0.41	-0.19	-0.19	-0.15
Net Operating Revenue Ratio	0.58	0.75	0.75	0.87
Return on Net Position Ratio	0.58	0.77	0.89	1.01
Viability Ratio	-0.22	-0.10	-0.10	-0.08
Composite Financial Indicator Score (CFI)	0.53	1.23	1.35	1.64