

Meeting Minutes

October 14, 2010, 2:00 p.m., ATTC 119

Members Present

Kellie Barnett, Rebecca Gamboa, Jim Hansen, Matthew Isaac, Charlie Ng, Karen Peterson, Scott Rippey, Mike Strong, Steve Sutorus, Margaret Sweeney, Martha Dominguez

Welcome & Introductions

The meeting was opened and self-introductions made.

Approval of Minutes

The committee adopted the minutes of the September 9, 2010 meeting by consensus.

State Budget & SBCCD 2010-11 Final Budget

Charlie reviewed the final budget per the attached presentation. He went on to say that the State budget is promising but fragile and may be subject to midyear cuts.

Scott asked about the seemingly steady increase of the District's reserve to its current position of 18.6% and wondered if the District could be less conservative at this point so that some of the reserve could be used by the colleges. Charlie responded by pointing out that he remembered the reserve at one time being almost 30% of the budget and it has come down since then. He also advised that some of this reserve will be used to balance the budget. Further, due to the change in the Resource Allocation Model, what was a District reserve will start being a college reserve and they will start budgeting as they see fit, i.e. a large reserve can be a savings for a new building.

Scott then asked who would benefit from the interest on these reserve funds. Charlie advised that currently interest is being split 70/30 SBVC/CHC, and that this might be something that needs to be adjusted going forward. Other items that need to be adjusted in the resource allocation model include the lottery, part time faculty, and interest income accounts.

Cash Flow Projections & Short Term Borrowing

Currently the District has about \$16,000,000 on hand to pay its bills. We are expecting the July, August and September payments from the State by October 20 with the October payment expected in November. The \$10,000,000 which the District has borrowed to cover the State's delay in producing a budget will be paid back when funds are available.

Training Materials

The subcommittee on training materials has met and identified the content of what would be included in the training packet for Budget Committee members. Hopefully the subcommittee will meet once more and have the training program complete by the next meeting.

Chapter I – Board Policies & Administrative Procedures
Chapter II – Orientation on State Budget Process
Chapter III – Budget & Accounting Manual
Chapter IV – Resource Allocation Model
Chapter V – Long Range Financial Planning

Copies of the Budget & Accounting Manual (BAM) were distributed and should be brought to the next meeting.

Other Business

Charlie took a minute to clarify some community college vocabulary. The term Fund Balance refers to money that is set aside and is not part of the budget; it is used only for emergencies and requires Board approval for its use. The money in Object Code 7900 is referred to as “Reserve for Contingencies” and is considered part of the budget. It can be transferred and used for planned contingencies with Board approval.

Charlie advised the Committee that the proposed amendment to the Committee’s charge – which was voted on at the Budget Committee’s September 9 meeting – was passed through District Assembly.

Next Meeting

The next meeting is scheduled for Thursday, November 4, 2010 at 2:00 p.m. in PDC 104.

Adjournment

The meeting was adjourned.

Kelly Goodrich, Recorder