



BUDGET COMMITTEE

Meeting Minutes
01/16/2014, 2 pm, PDC 104

Members Present – Cheryl Marshall, Ed Millican, Jeremy Sims (for Glen Kuck), Jose Torres, Matthew Isaac, Mike Strong, Rhonda Prater, Scott Stark, Tim Oliver

Members Absent – Amalia Perez, Rosemarie Hansen, Yendis Battle, Steve Sutorus, Denise Allen-Hoyt, Ferny Arana, Girija Raghavan, James Dulgeroff, Karen Peterson, Kathy Crow, Stacy Meyer, Patrick Kirk Dorsey, Sheri Lillard

Guests Present – Larry Strong

Welcome/Introductions

Tim opened the meeting. No introductions were necessary. He shared with the committee that Mike Strong, Scott Stark and Jose Torres would be attending the ACCA/ACBO Governor's Budget Workshop on January 17.

Approve December 12, 2013 Minutes

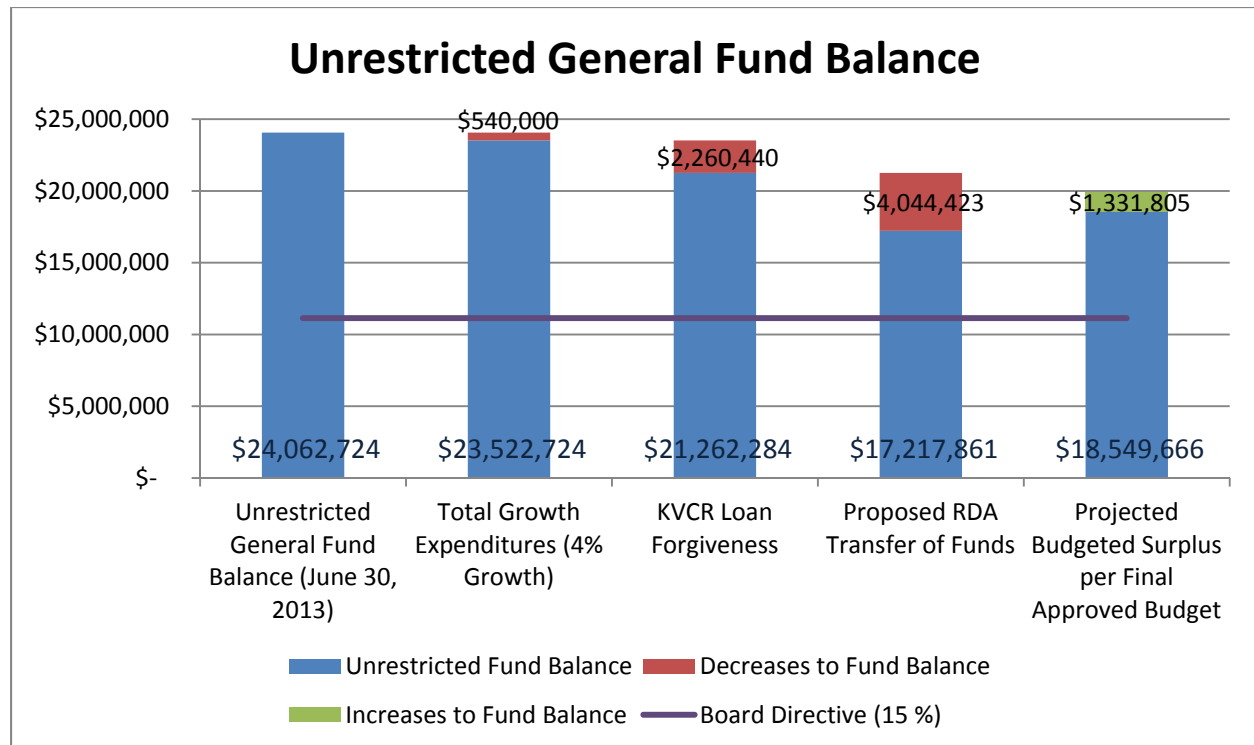
Matthew Isaac moved and Mike Strong seconded to approve the minutes. The minutes were approved by consensus.

Review Budget Calendar & Directives

Jose reviewed the [Budget Calendar](#) with the committee. He highlighted the dates on the calendar that called for Budget Committee involvement, including the development of recommendations to Chancellor's Cabinet. The dates were February 13 (revised from February 6), April 10, June 12 and July 10.

Jose also reviewed the Board Directives for the 2014-15 Budget, which were being submitted to the trustees at the January 16 meeting. Scott asked if the 15% fund balance level mentioned in the first directive was part of a fiscal policy or a year-to-year directive. Jose confirmed that it was an annual directive.

Tim elaborated that the fund balance has been used this year to increase FTES and to write off the \$2.2 million KVCN loan. Fiscal Services has also recommended that \$4 million in Redevelopment Agency funds (RDA) be moved out of Fund 01 and that future RDA funds go straight into Fund 41. These actions result in a fund balance of about \$17.2 million, or 23.5% (a reduction of almost \$7 million). He stated that some of the board members had thought the reserves were too high, which was one reason for these steps – to conscientiously bring down reserve levels. He invited committee members to recommend any directives (by vote of the committee) to Chancellor's Cabinet if/when they had any. Jose recapped the original reserve and the current projected fund balance.



Tim added that these figures did not include the Student Success board item which is being presented to the trustees at the January meeting.

Ed remarked that the committee did not get a chance to “weigh-in” on any of the fund balance movements, and that it seems to him these have been “command decisions”. Tim replied that he has personally discussed most of these topics with the committee, i.e. Fund 41, 2% growth, etc. One of the problems might be that different people attend the committee meetings each month. Mike said that people may not have understood where the funds were coming from for the FTES growth and other actions.

Tim offered that part of the process is defining the role of the Budget Committee. Ed commented that one of its functions is to act as an information conduit; he would like to receive emails informing him of developments. Tim asked Jose to come up with some ideas about communicating major issues and developments. Some suggestions were for Tim to send out an email regarding Chancellor’s Cabinet decisions. It was decided that next month’s agenda would include a discussion of the Budget Committee’s charge.

Ed said many people at SBVC think there are “x” million dollars in the fund balance that SBVC should be able to use. Tim advised that SBVC’s ending balance reserves are part of the District’s \$17 million. The unrestricted general fund is one fund only; it is up to the Chancellor, working with Dr. Fisher, how those funds are to be used and whether or not there are limitations. Both presidents have said in Cabinet they think the money should be used by the campuses without caveats. Jose advised that, excluding this fiscal year, SBVC’s surplus is \$2.5 million. If SBVC achieves its surplus this fiscal year, the total will be approximately \$3.3 million. Scott and Mike advised that they are focused on the prior year FTES reconciliation which will take place next month.

State Budget Update

Jose made a presentation to the committee.

Revenue & Expenditure Summary

In Fund 68, the Retiree Benefit account, expenditures so far are 63.9%. Jose advised that the District had underestimated the number of retirees so this budget will need to be supplemented.

District Audit Report

Larry Strong made a presentation. Each year external auditors are hired to audit the District and ensure compliance with rules and regulations. He showed the committee how to pull the report from the website. He also highlighted some information that the audit contained, including the auditor's opinion. The District had a clean, or unqualified, opinion.

Miscellaneous

Jose advised Mike and Scott that he will share with them an Excel tool he developed to help determine 50% Law numbers.

Ed asked about the College Brain Trust. Tim answered that a first draft was received and reviewed by the Chancellor. The second draft was received January 15, and will be reviewed by Tim, Jose and Bruce Baron, with the results being published sometime in February.

Adjournment

The meeting was adjourned, noting that the February meeting is scheduled for February 13, even though the Board meeting date is February 6.