



BUDGET COMMITTEE

Meeting Minutes
9/18/2014, 2 pm, PDC 104

Attendance

Members Present – Denise Hoyt, James Dulgeroff, Ed Millican, Walt Chatfield, Girija Raghavan, Tracy Morrison, Rhonda Prater, Matthew Isaac, Rose Hansen, Bryan Reece (for Cheryl Marshall), Jack Miyamoto, Jose Torres, Tim Oliver, Ruby Zuniga, Yendis Battle, Scott Stark, Glenn Kuck, Mike Strong

Members Absent – Vanessa Osorio, Steve Sutorus

Guests Present – Larry Strong, Haragewen Kinde, Greg Allred

Welcome/Introductions

Tim Oliver opened the meeting and self-introductions were made.

Approval of Meeting Minutes from May 8, 2014

Ed Millican moved, and Matthew Isaac seconded, to approve the minutes of May 8, 2014. The committee unanimously approved the motion.

Budget Committee Self-Evaluation from 2013-14

Committee members reviewed the evaluation results from 2013-14. Tim asked the committee to comment on or make suggestions for improvement to, the committee's efficiency, which rated one "seldom". There were no suggestions for improvement.

The committee discussed information flow from the constituency groups and to the constituency groups, which received four ratings of "fair" and three ratings of "fair", respectively. Ed said that committee members should report out to the other committees to which they belong.

Review of Budget Committee Charge

The committee took a minute to read its charge. Tim asked if anyone thought the charge should be modified. James Dulgeroff voiced his desire to raise an immediate concern on behalf of faculty union members about the District's 15% reserve. Tim advised that this reserve is a board directive and that the Budget Committee is able to review any board directive and make suggestions to the Chancellor.

Committee members discussed the topic of District reserves. Tim clarified that reserves can only be spent on one-time items and not ongoing items like salaries, benefits, etc. He advised that the reserve was used last fiscal year to pay off the District's GASB obligation and fund a one-time student success measure. The fund reserve is estimated to drop from 22.62% at the end of fiscal year 2014 to a projected 20.8% at the end of fiscal year 2015.

Jose Torres clarified that a 15% reserve could sustain the district for approximately two and one-half months. This would aid in avoiding the necessity to borrow funds if there should be major deferrals in state funding. In 2012-13 deferrals were \$15 million. Jose advised that borrowing \$15 million could result in an estimated cost to the District of \$65,000 per month in interest.

James made a motion to develop a task force to examine the reserve and develop a statement about it. Ed seconded the motion and more discussion followed. Tim questioned if it is necessary to form a task force or would it be better for the entire committee to participate. Bryan Reece said he would like to know if the reserve money is accessible to the campuses. Scott Stark mentioned that there is a lot of mystery surrounding the fund balance, i.e. where does district fund balance come from? Tim suggested that Jose develop a presentation to walk the committee through the reserves concept and then, if need be, have the committee address whether or not to form a task force.

Ed motioned that the idea of a task force be tabled until after a presentation could be made, preferably at the next meeting. James agreed and it was decided that Jose would make a presentation that states the facts about the fund balance (reserves) at the October 16, 2014 meeting. Committee members were asked to forward questions to jtorres@sbccd.cc.ca.us so that he could tailor the presentation to their concerns.

Tim cautioned that the Budget Committee is not at liberty to discuss negotiated salaries or other labor negotiations as indicated in #2 of its charge. The committee voiced its concern that projections could not be properly made without at least considering estimated numbers. Tim asked Human Resources consultant Jack Miyamoto to share his expertise and experience with the committee on this topic. Jack advised that there should be no recommendation that comes out of the committee on the any percentage increase in salaries. He said it's fair to talk about impacts and how much money is going to be spent on salaries, however, specific statements such as, classified staff needs more money, are inappropriate. The committee would like to have various salary increases included in budget projections. Tim advised that he will draft a specific recommendation letter and present it at the next meeting.

2014-15 Budget Update

Committee members received a copy of the Final Budget – Fiscal Year 2014-15 document; Jose made a presentation. Ed commented on the fact that the SBVC budget went down while the District's expenses increased. Ed warned Jose that he planned to make a motion at the October meeting that a presentation be made in November that explains this.

2015-16 Budget Calendar

In the interest of of time, it was decided that the 2015-16 Budget Calendar would be forwarded to committee members via email for review and discussed at the October 16 meeting.

Adjournment

The meeting was adjourned. The next meeting of the Budget Committee is October 16, 2014 at 2:00 p.m. in PDC 104.