



**BUDGET COMMITTEE MEETING**  
 5-2-18  
 Board Room  
 2:00-3:30 p.m.  
**MINUTES**

**CALL TO ORDER:** The meeting was called to order at 2:04 p.m. by Committee Chair, Morris Rodrigue.

**ROLL CALL:**

x	Jill Ault	x	Sue Loring	x	Kathy Royce		Student Rep.
x	Don Cingrani	x	Tom Martin/Sub	x	Susan Schroth		
x	Sara Holmes	x	Morris Rodrigue		Tom Simpson		

**APPROVAL OF MINUTES:** 4/18/18 and 4/25/18. Royce motioned to accept both sets minutes as presented. Schroth seconded. Motion carried unanimously.

**PUBLIC COMMENTS:** None

**REPORTS:** None

**DISCUSSION/ACTION:**

**1. State Budget Updates**

Morris said he doesn't anticipate any new updates until the May revise.

**2. Tentative Budget 3<sup>rd</sup> Review 2018-19 (Handout)**

This is the third and final review for the committee on the tentative budget for 2018-19. The next step is to send to College Council for review next week.

Discussion included:

The top of the first page is a summary of all funds. The ending fund balance is in the lower right corner. The GO bond dollars reside at the county but they show up on our budget. Since the last meeting the main changes were to Fund 11.

Income- COLA is projected at 2.71% and Morris is confident that we will receive COLA. The income has been increased by approximately \$75,000 due to this projection.

Retiree Health Benefits 2018-19- The District projected allocating approximately \$2 million to the retiree health benefits for 2018-19 out of Fund 11. The actual cost will exceed that amount, and any excess needed will come out of the OPEB Trust. Administration is now thinking about bringing a plan to the Board to hold the line flat using the OPEB Trust to keep it at \$2 million. This would extend our time to be fully funded, but we would still be on track to be fully funded in the next 14 years.

Net income losses are still in the \$2 million dollar range, on top of the \$2 million discount factor. We are unsure about capturing the full discount factor budgeted in 2017-18. We may use 3% instead of 4% to make it a little more realistic.

Legal fees have been reduced since the last review. Morris said until he knows what the income is going to be coming from the state, he will continue to budget conservatively. If the income comes in low, or remains flat, there will need to be some significant changes and do some cost reducing.

**Fund 12-** No significant changes made since the last meeting.

**Fund 21-** Jill said that there is a 1965 GO Bond that was never claimed. There has been non-activity in this for such a long time that we have transferred the money to Fund 11 per the counties request. The dollars now show up as part of our fund balance. Sue asked about the big difference in the CTE pathways grant. Jill said this one is wrapping up now, and to remember that with Fund 12 there are a lot of estimations. They usually start with a tentative budget, and by July or August the program directors know their true allocations in Fund 12.

**Fund 23-** 2002 GO Bond, these dollars reside in the Country Treasury.

**Fund 24-** Interest and Redemption Lease Revenue Bonds. The payoff happened in 2017-18. The new GO Bond paid off the 2018-19 Lease Revenue Bond.

**Fund 25-** Debt Service for the new GO Bond. Some of the bonds sold in the fall were 30 year bonds, and the revenue will cover the debt service portion. These bonds were sold at a preliminary for \$50 million, but we actually received \$54 million. Tom asked what we do with the \$4 million dollar difference. Jill said it reduces the cost to the tax payers, and the \$4 million goes to the interest payments on the debt or to the principle.

**Fund 34-** Revenue Fund. This is revenue generated from Food Services or Dorms that should cover their operational expenses. Tom asked if it is typical to have a loss in Fund 34. Morris said it is not what we want to see, and one of the main reasons we are bringing Starbucks to the campus is to increase income and balance out Food Services income and expenses, since most of the loss resides with Food Service operations. Starbucks will be a District operation (Franchise) with the projected profit could potentially be in the \$700,000 range.

**Fund 35-** Repair and Replacement Reserve. This reserve is a way for Fund 34 to set aside funds to repair and/or replace equipment.

**Fund 36-** Auxiliary Fund- Music, Ag, Athletics, etc. These are trued up when we receive the final September budget.

**Fund 37-** Parking Improvement. Parking permits are accounted for in Fund 11 with any left overs transferred to this fund.

**Fund 41-** Capital Outlay. Scheduled maintenance dollars are accounted for in this fund along with property tax redevelopment agency (RDA) funds. When the obligations go away then the funds will no longer exist. These funds must fit a certain criteria and are mostly used for Capital Projects.

**Fund 42-** Lease Revenue Bond Project Fund. This fund is close to being done.

**Fund 43-** New GO Bond Project Fund. A large sum currently resides in this fund, but we are starting to spend it down with District campus projects.

**Fund 71-** Student Activity Fund- Student activities.

**Fund 72-** Student Rep fee is now \$2.00.

**Fund 74-** Student Financial Aid Fund. All grants that go to students reside in this fund.

**Fund 75-** Scholarship and Loan Fund. This is where the payments are paid out for scholarships and awards.

**Fund 77-** Shasta College Trustees Scholarship Fund. Dollars reside in this fund and then are transferred to Fund 75.

**Fund 78-** Student Clubs/ Trust and Agency Funds. These funds are used to pay student activities. The college acts as a bank, and tracks the inflow and outflow of funds.

Morris said he and Jill may still make a few more adjustments when they know what the income side will be. **Schroth motioned to move the tentative budget on to College Council. Royce seconded. Discussion none. Motion carried unanimously.**

**3. Prioritized College Wide Annual Plan 2018-19 – Joe Wyse, President**

Morris presented the information in the President's absence.

Morris gave a quick review on how the area planning process is done each year. The total initiative requests are approximately \$4 million. The initiatives that have other funding sources available have been removed from the list and some have already been funded because there are other sources of budget, such as Fund 41, 12, or 36. The committee's role is not to approve the list, but to recommend or provide input on how or what types of funds could be used, other alternate sources instead of using Fund 11.

Don said it might be helpful if there were cost estimates and/or expected projected sources of funding. Morris said one question for the committee to consider is do we feel like the general fund dollars (Fund 11) would be appropriate to fund the initiatives. Tom said no, unless it's a safety concern. Kathy and Jill said no because there are typically other funding sources that will cover the cost of safety issues. Morris said he would ask the President in the summer about getting more information on each initiative and costs associated with each one since he usually presents this item to the committee each year.

Susan added that she feels the District should use caution on spending, and should use other funds when available, before using Fund 11. Morris said once he gets the dollar amounts he will bring the list back to the committee. No further discussion noted.

**OTHER/ANNOUNCEMENTS:**

Sherry to check the terms and update and contact information for the committee.

**ADJOURNMENT:** 3:02 p.m.

**NEXT MEETING:** Fall 2018 semester - TBD

Recorded by:  
Sherry Nicholas  
Executive Assistant  
Administrative Services