



BUDGET COMMITTEE MEETING

March 3, 2021
 Location (Zoom)
 2:00-3:30 p.m.
MINUTES

CALL TO ORDER: The meeting was called to order at 2:07 p.m. by Committee Chair, Jill Ault.

ROLL CALL:

x	Jill Ault		Katie Littlepage/	x	Casey Schurig		Student Rep.
		x	Elsa Gomez (sub)		Tom Martin (Sub)		
x	Heidi Dias	x	Sue Loring		Tom Masulis		
x	Andy Fields	x	Crystal Mair	x	Sam Osborne		

APPROVAL OF MINUTES: 9/30/20 and 10/7/2020. Sent via email to the committee 3/2/2021. Both set will be tabled until the next meeting, giving the committee time to review. Jill asked that any corrections be sent to Sherry via email.

PUBLIC COMMENTS: None

New Chair Comments:

Jill started the meeting by stating that she is excited to be in the VPAS position and she will be putting the committee back on the twice a month meeting schedule. Jill wants to educate all members on the budget and the yearly budget process. We are currently reviewing the 2020-2021 budget and preparing the 2021-2022 budget. She apologized for the meeting being last minute, but in the future the meetings will be back on track. Jill asked that any agenda items that a member would like to propose by any future agenda be sent to her, copying Sherry at least 72 hours prior to the meeting. The role of this committee is District wide fiscal health.

REPORTS: None

DISCUSSION/ACTION:

a) Refresher - Budget Committee Bylaws (Attachment)

The committee reviewed the bylaws via shared screen and Jill read through them. She said for now Sam Osborne will fill her previous role on the committee. Sam has a different title, so that will need to be changed to Director of Business Services. This committee seems to have a hard time recruiting a student rep, but we will continue to work with Student Senate to fill that position to get a student. Each area of the bylaws was thoroughly reviewed. After a full review of the bylaws, Jill asked if there were any questions or comments. There were none.

b) Review Completed Fiscal Crisis and Management Assistant Team (FCMAT) Health Analysis (Attachment)

The committee reviewed the FCMAT via shared screen. Jill explained the FCMAT assessment tool and how it has evolved over the years. Several years ago the committee spent a lot of time on this tool as it was original developed for K-12, and then FCMAT developed one for California Community Colleges. I'd like us to compare the one we did and the one they came up with. Jill explained that "nos" are perceived as a risk. Jill went through the entire FCMAT document that she completed prior to the meeting.

Discussion on the following FCMAT Sections:**Section 2- Fund Balance a)**

Sue asked if we have a date as to when the committee recommended the 17.5%. Jill said she didn't have the information, but believes it was 2016. We could look up the date.

Section 6- Cash Monitoring b)

Sue asked about the NA box. Jill said we do not participate in interfund borrowing, we have done TRANS –Tax Revenue Anticipate Notes, in the past which are less expensive, and the most common resource community colleges use for short term cash needs.

Section 7- Bargaining Agreements- a)

Jill explained that she needs to look up the numbers for 2018-2019. Sue asked if this questions was modified. Jill said no that she is aware of.

Section 9- Encroachment

Jill explained that this section is pressures on Fund 11.

Setion11- Position Control & Human Resources- a)

Jill explained that this will be a yes by next year when the Position Control has been implemented. It is a primary internal control between HR and Payroll- each department works independently, but are dependent on each other.

Setion11- Position Control & Human Resources- f)

Jill said there is room for improvement regarding training.

Section- 12 Budget Development & Adoption c)

Sue said she understands the 50% Calc requires 50% of the budget needs to be spent in the classroom. Jill said yes for Fund 11. The formula is old and there has been pressure to make changes.

Section- 13) Multiyear Projections b)

This is the budget document that is send to the Board of Trustees each month.

Section- 13) Multiyear Projections c)

We development projections 2x's a year.

Section- 14) Budget Monitory & Updates b)

Jill said this one is related to how we always budget for every position as if it were filled, but the reality is not every position is filled for the entire year, and we tend to realize most of our budget savings in salaries in benefits.

Casey asked what happens to the unspent dollars for salaries and benefits from not filling all positions.

Jill said it helps make up the number in the discount factor, and explained how the discount factor works.

The unspent dollars vary from year to year. Casey said if there are dollars left over or unspent where do they go, can they be used by doing an interfund transfer? Jill explained that if there is a surplus of dollars or a deficit of dollars they go to the fund balance. This will be explained more when going over the current budget at the next meeting. Sue asked if funds have been encumbered, does it mean that they can't be used for anything else? Jill explained how governmental accounting works regarding encumbering so the funds can't be used for other things during the year, and encumbrances drop off at the end of the year if they are not used.

Section- 14) Budget Monitory & Updates f)

Andy asked if this question could actually be a yes. Jill said it's possible.

Section- 15) Retiree Health Benefits b)

We are required by GASB 74 and 75, GASB 45 was replaced with newer regulation.

Jill explained that we record the expense of every employee, it's like a mortgage impound account, where some of it is paid every month. The dollars are accruing and then the payments are made. Funds set aside in OPEB trust can only be used for this purpose. Sue mentioned that surplus funding has been used to fund the OPEB, and not just one-time funding.

Section- 18 Facilities f)

Sue said she would answer yes on this question because the bond was for new construction and maintaining facilities, plus there are dollars in capital outlay. Jill said deferred maintenance for a 50+ year old campus could be over a million dollars per building. This question will be discussed more in the future. Andy said the key word is to "maintain". Using Extended Ed as an example, it is stretched so thin there is always so much that needs to be maintained, and we are always behind on maintenance. Sue asked how much was currently in Capital Outlay? Jill said she would need to look, but it's just for any capital expenditures, and we haven't accumulated a lot of dollars since we started putting money aside over the last 5-6 years.

Section- 18 Facilities g)

The true meaning of facilities is a building and not bare land.

Sue said but we do lease out the downtown building.

Jill said this one will depend on the new market tax credits. There is potential to have a retail lease on the first floor.

Summarized Discussion

Jill said the total at the end of the FCMAT tool, is 9 “nos” which puts us in the moderate risk. When Position Control is fully implemented it will make two of the “nos” go away. These questions are not weighted, and some have a greater risk potential than others. It is important to note that these questions feed into the ACCJC questionnaire.

OTHER/ANNOUNCEMENTS: None

NEXT MEETING: March 17, 2021

To Dos:

- Send copy of the 2021-2022 budget timeline calendar to the committee
- Send copy of the FCMAT Assessment Tool used today to the committee

Notes for next meeting:

- Review the current year budget and how it was set up.
- Review what went to the Board in October.
- This year will be an anomaly with how the state is working and a lot of this will be one-time anomalies.
- How we end the year will be based on the budgeting.
- The state and ACBO have been abnormally quiet.

ADJOURNMENT: 3:35 p.m.

Recorded by:

Sherry Nicholas

Sherry Nicholas
Executive Assistant
Administrative Services