

Fiscal Resources Committee
Executive Conference Room – District Office
1:30 p.m. – 3:00 p.m.

Meeting Minutes for September 28, 2016

FRC Members Present: Michael Collins, Arleen Satele, Steven Deeley, Mary Mettler, Pilar Gutierrez-Lucero, Adam O'Connor, Lee Krichmar, Maria Gil and Morrie Barembaum

Alternates/Guests Present: Esmeralda Abejar, Jim Kennedy, Jose Vargas, Richard Kudlik and Elliott Jones

1. Welcome: Mr. O'Connor called the meeting at 1:33 p.m. Committee members were introduced.
2. Committee Faculty Co-Chair Appointment – O'Connor
The committee discussed Dr. Mary Mettler continuing as the Co-Chair to the FRC. A motion was made by Mr. Deeley, seconded by Dr. Collins and approved unanimously.
3. State/District Budget Update – O'Connor
 - Board of Trustees PowerPoint presentation on the 2016-17 Adopted Budget is available on the District website for review as is the 2016-17 Adopted Budget
 - Campus Reserves Breakdown: Fund 11 total carryover for SAC is \$11.6 million, SCC has a carryover of \$775,000. Page 38 of the Adopted Budget shows the beginning fund balance at \$8.9 million which is the 5% reserve per Board policy; \$13.6 million in budget stabilization fund, unchanged from previous year and the District Office has zero carry over. Dr. Collins provided the committee a break-down of how the SAC fund balance grew from \$2.5 million in the previous year to \$11.6 million.
 - Community College Update – How Do We Locally Determine an Adequate Reserve Level: Why would it be beneficial to the district to increase the 5% reserve; factors were highlighted in the article. Expenses continue to grow \$5-8 million per year, without growth the district will continue to deficit spend and the budget stabilization fund will be depleted within the next few years.
 - What Happens if Prop 55 Passes? Prop 30 will expire at the end of this year. At this time the effects of Prop 55 are unknown.
4. 2015-16 BAM Fiscal Year Closeout – O'Connor
Mr. O'Connor reviewed the 2015-16 Actual SB361 Revenue Allocation Simulation for the Unrestricted General Fund. There were no questions.
5. Multi-year Projections (MYP) – O'Connor
Mr. O'Connor reviewed eight multi-year projections ranging from the a best to worst case; scenarios included growth up to 1%, another with a 2% decline, but adding back, and others flat. Scenarios also included cost increases for various expenses. It was noted that the 17-18 calendar year has only a 3.5% increase to health benefits. Mr. O'Connor asked the committee for feedback on the scenarios and if the committee would like to see more versions with additional scenarios. One additional version was suggested that includes a 2% decline in FTES in 16/17, full restoration in 17/18 and meeting our growth cap of approximately 0.60% in the out years, along with a 3.5% increase to health and welfare.
6. BAM Language Subcommittee – O'Connor

Mr. O'Connor reminded the committee that the sub-committee recommended reconvening in October of this year to continue discussion on the Budget Allocation Model language. The subcommittee members for this round of meetings are Adam O'Connor, Arleen Satele, Dr. Collins, Jose Vargas, Jim Kennedy, Maria Gil, Richard Kudlik and Steven Deeley. The members will meet in the near future and will bring back any recommendations to the full committee.

7. Informational Handouts - Hardash

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of September 6, 2016
- Measure "E" Project Cost Summary as of August 31, 2016
- Measure "Q" Project Cost Summary as of August 31, 2016
- Year-End Monthly Cash Flow Summary as of June 30, 2016
- Monthly Cash Flow Statement as of August 31, 2016

8. Approval of the FRC Minutes – July 6, 2016 – O'Connor

Mr. O'Connor asked for a motion to approve the Fiscal Resources Committee Minutes of the July 6, 2016 meeting. A motion was made by Dr. Mettler, seconded by Dr. Collins and approved unanimously.

9. Other:

Mr. Kudlik updated the committee on the 2015/16 actuals for the 50% law calculations and reported out that SAC's percentage is at 65.8% from 62.9% and SCC is at 57.8% from 54.3%. In 2012/13 in total the district was at 50.09%; 2013/14 - 50.18%; 2014/15 - 51.38% and in 2015/16 - 52.55%. The increase in faculty hiring in the last two years has increased the percentage. It is estimated that we would remain at the same level in 2016/17.

Next meeting: Wednesday, October 19, 2016, 1:30 – 3:00 in the Executive Conference Room, District Office.

The meeting was adjourned at 2:16 p.m.