



Planning and Budget Committee
2007-08 Meetings:

July 2, 2007
August 22, 2007
September 12, 2007
September 26, 2007
November 28, 2007
February 27, 2008
March 19, 2008
April 23, 2008
May 28, 2008
June 11, 2008



Planning and Budget Committee
June 11, 2008

Members Present:

✓John Lau, VP for Bus Svcs, chair
_Dr. Victor Jaime, Admin. Rep.
_Dr. Bruce Seivertson, Academic
Senate President
✓John Abarca, College Council Chair

✓Eric Jacobson, Faculty Rep.
✓Dr. Lianna Zhao, Faculty Rep.
✓Carlos Fletes, Director of Fiscal Svcs
✓Dawn Chun, CMCA Representative
✓Betty Kakiuchi, CSEA Rep.

Recorder: Mary Carter

✓Gail Parish, CSEA Representative
_ASG Representative

Non-Voting

✓Kathy Berry, VP Academic Services

Call to order: The meeting was called to order by John Lau, committee chair at 1:30 p.m. on Wednesday, June 11, 2008 in the Board Room.

I. ACTION:

Approval of minutes: M/S/C Abarca/Parish to approve the minutes of the May 28, 2008 meeting as presented.

II. ACTION:

Approval of the 2008-09 Tentative Budget: M/S/C Jacobson/Kakiuchi to recommend approval of the 2008-09 Tentative Budget with the expectation that there will be an additional \$100,000 budget reduction from the instruction area, that there is a possible \$300,000 in 2007-08 carry-over funds, and with the provision that any additional monies go to the Reserve Fund and that the Committee be informed.

John Lau stated that there is still no inkling of what the final state budget will be. The College is taking a conservation position on forecasting state revenue. Departments have been as responsive as possible in trying to find \$2.2 million in budget reductions, and have found \$1.8 million. If there are no further changes, reserves will be down to 5.4%. Mr. Lau thanked those who made the budget cuts. Due to the fact that most of the budget is in labor costs, there are limited areas to cut. Instruction has been very creative in finding \$1.3 million. Kathy Berry reported that Winter Inter-session will be reduced by 1/3, which will be a reduction of \$469,000. General education and transfer courses will be emphasized, and there will be no non-credit offered. An additional \$100,000 reduction from the instructional divisions will be forthcoming. Carlos Fletes reported that at the close of the 2007-08 fiscal year, there may be \$300,000 in unspent funds.

John Lau reported that collection letters are going out, and the College will be transitioning to a stricter policy regarding allowing students to register who owe fees. Mr. Lau was asked if the College was going to write-off \$700,000 in bad debt and he responded that the College will start to recognize the bad debt over the next three years.

Carlos Fletes proposed that next year the time period for department to enter their budgets on line be shortened from four weeks to two weeks, to give more time for the budget to be

compiled. John Lau also suggested an early start on next year's budget and he recommended that any new money go into reserves. Next year the college won't have the luxury of using reserves to balance the budget.

John Lau asked for clarification on how new positions are approved; the 08-09 budget contains two new positions. How do requests for new positions come to the committee? It was the consensus of the committee that it approves requests for funding for positions that are outside the budget process. Positions that are included in the budget do not come to the committee for approval.

Next regular meeting: Wednesday, August 27, 2008

Meeting adjourned at 2:10 p.m.



Planning and Budget Committee
May 28, 2008

Members Present:

✓John Lau, VP for Bus Svcs, chair
✓Dr. Victor Jaime, Admin. Rep.
✓Dr. Bruce Seivertson, Academic
Senate President
✓John Abarca, College Council Chair

✓Eric Jacobson, Faculty Rep.
✓Dr. Lianna Zhao, Faculty Rep.
✓Carlos Fletes, Director of Fiscal Svcs
✓Dawn Chun, CMCA Representative
✓Betty Kakiuchi, CSEA Rep.

Recorder: Mary Carter

✓Gail Parish, CSEA Representative
_ASG Representative

Non-Voting

✓Kathy Berry, VP Academic Services

Call to order: The regularly scheduled meeting of the Planning and Budget Committee was called to order by John Lau, committee chair at 1:36 p.m. on Wednesday, May 28, 2008 in Room 2131.

I. ACTION:

Approval of minutes: M/S/C Seivertson/Zhao to approve the minutes of the April 23, 2008 meeting as presented.

II. DISCUSSION

Budget comparison (2006-07 and 2007-08): John Lau stated that \$7 million in increased costs were added to the budget in 2006-07, a 28% increase, while FTEs increased 2.5%. Reserves are being depleted with on-going costs. In the future, revenue and expense need to be in balance. The College needs to look past one year of budgeting.

2007-08 Budget: Carlos Fletes stated budgeted amounts need to be as close to actual as possible. As of right now there is \$1.3 million unspent, with one month to go. Other committee members stated that categorical funds, especially money carried over from a previous year should be used if at all possible.

2008-09 Tentative Budget: Mr. Lau stated that the tentative budget as submitted results in a \$4.3 million shortfall. The tentative budget is based on \$35 million in estimated revenue, and \$39 million in expense. Mr. Lau stated that if \$2.198 million of the shortfall comes from reserve (resulting in a 6.49% reserve), then the remaining \$2.2 million needs to come from cost containment. He proposed budget goals of:

- meeting district objectives
- maintaining financial stability
- maintaining a 6% reserve

Dr. Victor Jaime suggested looking into the possibility of a \$50 rate for adjuncts, rather than \$55. He pointed out that most of the costs in the budget are fixed (salaries and benefits), and the 6% overall cut needed will impact 4000, 5000 and 6000 accounts very heavily. John Lau stated

that the College needs to review its business practices, such as fill rate, in order to be more efficient. Mr. Lau also stated that the information being received from the state is very volatile, and the District budget is based on the best information available at this time. Global issues need to be addressed to keep the college going forward. Critical items include aging facilities, MIS data submission, full implementation of Banner and funding of GASB 45.

Dr. Ed Gould stated that his role in the budget process is to hear recommendations and present them to the board. Eighty-six percent of the budget is in salaries and benefits; the long term goal should be 80%. He sees the need for centralized Purchasing, centralized grants, use of soft monies, and improved systems (structure and communication). He stated that the consultants need to be evaluated based on what the outcome will be and whether work is being taken from staff. Decisions need to be made based on what is best for the classroom, what is the most effective instruction. The \$7 million increase in one year, and use of reserves on on-going costs means that a 27% reserve will be spent in three years. The board wants to maintain a 6% reserve. In the future, the College needs to look at the budget structure and to be more consistent in planning.

Timeline: The vice presidents will meet with the goal of trimming 6% from the budget prior to the June 19 board meeting. The committee will meet on Wednesday, June 11 at 1:30, in order to make a recommendation on the budget prior to the board meeting.

Meeting adjourned at 3:00 p.m.



Planning and Budget Committee
Wednesday, April 23, 2008

Members Present:

✓John Lau, VP for Bus Svcs, chair
✓Dr. Victor Jaime, Admin. Rep.
✓Dr. Bruce Seivertson, Academic
_ Senate President
✓John Abarca, College Council Chair

✓Eric Jacobson, Faculty Rep.
✓Dr. Lianna Zhao, Faculty Rep.
✓Carlos Fletes, Director of Fiscal Svcs
_Dawn Chun, CMCA Representative
✓Betty Kakiuchi, CSEA Rep.

Recorder: Mary Carter

_Gail Parish, CSEA Representative
_ASG Representative

Non-Voting

✓Kathy Berry, VP Academic Services

Visitors: Dr. Ed Gould, Suzanne Gretz, Jessica Waddell, Frances Beope, Travis Gregory, Dr. Robin Ying

Call to order: The regularly scheduled meeting of the Planning and Budget Committee was called to order by John Lau, committee chair at 1:30 p.m. on April 23, 2008.

Dr. Ed Gould, Superintendent/President was asked to say a few words to the committee on his budget philosophy. Dr. Gould stated that budget is one of the most difficult discussions to have. Everyone has different priorities, which all are important and legitimate; however, the College does not have infinite resources. The College needs to ask what we can do with the resources we have and are there other revenue sources we can access. We need to plan on how to benefit students. His philosophy is to have a balanced budget, with 1% over the reserve minimum. His preference is not to see the reserve erode with on-going costs. He believes that the budget manager is the manager once the allocation is made. The budget manager makes the decisions, but must live within that budget without enhancements. Dr. Gould plans on reviewing financial data every week, and will be discussing cash flow needs with John Lau. The State will be very late with apportionment payments next fiscal year. The first payments may not occur until September or October, and have happened as late as November in the past.

I. ACTION:

- a. Approval of minutes: ***M/S/C Zhao/Seivertson to approve the minutes of the March 19, 2008 meeting as presented.***

II. DISCUSSION

- a. IVC budget development: Carlos Fletes reported that Friday is the deadline for departments to input their budgets. He suggests holding a committee meeting around May 14 to discuss the preliminary budget numbers. Kathy Berry reported that divisions are prioritizing their needs based on three objectives and expenditures are tied to those objectives.
- b. Collection of student accounts receivable: John Lau and Carlos Fletes reported that while the College has been supporting enrollment growth, the College now has \$1.7 million in student accounts receivable. Unpaid health fees account for \$187,000 of the new debt, \$470,000 is for out-of-state tuition. The College must assign a true cost to its enrollment policy. The bulk of the fees owed are for the last three years. About \$800,000 should be considered bad debt. The amount of debt gives a false sense of cash flow, because the amount owed is not really revenue. The plan is to send out an RFP for a collection agency, with

the preference being for a local agency. The responses will be brought to the committee for review. The cost may be 30% of the amount collected. The College's collection policy will also be revisited, with a draft policy to be brought back to the committee.

- c. Procedure for funding requests: The committee discussed the need for a procedure for addressing funding requests that occur outside the budget process. Currently there is no procedure. In the past, funding requests have been brought to the Planning and Budget Committee. Eric Jacobson stated the College should not continue to do business by exception and requests should be checked against the Master Plan. Kathy Berry stated that requests should go through the vice presidents and be tied to objectives. John Lau will work on a draft procedure to bring back to the committee.
- d. Classified hiring (prioritization procedure, open positions, request for new positions): John Lau stated that there are a number of open Classified positions, some unfilled for a number of months, that tie up budget money. In addition, there is no prioritization procedure for Classified hiring such as the one in place for faculty hiring. John Abarca stated that there are currently nine vacancies, which is a concern to the union. Vacancies create workload issues. Some positions have been vacant for nine months. There is also the issue of using temporary agency employees, which the union considers contracting out. The committee agreed to re-visit the sub-committee that was discussed in June for the purpose of coming up with a priority procedure and addressing unfilled positions. John Abarca and Dr. Victor Jaime will co-chair the sub-committee.
- e. Meeting schedule over the summer (June, July, August): John Lau stated that there will be a lot of work over the summer on budget issues due to the State budget situation. The committee made a commitment to meet as needed.

III. INFORMATION

- a. Feasibility of Student Services building (public private partnership): John Lau reported that Parsons made a presentation to the Board regarding a public/private partnership to build a student center. Dr. Gould stated that the board wanted to explore alternatives. John Lau stated that public/private partnerships are rare in California. There is a need for the Student Center, but the College will have to be creative and the project must make good business sense.
- b. Update on Flex summer schedule for Classified : John Lau reported that due to different departmental needs and pay issues, such as overtime, the College will not be doing a campus-wide 4/10 schedule. Dr. Gould said the College will look at consolidating facility use to save energy and will plan for next summer by looking at different options.
- c. Chapter 6 of the Procedures Manual (Business and Fiscal Services) is currently being updated: The Committee will be receiving copies of procedures that need to be updated or reviewed from Chapter 6. Dr. Jaime reported that as chapters of the revised Procedure Manual are completed, they will be posted to the web.

OTHER:

Parking: John Lau reported that there will be an upcoming discussion on parking and traffic flow to summarize traffic issues, meet with the architect, assign costs, and talk about funding. There are limited Bond Funds available because of the \$32 million committed to the Science Building. Bruce Seivertson offered his expertise as a planner and member of a local Planning Commission.

Career Technical Building: John Lau reported that the College is pursuing State funding for the Career Technical building. The other alternative is to downsize the project.

Bus Transit Center/Cal Trans Funding: Mr. Lau reported that the College is on track to receive a \$1.3 million Cal Trans grant for enhancements to the bus area, with the possibility of an additional \$1 million next year.

Cash Flow/Financing: Mr. Lau distributed a timeline for TRANS financing to address cash flow for the first few months of fiscal year 2008-09. He will bring back financing scenarios for the next meeting so the Committee can understand the issues and costs involved.

Categorical Program: It was brought to the committee's attention that some categorical programs are at 50% or less expenditure for the year. John Abarca asked if there is a policy to use categorical funds first, if possible. Kathy Berry stated that categorical funds cannot be used to supplant district funded expenses. She also reported that next year VATEA funding will be very different, funds cannot be used in the same way for salary and equipment, which will have an impact on the District budget.

2008-09 Budget/Next Meeting: The committee will focus on the 2008-09 budget and the general financial environment. The first budget will be the baseline budget, and may be as much as 40% over revenue. The College will then need to make a priority list and discuss guidelines for cuts.

Meeting adjourned at 2:30 p.m.



Planning and Budget Committee
March 19, 2008

Members Present:

√John Lau, Chair, VP for Business Services
√Dr. Victor Jaime, Administrative Representative
√Dr. Bruce Seivertson, Academic Senate President
√John Abarca, College Council Chair
_Eric Jacobson, Faculty Representative
√Dr. Lianna Zhao, Faculty Representative
√Carlos Fletes, Director of Fiscal Services
_Dawn Chun, CMCA Representative

Recorder: Mary Carter

√Betty Kakiuchi, CSEA Representative
_Gail Parish, CSEA Representative
_ASG Representative

Alternates

Dave Drury, faculty
Frances Arce-Gomez, CSEA
Angie Diaz, CMCA

Visitors: Frances Beope, Suzanne Gretz, Jan Magno, Sergio Lopez and Jessica Waddell

Call to Order: The regular meeting of the Planning and Budget Committee was called to order at 3:10 p.m. on Wednesday, March 19, 2008 by John Lau, chair.

I. Action:

1. Approval of minutes, February 27, 2008: ***M/S/C Seivertson/Zhao to approve the minutes of the February 27, 2008 meeting as presented.***
2. Cut-off date for purchase orders: ***M/S/C Fletes/Jaime to cut-off purchase orders on April 30, 2008.*** Carlos Fletes stated that this recommendation is primarily for equipment purchases; orders must be received by June 30 in order to be paid from the 2007-08 budget. The cut-off applies to categorical programs also. The 2008-09 budget will be available on-line as soon as it is approved by the board in June.
3. Appointment of the Vice President for Academic Services as a non-voting member of the committee: ***M/S/C Lau/Seivertson to appoint the Vice President for Academic Services as a non-voting member of the committee***

II. Information:

1. State Budget update: John Lau reported that the state is showing an \$84 million shortfall due to property taxes, which it is trying to recapture this year and each district is being assessed a share (IVC's share is \$521,000). However, the State is funding growth, so the net impact to IVC may be a wash.
2. Report on IVC budget meetings: John Lau reported on the meetings held with department chairs. In order to be responsive to the Accreditation recommendations, IVC must tie budget to goals and objectives. Critical items also need to be funded, such as the campus-wide fire alarm system. Mr. Lau expressed concern about balancing budgets with reserve funds; in 2007-08, \$2.6 million was needed from reserve. If the College continues with the same expense and revenue picture, another \$2.6 million will be needed in 2008-09, and the reserve will be depleted completely within a few years.
3. 2008-09 budget: Carlos Fletes reported that an e-mail on the budget development process went out to departments today. Departments have until April 25 to input information.

4. Blue Cross Insurance renewal: John Lau reported that the health insurance renewal is estimated at a 13.34% increase, approximately \$465,000 in increased cost. Frances Beope stated that the increase may be in the 9% to 10% range. John Lau stated that the college is looking at a significant cost, with the best case scenario of about \$370,000.
5. Construction update: 12 contracts for construction of the Science Building will be awarded at the March 19 board meeting, for a total of \$18.2 million. There will be a second round of bidding in May. It is estimated that the total for the building will be \$32 million, including \$1 million for furniture. John Lau stated that the college is trying to obtain state funding of \$5 to \$7 million for the next building.

III. Discussion (old business from February 27 meeting)

1. Follow-up with Sergio Lopez on parking, traffic and safety issues: no update
2. Cash flow options: The college needs to be able to fund operations for the first three or four months of 2008-09 and cash on hand may not be adequate. The State will be deferring a \$1.6 million payment from June until September, as well as possibly holding the July, August and September apportionment payments. About \$12 million (\$3 million a month) will be needed until the State budget is resolved. Mr. Lau will be looking at different options in order to have financing resolved by the first of May.
3. Function of the Planning and Budget Committee: Further discussion is needed on how to tie budget to planning.
4. Accreditation recommendations: Four base documents are needed, an educational master plan, facilities plan, technology plan and strategic plan.
5. Hispanic Serving Institution (HSI) grant opportunities: no update

Meeting adjourned at 3:55 p.m.



Planning and Budget Committee
Unadopted Minutes
February 27, 2008

Members Present:

√John Lau, Chair
Vice President for Business Services
_Dr. Victor Jaime, Administrative Representative
√Dr. Bruce Seivertson, Academic Senate President
√John Abarca, College Council Chair
√Eric Jacobson, Faculty Representative

Recorder: Mary Carter

√Dr. Lianna Zhao, Faculty Representative
_Carlos Fletes, Director of Fiscal Services
√Dawn Chun, CMCA Representative
√Betty Kakiuchi, CSEA Representative
√Gail Parish, CSEA Representative
_ASG Representative

Visitors: Suzanne Gretz, Jan Magno and Jessica Waddell

Call to Order: The regular meeting of the Planning and Budget Committee was called to order at 1:35 p.m. on Wednesday, February 27, 2008 in the IVC Board Room by John Lau, chair.

1. Approval of Minutes: ***M/S/C Parish/Chun to approve the minutes of the November 28, 2007 meeting, as presented.*** Discussion: Eric Jacobson and Dr. Bruce Seivertson asked about the status of parking issues discussed at the November 28 meeting and other safety issues (bus area needs lighting, shuttle needed for north lot, status of employee only lot, deliveries near 1700 building, status of emergency call boxes). John Lau will follow-up with Sergio Lopez and report back to the committee.
2. State Budget Update: John Lau reported that the College is in a wait-and-see mode, no drastic action will be taken until more information is available on the State budget. It is expected that there will be no COLA and a 1% growth cap next year. The College is fortunate to have a strong reserve, but needs to be ready to deal with cash flow issues if the state budget is not signed on time and there is a delay in apportionment payments being made. The College needs to be prepared for four months of cash flow at approximately \$2 million per month. The College will be looking at three options to address cash flow: 1) a line of credit (\$8 million would cost approximately \$40,000 to \$50,000); 2) TRANS financing of up to \$8 million, with funds being invested until needed, and 3) a loan from the County Office of Education (the County may not have enough funds for the College's needs). Mr. Lau will have more information for the committee on the pros and cons of each option.
3. IVC Budget Snapshot: The committee reviewed a budget snapshot showing year-to-date expenditures and projected expenditures through the end of the year (based on the current rate of expenditure holding steady). Mr. Lau reported that the Business Office will be meeting with all budget managers within the next three weeks. Budget managers should have a game plan for what will be accomplished with their budgets, and if resources are allocated they should be used as intended. Also, departments need to start thinking about developing next year's budget. The snapshot indicates that projected expenditures are \$600,000 less than budgeted. Supplies, services and travel accounts show possible savings.

Revenues are another area that can change during the year. The College uses a conservative approach to budgeting for revenues, because it isn't known until the end of the year if full funding will be received. Property tax revenues can also vary from estimates.

The College will be addressing position control next year in order to be able to budget salaries more closely. Currently, salaries are budgeted for an entire year, and since some positions are not filled until later in the year some savings is created. The agreement with CSEA is included in

the snapshot; the 5% on the schedule increase will cost approximately \$300,000, and the 1.5% off the schedule will be about \$90,000 for a total of \$390,000.

While the snap shot shows that expenditures are currently running under budget, the use of reserve funds to balance the budget is a concern. If the College continues to use \$2 million a year to balance the budget, the reserve will be used up in three years. Reduced state funding is possible, so there are many challenges ahead.

4. Accreditation Report: The committee discussed the recommendations received from the Accreditation Commission. Mr. Lau distributed a handout on "The Importance of Planning" which states that the Master Plan is the most important planning document for a college, in addition to a Facilities Master Plan, Technology Plan and Strategic Plan. The Budget needs to be tied to goals stated in the planning documents. The College should have both an annual and multi-year budget. IVC needs to develop these documents and put greater emphasis on global planning. Dr. Seivertson suggested that the committee discuss its function at the next meeting.
5. Addition of Vice President for Academic Services to Committee Membership: John Lau proposed adding the Vice President for Academic Services to the voting membership of the committee; he stated that her expertise is needed at the table. The committee suggested that the Vice President for Academic Services be adding as a non-voting member, or that the Vice President for Academic Services be appointed as the administrative representative by the President in place of the Vice President for Student Services. Some members favored keeping the current voting composition of the committee. Mr. Lau will bring this item back for action at the next meeting.
6. Construction Update: John Lau reported that the College is out to bid on twelve bid packages for construction elements of the Science Building. The bid opening will be March 12, with the bids to be awarded at the March 19 board meeting. The remainder of the bid packages will go out in May. Mr. Lau will provide an updated construction overview at the next meeting. The Science Building is on track for 18 to 20 months of construction, with construction probably starting in April. The College will have one more bond sale of \$9 million, and is trying to leverage its Bond funds by seeking other types of funding. Dr. Seivertson stated that there are grant opportunities for Hispanic serving institutions. Mr. Lau will look into HSI grants and report back to the committee.
7. Classified 4/10 Work Schedule for Summer 2008: John Abarca requested that this item be tabled until the next meeting. He will e-mail a handout to committee members prior to the next meeting.
8. Meeting schedule: A March meeting was scheduled for Wednesday, March 19 at 3:00 p.m. Mr. Lau suggested that in the future, the committee hold shorter meeting more frequently than once a month and concentrate on specific topics.

Other: Dawn Chun asked for an update on the contract with School Facilities Advisors; John Lau reported that the contract was terminated in mid-January.

Meeting adjourned at 2:40 p.m.



Planning and Budget Committee
Wednesday, November 28, 2007
1:30 p.m. IVC Board Room

Members Present:

✓ John Lau, Chair
Vice President for Business Services
✓ Dr. Victor Jaime, Administrative Representative
✓ Dr. Bruce Seivertson, Academic Senate President
✓ John Abarca, College Council Chair
✓ Eric Jacobson, Faculty Representative

Recorder: Mary Carter

✓ Dr. Lianna Zhao, Faculty Representative
✓ Carlos Fletes, Director of Fiscal Services
Dawn Chun, CMCA Representative
✓ Betty Kakiuchi, CSEA Representative
Gail Parish, CSEA Representative
✓ David Lopez, ASG Representative

Visitors: Gary Rodgers, Sergio Lopez, Suzanne Gretz, Dr. Patrick Pauley, Ted Ceasar, Kathy Berry, Frances Beope, Jimmy Sanders, and Rick Webster

- I. Action: ***M/S/C Jaime/Seivertson to approve the minutes of the September 26, 2007 meeting as presented.*** Discussion: Eric Jacobson asked Kathy Berry if the non-credit program was breaking even. She responded that more data would be available at the end of the semester.
- II. Action: ***M/S/C Zhao/Jaime (No: Abarca) to approve a budget augmentation request for the Ag Department in the amount of \$43,080.*** Dr. Lianna Zhao, Dr. Patrick Pauley and Kathy Berry made a presentation on the budget for the Ag program; they stated that start-up money is needed in order to establish a viable program. Dr. Pauley stated that he has received substantial in-kind support from the local agriculture community, and has a guarantee for the sale of the wheat crop produced. John Abarca asked how many students are enrolled in the Ag program, where the money will come from, and he stated that the District should address existing obligations first.
- III. Health Insurance Renewal: John Lau reported that the cost of College's medical and prescription plan is expected to increase by 15% to 25% next year.
- IV. Planning relating to construction, parking and traffic circulation: Sergio Lopez, Associate Dean of Student Affairs made a PowerPoint presentation on the planned parking lot improvements. He reported that two rows of parking in Lot C have been fenced off in preparation for the Science building earthwork. Some issues to be addressed in the future are:
 1. Relocation of Human Resources building
 2. Lighting and shade needed for the bus area
 3. A drop area is needed for cars in the North lot
 4. Most of the spaces in the lot by Counseling will be designated as handicapped
 5. The current parking lots need new base laid down; the lots have been corroded by water getting to the base. They also need to be re-sealed regularly at a cost of approximately \$100,000 per lot. The lots need to be put on a maintenance program.
 6. There will be discussion in various committees of the feasibility of "staff only" lots
 7. More parking booths are needed, and additional day pass machines
 8. The "front area" (Lot A off Aten Road) needs to be redesigned, and the "IVC rock" moved.
 9. New entrances off Aten Road and the North Lot are planned, the College is meeting with the County of Imperial on a traffic study.
 10. A road for deliveries will be put in

11. Elimination of all portable buildings is being studied, with the possibility of a new College Center building being constructed on the 500 building site in partnership with Parsons 3DI.
 12. Access is needed for the baseball facility
 13. Emergency call boxes (solar powered) are planned, at a cost of \$5,000 each
- V. State Budget update: John Lau reported that the state budget is facing a revenue shortfall due to the housing slump and less than anticipated tax revenues. More information will be available in January.
- VI. Bond Construction update: John Lau reported on Bond construction projects and informed the committee that the College is working towards obtaining state and federal transit funds to enhance the bus area. The College will be going to bid on the Science Building construction in January. There will be a total of 12 contracts awarded for the Science Building project. The Culinary Arts program has been taken out of the plan for the Career Technical Building, and the \$16 million projected cost of the building is going to be reviewed.
- VII. Meeting schedule: The next meeting will be held February 27, 2008, with an update on the State budget and a snapshot of the IVC budget.

Meeting schedule

1. January – no meeting, Winter intersession
2. February 27, 2008
3. March – no meeting, Spring Break
4. April 23, 2008
5. May 28, 2008
6. June – no meeting, summer

Meeting adjourned at 2:45 p.m.



**Planning and Budget Committee
Unadopted Minutes
1:30 p.m., IVC Board Room
Wednesday, September 26, 2007**

Recorder: Mary Carter

√Present

√John Lau, Chair; VP for Business Services
√Dr. Victor Jaime, Administrative Representative
√Dr. Bruce Seivertson, Academic Senate President
√John Abarca, College Council Chair
√Eric Jacobson, Faculty Representative
Dr. Lianna Zhao, Faculty Representative
√Carlos Fletes, Director of Fiscal Services

√Dawn Chun, CMCA Representative
√Betty Kakiuchi, CSEA Representative
√Gail Parish, CSEA Representative
√David Lopez, ASG President

Alternates:

√Dave Drury, Alternate Faculty Representative

Visitors: Kathy Berry, Valerie Rodgers and Ted Ceasar

Call to order: The meeting was called to order at 1:35 p.m. by John Lau, Vice President for Business Services.

- I. Approval of Minutes: ***M/S/C Parish/Fletes to approve the minutes of the September 12, 2007 meeting as presented.***
- II. 2007-08 Final Budget: ***M/S/C Jaime/Parish to recommend to the Superintendent/President that the 2007-08 Final Budget be submitted to the Board of Trustees for adoption.***

Carlos Fletes reported on additions to the budget since the last committee meeting. These changes have also been reported to College Council and Academic Senate. Mr. Lau noted that the budget was discussed and accepted in June with the Tentative Budget, what the committee is discussing now are changes since the Tentative Budget.

Additions to the budget since the last meeting

Annual payment of Lease Revenue Bonds and Certificates of Participation	700,000
Bad debt expense on student enrollment fees	100,000
Early Childhood Education, supplies and services	7,554
Certificated pay for attending meetings	28,414

John Lau noted that the current budget does not include the possible impact of negotiations with one of the bargaining units. Also, the full cost of overload has not been quantified yet. Overload will be reviewed after payroll is processed for October.

Mr. Lau noted that for the budget to be a relevant planning document, the actual expenditures need to be closer to the budgeted amounts. In January, he proposed to present a budget snapshot to the committee of year-to-date expenditures, additional contractual obligations, and a revenue projection. The goal is to have the budget be a better management document.

Reserve: The projected reserve is now at 15.77%. \$2.5 million in reserve funds were needed to balance the budget because projected expenditures exceed projected revenues. The majority of the increased costs have been in salary and benefits.

Certificate of Participation and Lease Revenue Bond Payments: Mr. Lau reported that there are two old debt instruments (Certificate of Participation and Lease Revenue Bonds) that were historically paid from the General Fund. These debt payments amount to approximately \$700,000 a year over the next 20 years. The Lease Revenue Bonds were to pay for Banner project and the COPs were for equipment replacement. The College's vision was to shift the debt to the Bond Fund to free up funds for instructor salaries; unfortunately the projected growth in enrollment did not materialize. The Bond Fund has been used to pay these debts over the past few years, but it cannot afford to continue to do so. \$2.5 million has been paid so far from the Bond Fund. Repayment of debt was not in the original intent of the bond issue, and this use of bond funds has been questioned by the Bond Oversight Committee. The College will be called upon to inform the community of its use of Bond Funds.

Bad debt expense: The College is recognizing \$100,000 of its uncollected student fees; this is based on a recommendation from the College's auditor. As of June 30, the College had \$1.2 million in uncollected fees. The College's policy is to encourage enrollment, but the cost of uncollected fees needs to be recognized in a more timely manner.

Consultant contracts: Mr. Fletes distributed a report on consultant costs contained in the budget, this was in response to a request at a previous meeting.

III. *M/S/C Parish/Fletes (no: Jacobson) to recommend to the Superintendent/President that Keenan and Associates be selected to provide GASB 45 services to the District.*

Discussion: The committee reviewed Mr. Lau's memo listing the reasons for recommending Keenan and Associates: depth of services, community college references, risk assessment services and expertise. It was clarified that the Committee is not approving funding of GASB 45 at this time. The annual fixed cost for Keenan is \$1,950, with the rest of the cost based on the amount of money invested.

IV. Construction Projects, Budget Overview: Mr. Lau presented information on construction projects for discussion at the next meeting. \$11.1 million in bond funds have been expended to date, and \$63 million is the estimated total for all prioritized projects. The original \$58.6 million bond fund budget was also presented. Mr. Lau stated that the original budget was very conceptual, and has not proved to be practical for tracking expenses by projects.

V. Next regular meeting, Wednesday, October 24, 2007

1. Goals and objectives/function of the Committee
2. Construction Projects, budget overview
3. Use of Board Reserve, upcoming issues that may impact the Reserve
4. Cut-off date for purchase
5. Planning for traffic issues

Adjournment: The meeting adjourned at 2:30 p.m.



**Planning and Budget Committee
Unadopted Minutes
2:00 p.m., IVC Board Room
Wednesday, September 12, 2007**

Recorder: Mary Carter

√Present

√John Lau, Chair

Vice President for Business Services

√Dr. Victor Jaime, Administrative Representative

√Dr. Bruce Seivertson, Academic Senate President

John Abarca, College Council Chair

√Eric Jacobson, Faculty Representative

√Dr. Lianna Zhao, Faculty Representative

√Carlos Fletes, Director of Fiscal Services

√Dawn Chun, CMCA Representative

√Betty Kakiuchi, CSEA Representative

√Gail Parish, CSEA Representative

ASG Representative

Visitors: Gary Rodgers, Kathy Berry, Frances Beope,

The meeting was called to order at 2:05 p.m. by John Lau, Vice President for Business Services.

- I. ***M/S/C Jaime/Zhao to approve the minutes of July 2, 2007 meeting (with correction) and the minutes of the August 22, 2007 meeting as presented.***
- II. Recommendation to Superintendent/President regarding agency or company to assist in implementing GASB 45 requirements: Tabled until the next meeting.
- III. 2007-08 Final Budget: Carlos Fletes, Director of Fiscal Services, reported on the major changes to the budget since the Tentative Budget was adopted:

Adjustment	Budget Increased	Budget Decreased
Stakeholders and visioning process	7,250	
Summer and winter pay rate increase	180,700	
Non-credit courses	140,000	
Portable building leases (from Bond Fund)	63,000	
Storage container for Admission	4,500	
Emergency preparedness	30,000	
Campus security (night and weekend)	20,000	
Overload and adjunct		1,126,507
Summer school	13,000	
Full time salary budget adjustments		94,000
Overall change (added to Reserve)		762,057

Mr. Fletes noted that the change to the overload and adjunct budget is being reviewed by the Instruction Office based on actual hours of instruction, and the budgeted amount may have to be adjusted again. Mr. Fletes stressed the importance of the budget matching operations. The reserve amount is based on the total budgeted amount, if expenses do not materialize as

projected it results in a higher than expected fund balance. Also, when expenses exceed income, the budget is balanced with reserve funds. For 2007-08, the difference (deficit) between expected income and expected expenses is \$1,686,338.

Mr. Lau stated that the variance between the budgeted amounts and the actual expenditures indicates the need for a tighter budget. The College needs a realistic budget in order to make management decisions. The College also needs to look at the budget in terms of more than just one year. There are issues coming up that will impact the budget:

- funding of GASB 45
- debt payments on Certificates of Participation and Lease Revenue bonds of approximately \$800,000 a year that have been paid from the Bond Fund for the past few years that need to be returned to the General Fund
- Student fees owed, currently \$1.2 million
- Enrollment management
- Increasing cost of health benefits

Eric Jacobson asked if the College was getting a return on its investment in the non-credit program and he noted the 18% reserve and the increase in personal services contracts.

- IV. Goals, Objectives and Function of the Committee: The committee reviewed its bylaws and discussed the coming year. Mr. Lau suggested doing a mid-year or quarterly review of the budget in order to look at significant items, with the budget information presented in a summary or overview format. He encouraged the committee to be pro-active and to talk about "gray areas". He suggested focusing on the assumptions and building blocks of the budget. The committee discussed ways to integrate planning for new facilities and staffing into the budget. It was noted that not all departments included staffing in their master plans. The committee noted that there is currently no process in place to prioritize Classified staffing needs. Dr. Victor Jaime stated that Executive Council needs to discuss a plan for Classified staffing.

- V. Next regular meeting, Wednesday, September 26, 2007

Meeting adjourned at 2:55 p.m.



**Planning and Budget Committee
Unadopted Minutes
2:00 p.m., IVC Board Room
Monday, August 22, 2007**

Recorder: Mary Carter

√Present

√John Lau, Chair

Vice President for Business Services

√Dr. Victor Jaime, Administrative Representative

√Dr. Bruce Seivertson, Academic Senate President

√John Abarca, College Council Chair

√Eric Jacobson, Faculty Representative

√Dr. Lianna Zhao, Faculty Representative

√Carlos Fletes, Director of Fiscal Services

√Dawn Chun, CMCA Representative

√Betty Kakiuchi, CSEA Representative

— *Gail Parish, CSEA Representative*

— *ASG Representative*

√Carol Cortes-Ramirez, Alternate CSEA Rep.

Visitors: Gary Rodgers, Kathy Berry, Frances Beope, Jan Magno, Mary Bell, Ted Ceasar and Travis Gregory

The meeting was called to order at 2:00 p.m. by John Lau, Vice President for Business Services.

I. Approval of Minutes, July 2, 2007 meeting: no action taken due to time constraints.

II. GASB 45 presentations:

1. SISC: Chief Financial Officer of SISC
2. PARS (Public Agency Retirement Services): Michelle Emmal and Maureen Toal, PARS; Rodney Skidmore, US Bank
3. Keenan and Associates: Steve Gedestad, Giovanni Pacheco and Robert Hornaday, Keenan; Scott Rankin, Benefit Trust Company; Cary Allison, Wachovia Securities

	SISC GASB 45 Trust	PARS GASB 45 Solutions Program	Keenan "Futuris"
	Tax exempt JPA administered by Kern County Office of Education	Multiple employer Irrevocable Trust, IRS Section 115 Trust	Retirement system, per Calif. Constitution, Article 16, Section 17, Individual trust for each client
IRS Private Letter ruling	Yes	Yes	No
Substantive Plan	No	Yes	Yes
Fees	Trustee fee .05%, SISC fee .05% On \$1 million: \$1,000 All inclusive	\$1 to \$5 million @ .75% On \$1 million: \$7,500	Annual fee of \$1,950, Benefit Trust .20%, Wachovia .175% Keenan .70%; total of .875%, on \$1 million: \$12,700
Reporting and fiduciary compliance	Quarterly investment reports and annual audit provided	Yes	yes
Actuarial Evaluation and report	By District	Optional	yes
Trustee	Union Bank, Directed Trust	U.S. Bank; Discretionary or Directed Trustee	Benefit Trust Company: "Discretionary Trustee"

Investment management	Moderate growth portfolio, 2006-07 return of 8.94%, Wachovia Securities	6 strategies, plus customized investment , annual investment review	Wachovia Securities, active management of portfolio
"Turn-key" program	No	Yes	yes
Participants:	Big Pine, Bishop High, Exeter Elem, Exeter High, Fairfax, Inyo COE, Kelseyville, Kern High, Kings River, Lassen High, Los Banos, Tipton, Elem, Tulare COE	10 members enrolled, others in the process	20 clients, including 7 CC's : Long Beach CC, San Bernardino, Chaffey, San Jacinto, Citrus, Rio Hondo, Sierra
Other:	No minimum deposit	No termination restrictions on 90 day notice, can move to another 115 Trust,	4 year agreement to start

- III. Recommendation regarding GASB 45 plan: No action taken, to be placed on agenda for next meeting.
- IV. Next meeting: A special meeting will be held to make a recommendation on a GASB 45 plan and to review the revised 2007-08 budget (Note: meeting scheduled for September 12, 2007). The next regular meeting is September 26, 2007.

Meeting adjourned at 6:00 p.m.



**Planning and Budget Committee
Unadopted Minutes
10:00 a.m., IVC Board Room
Monday, July 2, 2007**

Recorder: Raquel Gonzalez

√Present

– John Lau, Chair

Vice President for Business Services

√Dr. Victor Jaime, Administrative Representative

√Dr. Bruce Seivertson, Academic Senate President

– John Abarca, College Council Chair

√Eric Jacobson, Faculty Representative

√Dr. Lianna Zhao, Faculty Representative

√Carlos Fletes, Director of Fiscal Services

√Dawn Chun, CMCA Representative

√Betty Kakiuchi, CSEA Representative

√Gail Parish, CSEA Representative

– ASG Representative

Visitors: Gary Rodgers, Travis Gregory and Efrain Silva

The meeting was called to order at 10:00 a.m. by Carlos Fletes, Director of Fiscal Services, acting chair.

- I. Approval of Minutes: ***M/S/C Jaime/Parish (abstain: Seivertson) to approve the minutes of the June 8 and June 14, 2007 meetings, as presented.***
- II. Comparison of GASB proposals: The committee discussed the four proposal proposals received; CCLC and SISC are hands-on programs and Keenan and PARS are turn-key programs.
- III. Recommendation regarding GASB 45 plan: ***M/S/C Jacobson/Seivertson to recommend that SISC, Keenan, and PARS be brought back for presentations outlining services and pricing.***
- IV. Extended Campus Funding Request: ***M/S/C Seivertson/Chun to approve the request for additional funding by Extended Campus, 2007-08 budget augmentation in the amount of \$75,000.***
- V. Next meeting: Wednesday, August 22, 2007.

Meeting adjourned at 10:57 a.m.