



**FISCAL STABILITY TASK FORCE
MINUTES**

February 1, 2005

Joe Newmyer called the meeting to order at 4:00

Roll Call

Members Present: Cuaron, Davis, Doran, Dowd, Eckman, Forsyth, Frady, Gommel, Gordon, Jay, Lopez, McCluskey, Neault-Kelber, Newmyer, Smith, Townsend-Merino

Members Absent: Davis, Madrigal, Miyamoto, Roth, Springer

Guests: Deegan, Good, Taveuveu

- I. **Approval of Minutes** - (MSC Jay/Frady) The approval of the minutes of December 7, 2004. These will be posted on the Palomar web page:
www.palomar.edu/committees.htm

President Deegan introduced himself to the task force and thanked them for a great job. He stated he was very impressed with the work the task force has done to date. He also related that he believes the budget process should be open, fair, & equitable. He expressed an interest in having the reserve at 5% to allow for the unexpected. Mr. Deegan said he feels that after salary, benefits and other costs necessary to serve our students are accommodated there should be small sums of discretionary money allocated for other needs based upon proposals submitted through the governance process. He stressed his support of following the shared governance process.

II. **Reports from Sub-Group meetings**

Sub-Group 1: The minutes of Sub-Group 1 were reviewed. Only a couple of surveys have been returned. Salary data has been forwarded to PFF. Discussion will continue on the district calculated indirect rate and additional details will be brought to the next sub-group meeting. They also discussed the grant process and intend to make suggestions at the next FSTF meeting.

Sub-Group 4: The last meeting was a "two-man" show. They are working on a proposal for enterprise funds.

Sub-Group 2: The over-budgeting process was reviewed and it was agreed that the budgeting worksheet model for FY05-06 was a "work in progress." The budget development document is being finalized and will be forwarded to this sub-group before being distributed campus wide. Training sessions will be offered, February 17th between 3:00 & 5:00 and February 22nd between 2:00 & 4:00.

Sub-Group 3: The minutes of January 25th were reviewed. The group will recommend to FSTF that it recommends to SPC that the Vice Presidents be directed to begin a review of the existing organization charts of each area within the appropriate planning council. Also, that they each develop an "ideal organization" structure for five years. The group has not yet addressed the education centers. The information received will be discussed at the next sub-group meeting and it is anticipated that the information will then be forwarded to IPC for their review.

III. Over-Budgeting Update

The Instruction Division expects to complete the over-budgeting process on Friday. A FY05-06 Preliminary Budget spreadsheet was distributed showing the variance of "Phase 1" versus "Phase 2." This spreadsheet has been shared with PFF and the Governing Board to show the impact of proposed salary increases on the budget.

Questions were raised concerning the balance that will be added to the general fund as a result of the "over-budgeting" exercises. A question was also raised about "contingency to spread." It was reported that this is where the salary increases are recorded in the budget. This line item will be identified at the next FSTF meeting. Most of the numbers came from the adopted budget. The conversation shifted to the ending fund balance of FY03-04 which should be used for one-time funds distribution. The motion made at the last meeting to take this request to SPC for planning councils to identify high priority needs was on the SPC agenda today. Apparently there was a misunderstanding at SPC of one-time funds and on-going. It was requested that the task force members be advised of the current balance of the one-time money and that this information be communicated to the planning councils.

Bonnie & Joe will draft a memo which identifies the amount of one-time funds available for distribution. The memo will also inform how funds will be distributed through the existing governance process, which is based upon a review by SPC of the prioritized lists submitted via the Vice President's through their planning councils. FSTF hopes that President Deegan will agree to send this memo with any changes via email to all campus personnel so the process of distributing these one-time funds can begin immediately.

IV. Discussion/Information

- ✓ Liability for Retiree Medical - This item was cited in the accreditation process. A current actuarial study has been completed indicating that this liability is under-funded. There was discussion that FSTF should make a recommendation to allocate any unanticipated ending balance to this expense. The District has until 2007 when a new GASB standard goes into effect to have our plan determined. There were no recommendations made at this time. The item will be brought back for further discussion.
- ✓ Costs to the District for contract negotiations - this was addressed above.

- ✓ Explanation of the benefits balance - A Summary of Claims to Premium was distributed indicating that our medical and prescription costs are 99% of our total premium. This amount should be 85%. This overage has resulted in our reserve being dropped by that difference.
- ✓ Follett split of \$100,000 - There was discussion of how the extra \$50,000 will be allocated. The \$100,000 includes \$50,000 for a marquee for Student Affairs. It was suggested that the \$50,000 be used to assist students to buy books. A proposal will be brought back.
- ✓ Validation of the 27% indirect cost factor - will be addressed at the next meeting
- ✓ Communication regarding role of FSTF - next meeting

V. Other

When the task force has completed its task, RAC will consider meeting on the 2nd & 4th Tuesdays at 3:00 to allow more time for the meetings.

Meeting adjourned at 5:30

The next meeting is scheduled for 3:30p.m. February 15, 2005
Room SU-18