



BUDGET COMMITTEE

MINUTES

November 8, 2011

A meeting of the Budget Committee was held November 8, 2011. The meeting was called to order at 2:05 p.m. by Interim Vice President of Finance and Administrative Services, Joe Newmyer.

Roll Call

Members Present: Rico Bianchi, Monika Brannick, Berta Cuaron, Kathy Davis, Teresa Laughlin, Salvador Orozco, Shayla Sivert, John Tortarolo, Fari Towfig, Mark Vernoy, Chris Wick

Members Absent: Melinda Carrillo, Debi Claypool, Aaron Holmes

Guests: Phyllis Laderman, Brandi Taveuveu

I. Approval of Minutes:

The minutes of October 11, 2011 were approved as amended (MSC: Cuaron/Brannick)
The minutes of October 25, 2011 were approved as amended (MSC: Brannick/Tortarolo)

Both will be posted on the Palomar webpage as follows:

<http://www.palomar.edu/committees.htm>.

II. Information

Mr. Newmyer provided a handout which summarized the status of Fund 11 which began the 2010-11 fiscal year with the rolled-over ending fund balance from the previous year of \$22.8 million. This total included the transfer of lottery funds as well as approximately \$6 million savings due to District vacancies. After adjusting for designated accounts and the Board-required \$5 million reserve, approximately \$14 million remained available. Allowing for \$7.8K deficit spending per adopted budget and a Board-approved transfer of \$2.1 million to Fund 69, Fund 11 is projected to have a June 30, 2012 uncommitted ending balance of \$4.1 million. This will take the District into the next year and accommodate a deficit the next year if a deficit occurs; however, the deficit spending of \$9.9 million is not expected to decrease.

Budgeted savings and reductions for 2010-11 and 2011-12 were reviewed. In 2010-11 savings and reductions were expected to be \$1.9 million, but came in about \$6-8 million. For 2011-2012 savings and reductions are projected to be \$9.7 million due to the projected

savings from vacancies and cuts that have been made to the budgets. \$1 million budgeted savings in the 5000 Other Operating Expenses budget is projected.

Mr. Newmyer distributed a second handout which showed some results from a state-wide survey done by Mira Costa Community College District on the subject of lay-offs and compensation reductions. The questions and responses received so far are as follows:

1. In the last couple years have you laid-off classified staff for fiscal reasons? 18 Y; 20 N
2. In the last couple years have you laid –off academic staff (including administrators) for fiscal reasons? 16Y; 22 N
3. Have you reduced on-schedule compensation for classified? 10 Y; 28 N
4. Have you reduced on-schedule compensation for academic employees (including administrators)? 12 Y; 26 N

III. Action – Second Reading

A. Retiree Medical Fund

Recommendation 3: It is recommended that the charges to Fund 69 be more closely aligned with the actual cost for retirees covered from that fund. This can probably be accomplished most easily by going to a three tier rate (Tier 1: Employee only; Tier 2: Employee +1 dependent; Tier 3: Employee + 2 or more dependents) for the PPO and for Kaiser along with three tiers for Medicare eligible participants as well.

After further discussion it was moved that Recommendation 3 be approved (MS: Tortarolo/Cuaron.) After a show-of-hands vote, the motion was defeated 4-6.

IV. Budget Information/Discussion

A. Brainstorming of possible District expenditure reductions and/or revenue enhancements for future budget years given State fiscal situation

1. Leasing of unused properties
2. Reconsider previously submitted list of ideas for revenue as prepared by the PFF/CCE. Mr. Newmyer will send the list to other administrators whose areas would be impacted by some of the suggestions and report back to the committee.

There being no further business, the meeting was adjourned at 2:56 p.m.

NEXT BUDGET COMMITTEE MEETING

December 13, 2011

2:00 p.m.

Location: MD 155-C