



BUDGET COMMITTEE

MINUTES

April 14, 2015

A meeting of the Budget Committee was held April 14, 2015. The meeting was called to order at 2:02 p.m. by Vice President of Finance and Administrative Services, Ron Ballesteros-Perez.

Roll Call

Members Present: Ron Ballesteros-Perez, Debbi Claypool, Berta Cuaron, Joel Glassman, Adrian Gonzales, Anel Gonzalez, Aaron Holmes, Greg Larson, Shannon Lienhart, Jackie Martin, Jamie Moss, Teresa Laughlin, Justin Smiley, John Tortarolo

Members Absent: Carmelino Cruz, Christina Moore, Chris Wick

Guests: Phyllis Laderman, Shawn Jones

Recorder: Suzanne Sebring

I. Approval of Minutes:

MSC (Tortarolo/Moss) to approve the minutes of March 10, 2015. The minutes were approved unanimously.

Minutes will be posted on the Palomar webpage as follows:

<http://www.palomar.edu/adminserv/budget/BC2014-2015.html>

II. New Business

A. State Budget Updates

VP Perez informed the committee that the growth formula has still not been finalized by the state. He demonstrated, using the white board, how the growth formula could effect PCCD. Another uncertainty is what the Base Allocation will be for FY 15-16. The District should know more following the state budget revise, which will be released at the ACBO conference on May 20th.

B. District Budget Timeline

VP Perez indicated the Tentative Budget for FY 15-16 is due to the Board on June 12th. However, the tentative budget cannot be completed until information about the growth formula, base allocation and results of the SRP are finalized.

C. FY14-15 Year-end Cut Off Dates

VP Perez reminded the committee members of the Year-end Cut Off Dates which are posted on the Fiscal website.

D. Fund Balance Target for Institutional Effectiveness Partnership Initiative

The State Chancellor's Office implemented a new program where Districts must set goals for their ending fund balance. 5% is the minimum that the State suggests. 10% is considered best practice. VP Perez voiced his initial recommendation to SPC was 8%. SPC has asked that the Budget Committee make a recommendation to them. Greg Larson suggested a more conservative approach indicating that, though Districts are not currently penalized if they do not meet their goal, this could change and we shouldn't set ourselves up for failure. Debbi Claypool asked how it would appear if the District increased its Ending Balance goal from 5% to 8% and then went back down to 6%, if the District realized the goal was too high? Would this be a red flag for Accreditation or the Chancellor's Office? VP Perez responded that as long as the data supported the decision, it would not have a negative impact. Phyllis Laderman indicated that if the District changes the policy of how we calculate the reserve to include all of Fund 11, we would already be at around 7%. Theresa Laughlin suggested setting the goal at 7%. Adrian Gonzalez voiced that he thought the District should determine what a healthy reserve is, considering the fact that a previous large reserve kept the District from having to make cuts that other Districts, with a lesser reserve, had to make during the budget crunch in California.

VP Perez moved to make a recommendation of 7% to the Strategic Planning Council. MSC (Laughlin/Holmes) to approve the motion and the motion passed unanimously.

E. Discretionary Fund 11

Teresa Laughlin had requested a recap of Fund 11 at the last Budget Meeting. Phyllis Laderman provided and reviewed a handout itemizing Fund 11.

F. Ending Fund Balance Analysis – Funds 12, 41 & 69

Teresa Laughlin had requested an analysis of Funds 12, 41 & 69. Phyllis Laderman provided a ten year history of ending balances for these funds along with detail information for Funds 12 & 41.

G. Supplementary Retirement Plan (SRP) Recap

VP Perez reviewed SRP documents with the committee that will be presented to the Board by PARS. Discussion ensued.

IV. Other

None.

There being no further business, the meeting was adjourned at 3:28 p.m.

NEXT BUDGET COMMITTEE MEETING

April 28, 2015

2:00 p.m.

Location: AA-140