



BUDGET COMMITTEE

MINUTES

August 27, 2020

A meeting of the Budget Committee was held August 27, 2020 via Zoom. The meeting was called to order at 1:02 p.m. by Yulian Ligioso, Acting Vice President of Finance and Administrative Services.

Roll Call

Members Present: Barbara Baer, Tricia Frady, Anel Gonzalez, Yulian Ligioso, Teresa Laughlin, Kendyl Magnuson, Dayna Schwab, Shayla Sivert, Craig Thompson, Linda Beam, Rocco Versaci, Molly Faulkner, Joel Glassman, John Matson, Dr. Vikash Lakhani, Carmelino Cruz, Jenny Ferrero, Carmen Coniglio

Members Absent: John Matson, George Frederick

Recorder: Heather Sutton

Guests: Ken Stoppenbrink, Acting President Jack Kahn, Brandi Taveuveu, Pai Wang-Smith

I. Approval of Minutes:

The minutes from the May 13th, 2020 meeting were tabled until the August 27, 2020 meeting.

II. Budget Assumptions for Multi-Year Plan (Yulian Ligioso)

VP Ligioso walked the committee through the Budget Assumptions worksheet. Spoke to Hold Harmless and that Palomar had a \$6.7million Hold Harmless cushion, and is looking at a deficit to .85%, which is under \$1million. Covered the SCFF Revenue Shortfall/Deficit and the incremental differences. Hold Harmless goes away in 23/24, and the cushion will need to be made up. Would be a huge revenue loss. Spoke to COLA at zero for the next two years, and a quarter percent in 22/23, and 23/24 and upping that percent to one half for 24/25. J.Ferro asked about COLA patterns and checking on accuracy. VP Ligioso, additionally spoke to the \$9million cut that the government proposed originally, that is no longer in play. Described possible cuts due to the budget needing to be balanced. No growth for the next two years. Discussed Revenue, and items that are not adding to total computational revenue in the worksheet. Total computational revenue that we are being held harmless on is currently \$115million. Spoke to progress on SCFF goals and various percentages for supplemental outcomes. V.Lakhani spoke to the enrollment management team and predicting improvements based on practices. C.Coniglio spoke on how the buckets are calculated. T. Laughlin asked about non-resident fees and the change in numbers. VP Ligioso discussed center status for Fallbrook and Rancho Bernardo. Strides are being made and President Kahn will be going back to the Chancellors Office to discuss further. Hoping to get both funded - Fallbrook in 22/23, and Rancho Bernardo in 23/24. VP Ligioso spoke to non-resident fees and the shift with regards to losses. Projecting that the numbers will improve in 24/25. K.Magnuson spoke to how COVID and the impact on international students. VP Ligioso spoke to Fallbrook signage and Long Term Rentals. VP Ligioso continued to cover Expenditures, Vacancies/Replacements, PERS/STRS, and Retirements per T.Laughlin's questions about the net effect of them. L.Beam and C.Coniglio spoke about the retirements and the decrease was \$2.5million dollars vs. \$18million. T.Laughlin continue to discuss the chart and net reductions. B.Baer spoke to upcoming retirements and that if the positions are hired for, it could be at a lower rate. K.Magnuson asked about benefits being

included in the number, Y.Ligioso agreed to build it into the numbers, and spoke to the largesse of benefits costs. Continue to speak on Health and Welfare, and moved into STRS and PERS. Discussed the changes and benefits moving forward. B.Baer asked about the PRS rates. C.Coniglio explained the buy down for the next two years. VP Ligioso discussed the presentation to the board regarding budget cuts and the changes that will occur given new information and data coming from EPA. Spoke to Deferrals, Issuance Costs for borrowing, Energy savings due to COVID, and Election Costs for the two seats that will open. J.Fererro asked about election costs, and Palomar paying for them. VP Ligioso went through what the specific costs of \$80k per slot to include mailing and printing of brochures, and to consider that there are no costs in non-election years. Moved into Increases to Discretionary Accounts, and repayment of OPEB, and details of CARES Act and the reimbursements and savings to Palomar. Additionally, loss of parking revenues, enrollment fees, and the change to an online learning environment. Spoke to the COVID Block Grant and what can and cannot be charged to it. Example used was officer salaries and benefits.

III. Budget Scenarios

VP Ligioso walked through the summary of the assumptions and how it affects the college. Palomar will need to make reductions of \$2million per year to ensure that the college does not fall below the 7% fund balance, even though there is some leeway with that number per the Governing Board. C.Coniglio explained that vacation payouts are an issue that will need to be addressed moving forward, and sometimes get missed. B.Baer, L.Beam, and C.Coniglio commented about the vacation payouts for retirees and classified staff leaving the district and there is not a way to plan for all scenarios.

IV. Other

C.Coniglio announced that the P2 numbers were released, and it was higher than expected. B.Baer and T.Laughlin spoke to Prop 15, and what it would mean for the community and the district. Agreed to present more information at the September 8th Budget Committee Meeting. K.Stoppenbrink added additional information about how the monies from Prop 15 are disbursed.

V. Adjournment

There being no further business, the meeting was adjourned at 2:52 pm.