



JOINT MEETING of
Financial and Budget Planning Advisory Council (FABPAC) &
Shared Governance Council
April 27, 2011 – 2:00 pm
Board Room
Adopted Meeting Minutes

FABPAC Members Present:

Kevin Anderson	Minority Coalition
Philip Andreini	Ed. Administrator
Rich Augustus	Local 39
Peter Bostic	Exec. Director, Inst. Advancement
Richard Crapuchettes	Local 39
Sabrina Drake	CSEA, Alternate
Susan Foft	Director, Fiscal Services
Chris Guptill	Classified Manager
Mary Ann Haley	Academic Senate
Les Hubbard	SCFA
Betsy Julian	Ed. Administrator
Yulian Ligioso	Chair
Deborah Mann	Classified Manager
Louis McDermott	Academic Senate
Jocelyn Mouton	Minority Coalition
Arturo Reyes	EVP, Academic & Student Affairs
Sheryl Scott	CSEA
Cynthia Simon	CSEA
<u>Absent:</u>	
Corey Elliott	ASSC
Lillian Nelson	ASSC
Thomas Watkins	Academic Senate

I. Approve April 27 Agenda:

- Agenda was approved. The joint meeting with Shared Governance Council was called by Dr. Laguerre. The main topic is a budget update presentation by VP Ligioso.

II. 2011-12 Budget Update:

- VP Ligioso gave a power point presentation on the District's budget and reported on latest budget news:
 - A piece of good news: in-depth analysis of the apportionment recalc revealed the District is due an additional \$1.1 million state apportionment, going back to 2008-09. Emphasized this is **one-time** dollars only—will eliminate the District's deficit contained in the 2010-11 adopted budget (\$459,000). Analysis was validated by the Chancellor's Office.

- Series of meetings and conversations regarding proposed bookstore outsourcing took place, emphasizing protecting current employees, benefits of corporate purchasing power, potential technology upgrades, and possibly limiting accounting liability by utilizing a contractor.
- Final phase of academic re-org proposal, with Dr. Laguerre holding multiple meetings, culminating in a forum on May 3 and board presentation on May 4. Resulting savings projected to be \$414,000.
- Deferrals from the state will continue to pose cash flow challenges. The District will extend its temporary borrowing agreement with the County.
- With the inclusion of one-time revenue receipts (most of which wasn't in the adopted budget: state apportionment revision-\$1.1M, workload augmentation-\$860K, mandated cost reimbursement-\$167K, retirement benefits reimbursement-\$200K), and some expense reductions and shifts, the District will realize a total ending fund balance of \$5.67 million, or 11.42% total reserves. The large balance will be absorbed by 2011-12, with the anticipated All-Cuts budget scenario.
- The District has made several administrative decisions to reduce expenditures; however, other potential reductions are negotiated items, i.e. health care. The budget is being built assuming all reductions are implemented. Using the assumptions and using reserves to cover the structural imbalance that exists, the District will go from a \$5.67 million to \$2.8 million ending fund balance in 2011-12. Reserves will be at only 5.98% -- Board policy is 5%.
- VP Ligioso explained the District will address the problem by taking a multi-year approach. The plan is to spread the \$9.6 million over three years. There is concern about a \$3 million structural deficit projected for 2012-13. The three-year projections assume all revenue sources remain flat and the District continues to make expenditure reductions, i.e. savings from negotiated items are achieved. It's evident the District must employ budget planning strategies to maintain fiscal solvency.
- Despite the "tough budget nut to crack," the college must keep moving by adhering to its strategic goals and continuing to expand and strengthen various partnerships and programs.

VP Ligioso concluded his presentation and answered questions. The meeting continued with Dr. Laguerre's agenda items for the Shared Governance Council.

III. Adjournment:

- Meeting was adjourned at 3:30 pm.

Minutes taken by Judy Anderson