



**Fiscal Advisory Committee
May 17, 2017
Minutes**

Present

Voting Members: Adil Ahmed, Devin Cabillo (Student), Ruth Fuller, Neil Glines, Curt Johnston, Zyra Larot

Advisory Members: Yulian Ligioso (Chair), Greg Brown, David Williams

Guests: Laura Convento, Peter Cammish, Rob Gabriel, Maire Morinec

Absent:

Erin Farmer, Jeff Lehfeldt, Terri Pearson-Bloom, Lavonne Slaton, Michael Wyly

Call to Order

The meeting was called to order at 2:11 p.m. by the Chair, Vice President Yulian Ligioso.

Approval of Agenda

It was moved by Curt Johnston and seconded by Zyra Larot to approve the agenda.

The motion passed unanimously.

Approval of Minutes

It was moved by Curt Johnston and seconded by Devin Cabillo to approve the May 3, 2017 minutes.

The motion passed unanimously.

Public Comments

None

IEPI Indicators Discussion

Peter Cammish, Dean of Research & Planning, reported that he will need the assistance of the Fiscal Advisory Committee to help determine the 2017-2018 Short Term Goals and 2022-2023 Long Term Goals for the Fiscal Indicators (Fund Balance, Salary and Benefits, Annual Operating Excess/ (Deficiency), Cash Balance, OPEB Liability, District Participation Rate (New in 2017), Audit findings (Audit/State Compliance/Federal Award).

He reviewed the goals that were set in 2016 and the actual results. Dean Cammish reiterated that these goals are aspirational and we are not held accountable if we do not reach these goals.

Fund Balance Discussion:

- VP Williams commented we do not want a fund balance too high, Texas school had troubles with accreditation with too high of a fund balance.
- VP Ligioso commented that the reserve balances help, he noted that 2016 had a large increase from previous years due to the one-time funds received.
 - o Board Policy 5% minimum
 - o Improved Bond ratings (attributed to higher fund balance)
- Curt Johnston commented that we should have at least two months expenses for reserves. It was recommended last year. (VP Ligioso noted the District has a \$50 million budget, \$60 million total including categoricals, monthly spend is roughly \$5 million a month.
- Ruth Fuller asked what our long term goal is. At what point are we saving too much? She added that we have students to spend on as well as people (faculty/staff).

Salary and Benefits Discussion:

- Dean Cammish reported that we came in at 87.1% just above our goal of 86%.
- VP Ligioso asked if the 87.1% was actual expenditures or percentage of budget. Dean Cammish reported that it was a percentage of Budget.
- VP Ligioso commented that this is a hard indicator to move. In the budget, the District did not touch salaries or benefits, but reduced spending in other areas.

Annual Operating Excess

- Goal is a balanced budget.
- VP Ligioso commented that this will be the 3rd time in stability. Stability mechanism was developed as a safety net, not to level revenues.

OPEB Liability

- No goal set in 2016.
- Action: VP Ligioso to send numbers to Dean Cammish.

District Participation Rate – New goal

Audit Findings (Indicator 7, 8, and 9)

- Consensus for Audit Findings was to put “Yes”, that the District wants Unmodified or Unqualified Findings. No target for wanting an audit.

No decision was made today. Group to discuss with constituent groups and return on May 31st with recommendations.

The Fiscal Viability Indicators and District Programmatic Compliance indicators will go to the Governing Board at their June 7, 2017 meeting for approval. Once approved, the IEPI Indicator goals are due to the Chancellor’s Office by June 15th, 2017.

Budget Training Discussions

May Revise Update

Discussion rolled into FTES discussion

FTES Funding Levels for 2017-18 / Tentative Budget

VP Ligioso presented Enrollment Data prepared by Research & Planning.

He focused on the FTES trends. For the 2017-18 Resident FTES projection, the numbers show 8,065. Non-resident FTES is about 130.

Non-resident collections are \$205 a unit.

Curt Johnston commented that we had a collections issue with International Students. VP Brown commented that incoming International Students cannot have debt.

VP Ligioso added that:

- There is a COLA for 2017-18 of 1.54%, however there will be a deficit factor
- The District has seen a deficit factor in four of the last six years.
- Concerns that Vallejo may not meet the center funding.
 - Vallejo Center Repairs (HVAC)
 - o Required repairs being done (conducive to learning)
 - o Summer classes to be moved to MIT (Facilities not the best)
 - o Worst case scenario, 150 FTES lost

VP Ligioso presented six different FTES scenarios

- o 8200, 8100, 8050, 8000, 7950, 7900
- o 8200 has a \$1 million dollar deficit (18% fund balance (20% corrected)), versus \$2.6 million deficit (11% fund balance (16% corrected) with 7900 FTES
- o He noted that the Classified salaries remain the same in all scenarios
- o The difference with Academic salaries are due to the number of FTES, less offerings and less adjunct.

Discussion:

- VP Williams commented that the District is cleaning up their offerings, making changes in the schedule, strengthening the ADTs
- VP Brown added that we are doing stronger outreach, hiring more people, doing the right kinds of things
- C. Johnston commented that we have an obligation to make a reasonable recommendation to the board.
- Dean Cammish commented that we can reach 8100, with spring there is a high degree of probability.
- Dean Morinec commented that she sees growth with the Vacaville Center, with physio and bio.
- Question was raised about the Bachelor Degree students and how they count
 - VP Williams commented that their fees are slightly higher and their FTES counts.
- The group consensus was that 8200 FTES was very unlikely and we need to get out of stability.
- VP Ligioso added that the trend is still going down, still have a lot of work to do. He commented that it will take several years to get out of that cycle.

The group recommended the FTES funding level of 8050. VP Ligioso will bring this recommendation to the Superintendent-President.

Next Meeting

Laura Convento will send out a meeting invitation for May 31st. Meeting to discuss/agree on IEPI indicators.

Adjournment

It was moved by Curt Johnston and seconded by Devin Cabillo to adjourn the meeting. The meeting adjourned at 3:59 p.m.

Respectfully submitted by Laura Convento