CITRUS COMMUNITY COLLEGE DISTRICT
Office of the Vice President of Finance and Administrative Services

FINANCIAL RESOURCES COMMITTEE MINUTES - June 10, 2008
2:40 p.m. – AD206

PRESENT:
Rosalinda Buchwald, Carol Cone, Toby Guebert, Carol Horton – chair, Eric Magallon, Irene Malmgren, Martha McDonald, Jim McClain, Peggy Olson, Judy Rojas (recording secretary)
Student Representative and Dr. Michael Viera Absent: Kathy Bakhit, Jeanne Hamilton, Lan Hao, Dennis Korn, Roseann Manfre-Campillo, Rocky Reynolds and Linda Welz

OLD BUSINESS:

6.1 Approval of minutes of May 20, 2008 – Minutes approved as presented.

NEW BUSINESS:

6.2 Tentative Budget – Carol Horton stated that the Tentative Budget will be included on the June 17th Board Agenda. What we have provided for this meeting is the General Fund Unrestricted only. Carol also provided the Budget Assumptions that have already been approved by this committee and the Board of Trustees. The only thing that has changed in Section A is a 1.51% growth factor to revenue which has gotten us our 5% reserve. Now we have to make our growth dollars for current year and next year. We did not budget an increase in base from prior year. Dr. Viera put out a 3rd communication to the district on finance. Some COLA will be funded. The assembly has recommended 1.66% COLA and the senate has recommended 4.3%. The backfill of taxes for this year and next year is being proposed. As stated in Dr. Viera’s memo, these recommendations are not final yet because it has not been determined where the state going to get the money to fund it. We will work on the budget as we get news over the summer. Under expenditures we have eliminated 2300’s (part time on call) on some cost centers that haven’t used them in a number of years. This has also helped us reach our reserve. Under benefits PERS went up from 9.3% to 9.42%, unemployment went up from .05% to .30%, workers comp decreased from 2.3% to 2.0%. We do not have final figures from Blue Shield or Kaiser. We are using 10% increase currently and will negotiate with each of them this summer. Our usage of Blue Shield has been extremely high. Carol will notify the Board of Trustees of the changes made to the assumptions at the June 17th meeting.

Carol reported that the Instruction Department has done a really good job of trying to stay within the guidelines for budget development, which was spending what they did last year. The operating budget for 07-08 shows that our deficit spending is at $1,134,515. Our beginning balance for this year is $4,846,605. Our budgeted revenue for 08-09 is $61,031,356. Next year instead of an increase of revenue over expenditures we have a decrease of $100,000. The general fund unrestricted is also mostly Instruction. There are many decreases. There are also some large increases which includes hiring of 4 full time faculty. Carol Cone did a spread sheet to detail the changes. The decreases are mostly in
adjunct and overload, which was what Instruction planned on doing. Increases are step and
column and some switches in departments. We have had some retirements that have caused
decreases in departments such as Dance. We have had a big increase in RN because of the
new program. Summer school and winter session has increased and needs to be looked at.
With the new summer session and winter session we have spent more that what we have
budgeted currently. The President’s cost center went down about $200,000 due to elections
and the presidential search that was taken out of the budget. Reading increased because 2
faculty members were moved from Language Arts. Claremont summer school rent increased
which has not happened for years. Toby Guebert asked how the non-resident tuition of $210
compared to other colleges. Carol stated that at the board meeting in January this was passed
and we are within a dollar or two of Mt. SAC and Chaffey. It went up $10.00 this year. We
are not using the maximum we could have gone up. We are trying to stay competitive with
the local colleges.

The last page is sorted by major object code. This is the quickest way to look at the budget.
We are operating on only $20,000 more in salaries. It came from the decrease in adjunct and
overload. Carol is hoping we can keep up our FTEs. Whatever revenue we get in we will
give back to instruction for more classes. The schedule gives us classes but we are not
currently offering all of our classes in the schedule. Irene stated that the schedule will not be
as robust as last year and the classes will be more productive. We will have more students
per class. Irene stated that we want to maintain our enrollment and have a place for all of our
students. Carol stated that we have reduced 2300 by $106,000. The increase in classified
salaries of $271,000 includes vacancies. We may have to use part time on call instead of the
vacancies. That will depend on the revenue that we get. Health and welfare is only budgeted
at a10% increase currently. Last year we had and 11.5% increase for Blue Shield and 18%
for Kaiser so we are being very conservative with 10%. We may have to reduce the 5000
and 6000s again. Dr. Viera asked if we are being overly optimistic in not increasing utility
expenses due to the fact that they are oil based. Carol stated that our electricity is less than
budgeted and our gas prices are up. We do have another 36,000 sq ft building this year that
needs to be considered. We are about $100,000 down on electricity because we keep getting
more efficient.

Carol thanked Carol Cone and Rosi Buchwald for all their hard work on the budget. As Rosi
and her staff close the books, we hopefully will have a higher ending balance. Getting a little
COLA would help us also. The backfill of taxes would also help us. If the state tells us by
August we could get it in the adopted budget. Martha asked if we see our tentative budget
sheets again. Carol stated that if you need your department, ask Carol Cone. The entire book
is not published until the adopted budget is finished. After the books are closed we will send
out budget sheets again so that you can see unaudited actual expenditures to budget. That
will give you a clearer picture of what adjustments you need to make. Carol stated that Eric
Rabitoy was the only instructional dean that cut 4000s, 5000s and 6000s also. Dr. Viera
asked what the required date is for adopting the budget. Carol responded that it should be
adopted by September 15th but if the legislature is late we may get a deferral. We have
adopted as late as October 15th. This may be another late year if the legislature does not pass
the budget by the end of August. Cash flow also becomes an issue if the state budget does
not pass. If the budget does not pass we do not get apportionment through the summer. The
state keeps deferring more and more revenue because the state is out of money and they can just legislate that they do not have to pay us our apportionment. We can borrow from the County Treasurer and we can do a TRANS again if we have to.

The meeting was adjourned at 3:10pm.