

IMPERIAL VALLEY COLLEGE
Budget and Fiscal Planning Committee
Wednesday, January 29, 2014
1:30 p.m., Board Room

Accreditation Standard III: Financial Resources -- Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.

Mission: Coordinate and integrate college plans and establish budget priorities consistent with the college's vision and mission statements, with recommendations, expressed in dollars, made to the Superintendent/President. Review the Tentative and Adopted budgets for consistency with annual institutional goals and objectives, college plans, and the planning and budget philosophy.

Minutes

✓ Members present:

✓ **John Lau, VP for Business Services, Co-Chair**

✓ Kathy Berry, Administrative Rep.

✓ Dr. Martha Garcia, College Council Rep.

– Eric Jacobson, Faculty Representative

✓ Dave Drury, Faculty Representative (1:50 p.m.)

– Carlos Fletes, Director of Fiscal Services

✓ **Kevin White, Academic Senate Rep., Co-Chair**

– Jeff Cantwell, CMCA representative

✓ Mike Nicholas, CSEA Representative

✓ Matthew Thale, CSEA Representative

– Alex Whalen, ASG Representative

Recorder: Mary Carter

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- A. Call to Order: The regular meeting of the Budget and Fiscal Planning Committee was called to order at 1:40 p.m. by Co-chair Kevin White. The meeting was held in the board room.
- B. Review and Approval of Minutes: ***M/S/C Thale/Lau to approve the minutes of the December 4, 2013 meeting as presented.***
- C. Reports: none
- D. Update on Previous Discussion Items:
- a. Accreditation response, recommendation #8. Will be an action item at the next meeting.
 - b. OPEB (Other Post Employment Benefits) funding plan: No discussion.
- E. New Discussion: none
- F. Action Items:
- a. **Recommendation on strategy to increase reserve to 16.6%:** *M/S/C Lau/Garcia to recommend that at the end of each fiscal year, if a favorable variance exists between budget and actual, this amount will be designated to be part of the reserve. Any use of the available reserve for current operations will have to be approved by the Board of Trustees.*

Discussion: VP Lau stated that the methodology used to increase the reserve should not be disruptive to the operating budget and be flexible to meet the needs of the District. He stated that the District usually has a favorable variance of about \$350,000 at the end of each fiscal year that could be committed to the reserve. Only the Board can authorize use of funds in the reserve fund. The board and the campus community would be more cognizant of the spending of reserve funds because of the need for board action. Funding would not come from on-going revenue, but from end-of-year savings. Currently the District has about \$2.4 million in its reserve, and would require \$5.9 million to meet the 16.6% reserve recommended by the committee. It would be a long-term process, probably 9 to 11 years. The building-up would be incremental, but the District is not in the position to be more aggressive. The use of carry-over funds would not affect the operating budget, and would force budgeting using only on-going revenues. Member Thale noted that budget variances should decrease with the use of SPOL.

b. **Review and re-adoption of Budget Principles, Guidelines and Priorities:** tabled until a special meeting/work session to be held on Friday, January 31, 2014. VP Lau stated that the guidelines will be an operating manual for the committee in its role of prioritizing budget requests. The committee needs to be comfortable with the criteria, and be ready for challenges when items are not funded. The budget prioritization will be a major undertaking for the committee. Member Drury stated that some projects might be eliminated if the departments did not get an opportunity to explain their needs to the committee. VP Lau stated that requests would not be eliminated, but be assigned a priority number based on scoring.

G. Other: None

H. Next Meeting: Special meeting to review and revise the Budget Principles, Guidelines and priorities to be held Friday, January 31, 2014, 1:30 p.m. Location TBA.

I. Adjournment: Meeting adjourned at 2:55 p.m.