



Financial and Budget Planning Advisory Council (FaBPAC)
Wednesday, May 16, 2012
2:00 p.m., Board Room

Adopted Minutes

Present: Peter Cammish, Lester Young, Dave Froehlich, Les Hubbard, Sabrina Drake, Betsy Julian, Gale Anderson, Peter Bostic, Patrick Killingsworth, Jeff Lehfeldt, Richard Crapuchettes, Charlene Snow, Kamber Sta. Maria, Karen McCord, Jocelyn Mouton, Maire Morinec, Kheck Sengmany, Yulian Ligioso, Janet Leary

A quorum was present at 2:20 p.m., and Vice President Ligioso called the meeting to order.

I. May 16, 2012, Agenda: Approval

To accommodate Ms. Sta. Maria's schedule, Vice President Ligioso requested that her revised strategic proposal budget presentation be moved to the last agenda item. Motion (Jeff Lehfeldt), second (Richard Crapuchettes) to approve the agenda as amended. The motion unanimously carried.

II. May 2, 2012, Minutes: Approval

As the May 2, 2012 minutes were published and disseminated too late for FaBPAC to preview them, a motion to postpone approving them until the June 6, 2012 meeting was made by Richard Crapuchettes, and it was seconded by Jeff Lehfeldt. The motion unanimously carried.

III. Strategic Proposal Update

Peter Cammish distributed a status report on the five strategic proposals that had been presented at the April 4, 2012, FaBPAC meeting. Peter focused on the Addressing Equity / CUE proposal and stated that this program has until Spring 2013 to demonstrate progress, or its \$27k will be reallocated. Peter also recapped that funding for the *Biology Microscopes* and the *First-Year Experience* proposals was approved by SPC and FaBPAC and stated that Dr. McCord and Ms. Sta. Maria were present at this meeting to present their revised budgets, to \$17k.

Dr. McCord then presented her Harambee Program budget which had been revised budget to \$17k. Motion (Betsy Julian), second (Jeff Lehfeldt) to approve the revised budget. The motion unanimously carried.

IV. Code of Ethics

Gale Anderson distributed copies of the revised *Solano Community College Code of Ethics* which has been revised to comply with ACCJC requirements. Ms. Anderson's presentation and review of the document were for informational-only purposes; FaBPAC approval was not required. The *Code of Ethics* had been vetted and approved in Shared Governance, and Ms. Anderson will present it to the Governing Board in June for final approval. The *Code of Ethics* will be included in new-hire packets and will be ubiquitously posted on campus.

V. 2012-11 Measure G Bond Audit

Vice President presented an overview of the General Obligation Bonds Measure G Financial and Performance Audit Reports prepared by Vavrinek, Trine, Day & Co., LLP (VTD). He highlighted this sentence (page 1, financial report), *In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure G fund of the Solano Community College District at June 30, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.* The term **present fairly** tells the reader the audits went well.

Vice President Ligioso also mentioned VTD's one finding, an inappropriately classified expenditure: A \$6,678 invoice which should have been paid under the general fund was inadvertently paid through bond funds. The error was found before the audit and was corrected, and the general fund reimbursed the bond fund.

Vice President Ligioso added that since the finding, Fiscal Manager Judy Yu has and will continue to review and tightly monitor our procedures and will strictly adhere to the bond indenture language. He added that the complete reports are posted here:
http://www.solano.edu/measureG/CBOC_info.html.

VI. Measure G Q3 Update

Dave Froehlich and Lester Young handed out copies of the Quarterly (Q3) Bond Update for the Measure G Bond Program, which provides a current review of activities that range from design and construction, through project closeout. Mr. Froehlich and Mr. Young highlighted and spoke to some of the projects on the *Completed Projects* and *Projects in Progress* Lists. The complete report is located here: (attachment #3, 05.16.12) <http://www.solano.edu/administration/fabpac.html>.

Vice President noted that the Measure G website is being updated and includes Citizens' Bond Oversight Committee (CBOC) meeting agendas / minutes, committee membership, reports, and all documents generated since Measure G's inception. The information is located here:
http://www.solano.edu/measureG/CBOC_info.html. Yulian requested that all inquiries regarding this site be directed to Mr. Froehlich and Mr. Young.

VII. April Year-to Date Report

Mr. Killingsworth presented an updated projection of Unrestricted General Fund operating results compared to budget for the fiscal year ending June 30, 2012. Key items:

Revenues are down approximately \$500,000 from the prior projection due to the booking of actual property tax revenues received in April which was less than the prior projection. Fiscal services will be checking with the county for final figures for property taxes for the fiscal year and will incorporate final totals for property tax receipts into the next report. Projected revenues still include an assumption that the state will make up the shortfall in net enrollment fees due to a higher level of BOGG waivers that students qualified for in the current year, with the risk that a state revenue shortfall will result in no increase to apportionment revenue.

The favorable trend in employee costs continued in April, due principally to open positions. Total employee costs are now projected to be \$980,000 favorable to budget, an increase of \$126,000 over the prior projection.

Other expenses are now projected to be unfavorable to budget by about \$66,000. The major change from the favorable variance of \$6,000 last month is increased commitments for professional services.

Net operations are now projected at a net unfavorable \$224,000 versus budget, the drop from the prior projection of a favorable \$197,000 due to the property tax shortfall.

Major expense assumptions were then discussed. Expense for contract instructors will be recorded by the end of May, with adjunct and overload wages continuing through June. Certified staff is assumed to remain at the same "run rate" (defined as the amounts in later periods as opposed to using year to date averages) from March through year end. This assumes that hiring for the rest of the fiscal year will be minimal.

Other expenses were assumed to be flat through the end of the fiscal year except where there were significant "commitments" recorded in the financial system. Legal expenses in particular are expected to be higher due to labor negotiations.

Mr. Killingsworth emphasized the importance of managers reviewing their open purchase orders to make sure all significant anticipated purchases have been requisitioned and that the existing open purchase orders are accurate.

In summary, our operating deficit is projected to be \$1,280,000 versus a budgeted deficit of \$1,476,000, as the net shortfall of revenue of \$650,000 will be more than offset by total projected savings of \$853,000 in wages and benefits.

VIII. CCFS-311Q_Q3

Interim Director of Fiscal Services Pat Killingsworth presented to the committee the Quarterly Financial Status Report (CCFS-311Q) submitted to the State. He noted that the reported totals were consistent with totals presented to FaBPAC previously. He also noted that the major change in the report from the prior quarter was a reference in section VI to the cut on State general apportionment revenue during the quarter as a "significant event" and an expansion of comments in section VII to the revenue cuts and risk of further cuts as a significant fiscal problem that must be addressed. The report is located here: <http://www.solano.edu/administration/fiscal.html>.

IX. Budget Update

Governor Brown published the May Revise earlier that week, Monday May 14, which showing a larger \$15.7 billion deficit as compared to his January numbers of \$9.2 billion. The differences were primarily attributed to lower than expected tax revenues and an increase in Prop 98 expenditures. Given the increased deficit, the now estimated apportionment revenue loss for Solano College stands near \$2.4 million.

Vice President Ligioso asked the group if they wanted to go with the League's proposed budget, Dan Troy's (CCCCO Vice Chancellor of Fiscal Policy) recommendation: "Don't assume the tax package will pass. Picture has gotten worse, \$9 Billion to \$16 Billion deficit".

Ensuing discussions revolved around maintaining the more conservative stance, adopting the League's updated estimate, building in the greater anticipated revenue loss as well as maintaining the 1% deficit factor.

VP Ligioso will bring a draft of the tentative budget, reflecting the above recommendations, to the next meeting, also to be presented to the Governing Board.

X. Vacant Campus Positions

Vacant positions in the FY 2012-13 budget were discussed, comprised of 4 faculty, 9 CSEA, 6 Operating Engineers, and 6 ALG positions. Director Killingsworth noted that while the vacancies amounted to about \$1.4 million, more than half of those positions are currently being backfilled with subs, temps and/or contract hires, such as the Fiscal Director one. VP Ligioso added that the District worked with the various associations and are holding filling such vacancies permanently pending the outcome of the tax measure in November. The vacancy list is available on the F&A Web site: <http://www.solano.edu/administration/fabpac.html>.

III. Strategic Proposal Update (continued)

Kamber Sta. Maria presented her Foster Youth Program budget which had been revised budget to \$17k. Motion (Charlene Snow), second (Jeff Lehfeldt) to approve the revised budget. The motion unanimously carried.

XI. Next Meetings:

June 6, 2012

July meeting date/s to be determined

XII. Adjournment

The meeting adjourned at 4:15 p.m.