

IMPERIAL VALLEY COLLEGE
Budget and Fiscal Planning Committee
Thursday, August 31, 2017, 4:00 p.m.

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**

_ Nick Akinkuoye, Admin. Rep.

_ Mary Lofgren, Academic Senate Rep

√ Michael Heumann, Faculty Rep

√ Zhong Hu, Faculty Representative

√ Luis Caloca, ASG Representatives

Recorder: Mary Carter

√ **Matthew Thale, Classified Representative (Co-chair)**

_ Melody Chronister, College Council Rep.

√ Jeff Cantwell, Classified Manager/Confidential Rep.

√ Mike Nicholas, Classified Representative

√ Carlos Fletes, Director of Fiscal Services

Visitor(s): Dave Drury, Jeff Enz, Lennor Johnson and
Mary Jo Wainwright

A. Call to Order: The special meeting of the BFPC was called to order at 4:01 p.m. Matthew Thale, co-chair.

B. Review and Approval of Minutes:

1. **The minutes of the August 23, 2017 meeting were approved as presented.**

C. Reports: none

D. Update on Previous Discussion Items:

2017-18 Budget:

Director Fletes reported there are no further changes to the final budget. The deficit is \$500,000. The College is currently being paid on 6915 FTES. Funded FTES last year was 6854. The base has been augmented with growth, per FTES funding, and COLA, but the state is deficiating IVC by about \$600,000. One-time money will not be finalized until later in the year.

VP Lau stated that the budget will be adjusted once labor negotiations are finalized and one-time money is received. Revenue has increased by about \$850,000 due to more students and more funding per FTES (approximately 2% increase).

There was a favorable ending variance of \$1.5 million, mostly in salary costs. This was unexpected and will be reviewed further. He cautioned that this magnitude of variance probably won't happen again.

VP Lau stated that the college still relies on one-time money (\$4 million in 2014-15 and \$800,000 last year).

VP Lau stated that there are great opportunities for growth through the prison program, dual enrollment, non-credit and enrollment management.

Expenses increased 7% over last year; salaries and benefits are at 89% of budget. PERS and STRS had a \$1.1 million increase, but the increase was stabilized with state funding that has been reserved by the college for this purpose (\$2.3 million remains in the designated reserve for PERS and STRS). Wages increased by \$1 million and negotiations have not yet been finalized. VP Lau stated that he is fairly optimistic, but cautioned against getting too comfortable.

The college has been in survival mode for four years. There is a backlog of deferred maintenance items, and some items may end up being emergency repairs. The college needs to replace electrical feeders at a cost of \$700,000. The work will be done during Christmas break. The sewer system is 50 years old.

Reserves are at \$6.1 million (14% of expenses), with \$600,000 designated for OPEB liability and \$2.3 million designated for PERS and STRS increases.

VP Lau suggested goals for next year: new revenue, stability, addressing personnel needs. The college needs to face its changing environment and switch from survival mode to prudent planning for stability. The college also faces organizational challenges, such as implementing Guided Pathways.

For financial stability, VP Lau stated the college needs to address 5 areas:

1. Revenue/student enrollment levels
2. Expenses/productivity
3. Capital projects/deferred maintenance costs
4. Reserves
5. Awareness of on-coming issues.

E. New Discussion: none

F. Action items:

1. ***M/S/C Lau/Hu to recommend to the Superintendent/President that the 2017-18 Final Budget be approved.***

G. Other: none

H. Next Meeting: Wednesday, September 27, 2017, 2:00 p.m.

I. Adjournment: Meeting adjourned at 4:55 p.m.