

**EL CAMINO COLLEGE**  
**Planning & Budgeting Committee**  
**Minutes**  
**Date: June 5, 2014**

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**MEMBERS PRESENT**

Members

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| <input checked="" type="checkbox"/> Alice Grigsby - Management/Supervisors | <input checked="" type="checkbox"/> Dawn Reid - Student & Community Adv.        |
| <input type="checkbox"/> Ken Key - ECCFT                                   | <input checked="" type="checkbox"/> Cheryl Shenefield - Administrative Services |
| <input type="checkbox"/> Liliana Lopez – ASO                               | <input type="checkbox"/> Dean Starkey – Campus Police                           |
| <input checked="" type="checkbox"/> Rory K. Natividad - Chair (non-voting) | <input checked="" type="checkbox"/> Gary Turner - ECCE                          |
| <input checked="" type="checkbox"/> Dipte Patel - Academic Affairs         | <input checked="" type="checkbox"/> Lance Widman - Academic Senate              |

**Other Attendees: Members** – David Brown, William Garcia, Irene Graff, Emily Rader **Support** – Janice Ely, Jo Ann Higdon, Jeanie Nishime, Will Warren

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The meeting was called to order at 1:05 p.m.

**Approval of May 15, 2014 Minutes**

1. Page 1, #1, rephrase the sentence to read as follows: The Dan Troy letter was reviewed. J. Higdon cautioned that all of the following are subject to a wide range of changes.
2. Pages 3, #1, second sentence, rephrase the sentence to read as follows: Summer sessions have been increased by about 80 sections compared to the 12/13 year.
3. Page 1, Under Other Attendees: **Delete:** William Garcia and Emily Rader from “Support” and **Add** to “Members.”
4. The minutes were approved with minor grammatical corrections which will be reviewed later.

**Tentative Budget**– J. Higdon (handouts)

1. A draft handout of the 2014/15 tentative budget was distributed. The estimated growth to be received for 2013/14 has already been included in the revenue. That amount has been moved forward to be a part of the base funding in 2014/15. If we earn the growth FTES, this will be added at the end of the year when we are assured we have earned this money. As of right now for 2014/15, the revenue does not include the growth numbers for 2014/15.
2. It was noted for 2013/2014, the deficit factor be at 0.2% section a. of the handout). For the year of 2014/15 we are staying for a deficit factor of 0.7% (section f. of the handout).
3. It was clarified for (f) that restoration funding doesn't only mean growth.
4. A conversation arose as to what the difference was what between the potential revenue short fall versus the deficit factor.
5. The tentative budget figures for 2014/15 were reviewed and discussed by the committee. Another additional PBC meeting date will be scheduled next week before the board meeting in order to do a second reading of the budget.
6. A handout was distributed with the recommendations which will be made to the President on the plan for fully funding OPEB (retiree health fund). It was stated that the OPEB fund is projected to have \$18,933,792 on June 15, 2014. The estimated remaining balance of funds 14 (\$213,128) and 15 (\$687,428) for 2013/14 would be transferred over into the OPEB fund which would subtotal \$19,834,348. On July 1, 2014 a transfer from fund 15 of \$2,400,000 would be made to give an estimated balance of \$22,234,348 in the OPEB fund.

According to the actuarial report of 2013, we would need \$22,214,690 to be fully funded. This would allow a cushion of \$19,658.

7. The benefits of fully funding the OPEB fund/obligation were noted as follows:
  - a. Future legal obligation.
  - b. It would save the unrestricted general fund more than \$830,000 annually.
  - c. Per the actuarial report it would save the unrestricted general fund an estimated \$12,370,302 over the next nine years.
  - d. It would enhance the college's credit rating for bond and TRAN borrowing.
  - e. It would lower the cost of those borrowings to the taxpayer.
8. A copy of the actuarial assumptions was listed with the OPEB information. A clarification of the term "fully funded" was requested. It was noted that legally the definition of fully funded is as follows: fully funded as of the last actuarial report which is on line. The interest per year we are receiving from the actuarial account is about \$500,000.
9. The summary of allocations for fund 15 (special programs fund) for 2014/15 starts out with revenue which has an applied 0.85% COLA. Appropriations were then noted as follows:
  - a. The student retention projects, Disabled Students Programs & Services (DSP&S) were listed as \$230,000. This figure may change when the State budget is finalized.
  - b. The following programs are listed the same as last year: First-Year Experience (FYE) - \$67,000, Honors Transfer Program - \$87,000, Project Success - \$42,000, & the Puente Program - \$45,000. These programs may be able to be funded from SSSP or Student Equity Programs.
  - c. Library books had an on-going funding request of \$50,000.
  - d. Enrollment Management and Marketing Plans – this was bumped up from \$200,000 to \$270,000 because of concerns of marketing and enrollment management in acquiring more students.
  - e. Auxiliary Services Fund Support (fund 70) Fall Semester 2014 / Associated Students Activity Card (sales commence Spring 2015) – last year this amount was double. As of now it is listed as \$50,000. With the adoption of the student fee (which will commence January 1, 2015) students will be paying a \$10 fee they voted in for themselves which will make up the difference.
  - f. Emergency Equipment Replacement Repair - - \$100,000.
  - g. Retiree Health Benefits Allocation – Fund 69 - \$2,400,000.
  - h. Remaining balance - \$1,278. Funds for the Commencement activities were discussed and a possible line item in the budget was noted for next year's event. This should be noted in the budget worksheet.
  - i. It was clarified the revenue for fund 15 for 2014/15 is projected to go up by up 0.85% (\$3,349,775).
10. The summary of allocations for fund 14 (Compton Center Related Expenses Fund) was reviewed for 2014/15. The revenue was increased from last year by 0.85% - \$1,116,593. It was noted items 11 (Certificated Stipends) and 12 (Classified Stipends) are still being determined. Item 7 (ECC-Associate Dean of Academic Affairs) is support for ECC Academic Affairs Office to render support for the Compton Center.
11. To summarize it was noted the balance for funds 14 and 15 will be transferred into the GASB account. If the investment income received is correct as anticipated, the fund would need 2.4 million to get GASB fully funded.
12. It was clarified that the transfer from fund 15 will automatically go into the irrevocable trust. This is the only way this amount gets credited.
13. A subsequent meeting will be scheduled next week to have a second review of the budget.

#### **Agenda Items** – R. Natividad

1. Internal Controls and Strategic Initiatives from the proposed agenda were tabled due to time constraints. Those topics will be brought back in the next regularly scheduled meeting for review and collaboration.

#### **PBC Calendar 2014-15** – R. Natividad

1. A new proposed calendar was released for members to review and provide feedback. One addition was made for a tentative meeting in June 2015. Another review will be provided at the next meeting.

**Adjournment** – R. Natividad

1. The meeting adjourned at 2:32 p.m. The next meeting will be **June 12, 2014 at 1:00 p.m.**, in Library 202.

RKN/lmo

Draft