

PALO VERDE COMMUNITY COLLEGE DISTRICT
REGULAR MEETING/STUDY SESSION
BOARD OF TRUSTEES
Tuesday, August 25, 2015
5:00 p.m.
One College Drive, Blythe, CA – CL 101
(ITV held at Palo Verde College Needles Center – 725 W. Broadway, Needles, CA.)

Meeting 15-13

MINUTES

I. OPENING OF MEETING

1. Call to Order

The Regular Meeting of the Board of Trustees was called to order by Dr. Thomas, President of the Board, at 5:00 p.m.

2. Flag Salute

The Salute to the American Flag was led by Mr. Gonzales, Trustee.

3. Roll Call

Trustees Present:

George Thomas, President
Ned Hyde, Vice President
Ernila Rodriguez, Clerk
Ted Arneson, Trustee
Ed Gonzales, Trustee
Jerry Lewis, Trustee
Suzanne Woods, Trustee
Grace Quist, Student Trustee

Administrators Present:

Donald G. Wallace, Superintendent/President
Sean Hancock, Vice President of Instruction and Student Services
Russi Egan, Chief Business Officer

Recorder:

Carrie Mullion, Administrative Assistant to Superintendent/President and Board of Trustees

Visitors:

On file in the Superintendent/President's Office

4. Approval of the Agenda for this meeting.

Dr. Thomas announced that Closed Session will not take place, and requested to amend the Agenda to reflect that Closed Session has been cancelled.

It was moved by Mr. Arneson, seconded by Mr. Gonzales, and unanimously carried, that the Agenda be approved as amended.

(These minutes are a concise summary of reports, discussion and actions taken at this meeting. For detailed comments and discussion, a tape is available to the public for 30 days after the date of this meeting.)

II. HEARING OF CITIZENS (AGENDA ITEMS)

Members of the public have this opportunity to directly address the Board on agenda items, subject to a five (5) minute time limitation per individual. Pursuant to the Brown Act Government Code Section 54954.2(a): "No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3."

None.

III. ANNOUNCEMENT OF RECUSAL FROM AGENDA ITEMS

The Superintendent/President respectfully asks if any of the Governing Board members need to recuse themselves from any item where there might be a potential conflict of interest.

None.

IV. CONSENT RESOLUTIONS

(All consent resolutions will be voted on in one motion with 15 minutes allocated for questions by Board members. After the question period, any Board member may request that any item(s) be moved to the Action Agenda.)

A. INSTRUCTION

Resolution 15-13 A-18 – ENROLLMENT APPROVAL OF SPECIAL PART-TIME STUDENT

BE IT RESOLVED that Palo Verde Community College District Board of Trustees approves the enrollment of special part-time student #0132744, pursuant to AP 5011. Student #0132744 is a 9th grade student in the Needles Unified School District, and has met the requirements for enrollment at Palo Verde College.

(Blanket Motion)

It was moved by Mr. Lewis, and seconded by Mr. Gonzales, that Consent Resolutions be approved.

Student Advisory	<u>Yes</u>	Hyduke	<u>Yes</u>	Thomas	<u>Yes</u>
Arneson	<u>Yes</u>	Lewis	<u>Yes</u>	Woods	<u>Yes</u>
Gonzales	<u>Yes</u>	Rodriguez	<u>Yes</u>		

Motion carried; Aye 7 No 0 Abstain 0 Absent 0

V. ACTIONS ITEMS

C. PERSONNEL

Resolution 15-13 C-56 – LAYOFF OF CLASSIFIED PERSONNEL

WHEREAS, Education Code section 88127 authorizes the Board of Trustees of the Palo Verde Community College District to initiate a layoff of classified employees based on a lack of work and/or lack of funds; and

WHEREAS, the Superintendent/President has recommended to the Board of Trustees that the services set forth below be eliminated based upon a lack of work and/or lack of funds; therefore

V. ACTIONS ITEMS (continued)

BE IT RESOLVED that the Board of Trustees of the Palo Verde Community College District, pursuant to the recommendation of the Superintendent/President, hereby determines that the following classified positions be eliminated due to a lack of work and/or lack of funds:

Eliminate one (1) 1.0 full-time equivalent (FTE) DSSS Educational Assistant position.

Eliminate one (1) fifty percent (50%) full-time equivalent (FTE) DSPS Technician position.

BE IT FURTHER RESOLVED by the Board of Trustees as follows:

1. That due to a lack of funds and/or lack of work, the number of classified positions and/or employees and the amount of service rendered shall be reduced by layoff as specified above, pursuant to Education Code section 88127.
2. That the Superintendent/President or designee is directed to give sixty (60) days' written notice of layoff to the affected classified employees pursuant to the requirements of law, subject to negotiations to the extent required by law.
3. That the Superintendent/President or designee shall take any and all additional action necessary to effectuate the purpose of the layoff.
4. That the employees laid off pursuant to this Resolution shall be eligible for reemployment pursuant to Education Code section 88117.

PASSED AND ADOPTED THIS 25th day of August, 2015, by the Board of Trustees of the Palo Verde Community College District of Riverside County, California, by the following vote:

It was moved by Mr. Gonzales, and seconded by Mr. Hyduke, that Resolution 15-13 C-56 be approved.

Discussion occurred, and Dr. Wallace provided clarification.

Student Advisory	<u>Yes</u>	Hyduke	<u>Yes</u>	Thomas	<u>Yes</u>
Arneson	<u>Yes</u>	Lewis	<u>Yes</u>	Woods	<u>Yes</u>
Gonzales	<u>Yes</u>	Rodriguez	<u>Yes</u>		

Motion carried; Aye 7 No 0 Abstain 0 Absent 0

VI. STUDY SESSION

1. Palo Verde Community College District Budget Development Process 2015-2016
Presenter: Russi Egan, Chief Business Officer

Ms. Egan provided a PowerPoint presentation titled "Palo Verde College FY2015-16 Budget Workshop". The following points were explained and discussed:

- Prop 98 money will be paid back to community colleges. Palo Verde College will receive approximately \$1.2 million in on-going money.
- Palo Verde College Mission Statement is important for Accreditation purposes, and any and all expenses incurred by the college must relate back to the Mission Statement.
- College values – excellence, learning, integrity and ethics, diversity, creativity, and civic responsibility.

VI. STUDY SESSION (continued)

- The Budget Committee has been changed to the Budget and Planning Committee:
 - On September 1, 2015 a letter will be sent to the Superintendent/President notifying him that the review process of the Mission Statement is due to begin.
- Budgeting Principles, reviewed and updated in October of every year:
 - transparency,
 - broad participation,
 - balanced,
 - conservative,
 - complete and comprehensive.
- Educational and Facilities Master Plan (10 year plan), and how it relates to budget planning.
- Strategic Plan (3 year cycle), and how it relates to the Educational and Facilities Master Plan.
- Budget Guidelines:
 - One-time revenues will be allocated to one-time expenditures; ongoing expenditures will be covered by ongoing revenues.
 - Year-end balances are not budgeted for ongoing expenses.
 - Funds are budgeted where they are expected to be spent so as to minimize transfers and protect budget integrity.
 - Contractual obligations and fixed costs are budgeted first.
 - New positions must be fully funded; salaries, benefits, and support expenses.
- Budgeting Prioritization:
 - Align with college's Strategic Plan.
 - Achieve Strategic Goals.
 - Align categorical/restricted programs with Strategic Goals.
 - Recommended level of reserves is 12%; the college is above 15%.
 - To accommodate cash flow shortfalls, implement a disciplined spending plan tied to cash-flow projections with centralized spending control.
 - Use inter-fund borrowing in preference to external borrowing.
- 2014-15 Unrestricted Budget Development:
 - Unmet needs were reviewed by Program Review and College Council with a recommendation of the ranking being submitted to the budget committee.
 - A total of \$117,140 unmet needs requests were presented.
 - Program Review/prioritization Criteria:
 1. health and safety.
 2. student success.
 3. number of student's impacted.
 4. FTE/revenue.
 5. Instruction.
- Basis for the calculation of the FTES (2015-16):
 - The college is using 1811 FTES for calculating 2015-16. This number is being used based on obtaining 1848 FTES for 2014-15.
 - The district expects to receive growth, which would increase the potential cap to 1901 (5.38% growth).
 - 4.65% increase to base funding, due to Prop 98 funding.
 - Increase in the number of FTES from the prisons and ISA's.

VI. STUDY SESSION (continued)

- Cautions:
 - Districts must create and plan for the future increases for STRS (19.4%) and PERS (20.1%), and submit it to the Chancellor's Office. Additional money received from the state is intended to help offset these additional costs. Based on today's salaries, the additional cost to the district would be \$523,169.
 - Prop 30 (EPA); first part expires December 31, 2016, and the district will lose 21% of EPA funds or \$223,508 in 2016-17, and \$447,015 in 2017-18. The second part expires December 31, 2018 which will mean a loss of \$840,815 in 2018-19, and \$1,681,629 in 2019-20.
 - An Accounting Advisory was issued by the Chancellor's Office on July 21, 2015, stating that the college must demonstrate a plan on how to handle these increases in the 311 report.
- Apportionment changes, ongoing 2015-16. New rates for base funding (increases):
 - Small college - \$3,566,659.
 - Rural district - \$1,188,887.
 - Needles - \$148,611.
 - FTES credit funding - \$4,943.
 - FTES Non-credit funding - \$2,973.
 - Total increase in ongoing funding - \$1,299,830.
- One-time funding - money that cannot be spent on salaries, benefits, ongoing contracts, etc. Annual Mandated Block Grant is \$50,533. Proposed uses:
 - Enhancement requests - \$40,000.
 - Painting - \$10,533.
 - Reimbursement Mandated Block Grant - \$998,834. Proposed uses:
 1. Parking lot (Blythe, Needles, CDC) - \$100,000.
 2. Office computers (100) - \$150,000.
 3. Server upgrades - \$100,000.
 4. Enhancement requests - \$40,000.
 5. Reporting upgrades - \$50,000.
 6. OPEB (Other Post-Employment Benefits) - \$500,000.
 7. Painting/repairs - \$58,834.
- Growth potential for 2015-16; calculated at the credit rate only:
 - Growth rate - \$5.38%.
 - Total potential increase - \$439,507.
 - New CAP - 1,901.
 - Ended 2014-15 at 1848 FTES.
- Recap of unrestricted budget development:
 - Base increase - \$1,299,830; STRS/PERS liability - \$523,169.
 - Growth increase - \$439,507.
 - One-time money - \$998,834.
- Assumptions for 2015-16:
 - Revenue based on 1811 FTES.
 - 1.02% COLA.
 - All fees collected are based on a 5 year average.
 - Expenses - California CPI of 2.3% used to estimate increase in expenses.
 - Rollover of current expenses.

VI. STUDY SESSION (continued)

- Unrestricted budget revenue; calculating apportionment, basic allocation calculation:
 - Total base allocation for the district - \$4,904,157.
 - Total revenue entitlement - \$13,632,865.
 - Less EPA funds - \$2,220,794.
 - Less property taxes - \$1,138,097.
 - Less anticipated enrollment fees - \$491,169.
 - Total state general apportionment - \$9,782,805.
- State revenue:
 - State apportionment - \$9,782,805.
 - EPA funds - \$2,220,794.
 - Part-time faculty allocation - \$38,310.
 - Anticipated lottery (\$140/FTES) - \$253,540.
 - Cal Grants - \$75,000.
 - Anticipated state revenue - \$12,295,449.
- Local revenue:
 - Property taxes - \$1,138,097.
 - Enrollment fees - \$491,169.
 - Interest - \$1,407.
 - Student records - \$3,018.
 - Out-of-state and Arizona fees - \$28,056.
 - Miscellaneous fees collected - \$7,500.
 - Total anticipated local revenue - \$1,669,247.
- Estimated total state and local revenue - \$13,964,696.
- Total unrestricted expenses for 2015-16 is \$13,670,142.
- Adopted budget summary for 2015-16:
 - Total revenue - \$13,964,696.
 - Total expenses - \$13,670,142.
 - Difference - \$294,554.
- 2105-16 Estimated 50% Law Calculation is at 55.10%.

Discussion occurred and Ms. Egan answered questions from the Governing Board.

Dr. Wallace expressed his thanks and appreciation for the fabulous job that Ms. Egan is doing watching over the fiscal health of the district.

VII. HEARING OF CITIZENS (NON-AGENDA ITEMS)

Members of the public have this opportunity to directly address the Board on items of interest to the public, subject to a five (5) minute time limitation per individual.

None.

VIII. CLOSED SESSION (Dr. Thomas announced that there will be no Closed Session)

- 1. ~~Public Employment, pursuant to Gov. Code 54957~~
~~Title: Library Technician I~~

IX. RETURN TO OPEN SESSION (ANY ACTION FROM CLOSED SESSION WILL BE ANNOUNCED AT THIS TIME)

X. ADJOURN

The meeting was adjourned at 6:56 p.m.

**Minutes approved at the October 13, 2015
Regular Board Meeting.**

Donald G. Wallace, Secretary of the Board