

**PALO VERDE COMMUNITY COLLEGE DISTRICT**  
**STUDY SESSION**  
**(Government Code 54965)**  
**BOARD OF TRUSTEES**  
**One College Drive in Blythe – CL 101**  
**Tuesday, August 28, 2012**  
**4:30 p.m.**

**Meeting 12-17**

**MINUTES**

**OPENING OF MEETING**

The Study Session of the Board of Trustees was called to order by the President of the Board, Mr. Gonzales at 4:30 p.m.

The Salute to the American Flag was led by Mr. Lewis, Clerk of the Board.

**Roll Call**

Present:	Ed Gonzales, President Millie Rodriguez, Vice President Jerry Lewis, Clerk of the Board Ted Arneson, Trustee Lincoln Edmond, Trustee George Thomas, Trustee Frannie Gregory, Student Trustee (arrived at 5:00 p.m.)
Administrators Present:	Denise Whittaker, Interim Superintendent/President Kay Ragan, Interim Vice President, Instructional and Student Services
Absent:	Sam Burton, Trustee
Recorder:	Carrie Mullion, Administrative Assistant to Superintendent/President and Board of Trustees

Visitors: On file in the Superintendent/President's Office.

It was moved by Ms. Rodriguez, seconded by Mr. Edmond, and unanimously carried, that the Agenda for this meeting be approved.

**HEARING OF CITIZENS (AGENDA AND NON-AGENDA ITEMS)**

None.

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(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.)

## **ADJOURN TO CLOSED SESSION**

The Board of Trustees, and Mr. Warren Kinsler (by telephone conference), adjourned to Closed Session at 4:31 p.m. to discuss the following:

1. PUBLIC EMPLOYEE APPOINTMENT (Government Code section 54957(b)  
Title: Superintendent/President
2. CONFERENCE WITH LABOR NEGOTIATORS  
Agency designated representatives: Jerry Lewis, Board Member; Warren Kinsler, Counsel  
Unrepresented employee: Superintendent/President

## **RECONVENE TO OPEN SESSION**

The Board of Trustees reconvened to Open Session at 6:36 p.m., and stated that no reportable action was taken.

## **STUDY SESSION/WORKSHOP**

Ms. Whittaker, Interim Superintendent/President, provided the Board of Trustees with a "Palo Verde College Board of Trustees Professional Development Binder". The purpose of the Professional Development Binder is to provide a systematic way of maintaining important Board materials. The binder will be used as a tool for professional advancement, and materials will be added as additional Board advancement activities take place.

**Part I. 2012-13 Final Budget Overview.** Ms. Russi Egan, Fiscal Services Manager, provided a PowerPoint presentation titled "Palo Verde College FY2012-13 Budget Workshop, August 28, 2012". Ms. Egan stated that most of the information provided at this workshop is a recap from the workshop presented on May 8, 2012 titled "Palo Verde Community College District Budget Development Process". Ms. Egan provided clarification and answered questions from the Trustees during the presentation. The following points were reviewed:

- The budget has a surplus of \$43,486.
- Fifty Percent Law will be met and is currently calculated at 51.45%.
- Achieved 11% board reserve as of June 30, 2012.
- Expected ending balance for June 13, 2013 will be approximately 7.2%, but there are many factors that may affect this including a mid-year cut of 7.3%. There are plans being formulated to protect and keep a 5% board reserve in the event of a 7.3% mid-year cut.
- Budget Committee Members and the purpose of the Budget Committee.
- Strategic Plan process and how it relates to Student Learning Outcomes, Program Review and the Budget Committee.
- College Values - preserve jobs, preserve classes, preserve support services, preserve environment.
- Challenges facing Palo Verde College:
  1. State revenue reductions – tax initiative on the November ballot could reduce our workload measures by 7.3%, which would be a loss of approximately \$499,748.
  2. Attaining 2012-2013 FTES target of 1800 – we are currently on stabilization, and for every FTES we do not restore we will lose \$4,564. A plan to reinstate non-credit classes is being formulated to help attain target.
  3. Accreditation Commission's probationary status.
  4. Federal requirement of 25% for incarcerated students.
  5. Local and state image.
  6. Overall inconsistencies in college policies and procedures – all policies and procedures need to be reviewed, changes documented and published to maintain transparency and consistency.

## **STUDY SESSION/WORKSHOP (continued)**

- Fiscal recap of 2011-2012:
  1. Second Principal Report (P2) deficit coefficient reduced from 3.4 % (\$412,834) to 2.3% (\$283,668).
  2. Stabilization – one year hold harmless of not meeting the previous FTES benchmark. If the FTES are not restored to the level of 2010-2011, the district will lose approximately \$1,770,922.
  3. Fifty Percent Law Exemption – received exemption for all but \$23,176.
  4. Ending balance and board reserve as of June 30, 2011 was \$342,282 or 2.7% board reserve. Ending balance and board reserve as of June 30, 2012 was \$1,175,605.57 or 11% board reserve. This was accomplished due to Stabilization, reduced expenditures (energy savings), and incentive plans.
  5. Fifty Percent Law calculations 2011-2012.
- Unrestricted budget development summary 2012-2013:
  1. Rollover budget for each year BEGINS where ended using expenditures as the base for the following year.
  2. Departments asked to identify unmet/unfunded needs that would negatively impact the integrity of instructional, student support, or operational capacity of the college.
  3. Augmentations were presented to Budget Committee for funding recommendation to the Superintendent/President. Possible augmentations are \$43,508.
- Unrestricted budget – FTES/Revenue:
  1. Full Time Equivalent Student (FTES) is a student who takes thirty units per year. Thirty units per year equals one FTES, and one credit FTES equals \$4,564.83. One non-credit FTES equals \$2,744.96.
  2. FTES Trends, credit and non-credit, for 2008 to present.
  3. Calculating apportionment.
  4. State and local revenue.
- 2012-2013 unrestricted expenses.
- Unrestricted budget history.
- 2012-2013 budget next steps:
  1. Planning for midyear cuts. Budget Committee will look at options such as cutting into the Board Reserve, legality of delaying SERP payments for management, working with Keenan to restructure SERP payments, possible benefits from COP restructuring (still an unknown), and if all else fails further salary and benefits cuts.
- Proposition 30 and Proposition 33 tax initiative handouts were provided and explained.

Discussion occurred regarding the repayment of the Certificates of Participation (COP's). Ms. Egan explained that half of \$855,000 is coming out of the general fund and half out of the capital account. The plan is that in January 2016 to potentially sell portions of the COP's, and then refinance the balance to reduce the debt.

Discussion occurred regarding ACCJC decision to put the college on Probation. Ms. Whittaker stated that ACCJC wants to know what the college will do to demonstrate that instructional, student support, and operational services can be provided with integrity, even though there is so much reduction in staff.

Ms. Egan stated that the college community has become united during this crisis. All constituents, including the Board of Trustees, have participated in the reductions. Palo Verde College has become a model for other colleges to follow in regard to reducing their budgets without laying off employees.

## **STUDY SESSION/WORKSHOP (continued)**

**Part II. Self Evaluation** Ms. Whittaker, provided clarification and there was discussion regarding the Board of Trustees Self Evaluation form. The Trustees were provided the Self-Evaluation form at their June 26, 2012 meeting. The completed forms were brought to this meeting for discussion. The opening statement on the Self-Evaluation form that reads “this form will not become part of the general open meeting board evaluation” was discussed, and the Trustees agreed to review their evaluation in open session. Sections A-G were reviewed and discussed among the Trustees. The forms were submitted to Ms. Whittaker to compile the data into one master form, and final submittal will be on the Board of Trustees agenda for September 11, 2012.

**Part III. Developing Board 2012-13 Performance Goals.** Ms. Whittaker stated that the Performance Goals are directly related to the Self Evaluation and the Self-Evaluation is a reflection of the Performance Goals. A discussion of CCLC Board of Trustees roles and responsibilities were reviewed. Student Trustee rights and privileges were reviewed, and Ms. Whittaker stated that these items will be on the agenda for approval at the next board meeting. Board of Trustees Code of Ethics (BP 2715), Samples of Board Performance Goals from various colleges were provided. An example of how to use the Board’s current Self-Evaluation in order to establish Board Goals for 2012-13 was provided and discussion took place. The Board of Trustees recommended to dedicate October 9, 2012 Study Session for establishing Board Goals.

**Part IV – Accreditation Update.** Ms. Whittaker stated that an Accreditation Update is being presented because this information may impact the Board’s decisions for Institutional Goals. An explanation of the Accrediting Commission, and its purpose, was provided. The letter from the Accrediting Commission to Palo Verde College dated July 3, 2012, was reviewed and discussed. Ms. Whittaker stated that a response from Palo Verde College is due to the Accrediting Commission by November 1, 2012. A site visit will take place sometime in December 2012. Nominations for the Board Finance and Audit Committee will take place at the September 11, 2012 meeting.

**Part V – Board Institutional Goals.** Ms. Whittaker provided the Trustees examples of Board Institutional Goals from various colleges. The purpose of Board Institutional Goals is for the Board of Trustees to lay the foundation for the direction of the college, and the college then puts the pieces together with such things as objectives, benchmarks, activities, and timelines. A review of proposed goals was considered and explained. The Superintendent/President’s goals are set after the Board of Trustees complete their Institutional Goals. The Board of Trustees agreed to dedicate October 9, 2012 Study Session for establishing Board Goals and Institutional Goals. Ms. Whittaker recommended that the goals be set for a two year period, and that a status report be provided to the Board at least once a semester.

### **DISCUSSION**

Discussion occurred to change the Special Meeting of September 11, 2012 to a Regular Meeting, for the purpose of approving the contract for Superintendent/President. A motion was made by Dr. Thomas to change the Special Meeting of September 11, 2012 to a Regular Meeting. It was seconded by Mr. Lewis and unanimously carried.

### **ADJOURNMENT**

The meeting was adjourned at 8:47 p.m.

The next Regular Board Meeting will be held on September 11, 2012 at 5:00 p.m. in Blythe, CA.

**Minutes approved at the September 25, 2012  
Regular Meeting of the Board of Trustees**

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**Interim Secretary of the Board**