

**BOARD FINANCE AND AUDIT COMMITTEE
MEETING MINUTES
January 21, 2014
1:00 p.m.
CS 209**

It is the intention of Palo Verde Community College District to comply with the Americans with Disabilities Acts (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, Palo Verde Community College District will attempt to accommodate you in every reasonable manner. Please contact Carrie Mullion at (760)921-5440, as soon as possible to inform us of your particular needs so that appropriate accommodations may be made.

1. Meeting was called to order by Mr. Arneson at 1:05 p.m.			
2. Roll Call			
Ted Arneson – Board of Trustee Member	X	Rich Soto – CSEA President	A
Jerry Lewis – Board of Trustee Member	X	Derek Copple – CTA President	A
Don Wallace – Superintendent/President	X	Debbie Mitchell – Management/Confidential	A
Sheri Jones – Interim V.P. of Instructional and Student Services	X	Imelda Gonzalez – ASG Representative	X
Biju Raman – Academic Senate President	A	Carrie Mullion - Recorder	X
Russi Egan – CBO <i>(arrived at 1:13 pm)</i>	X	Guests: Ed Gonzales, Trustee George Thomas, Trustee	

3. Opportunity for Public Comment
<i>At this time, members of the public have the opportunity to address the Committee on any item contained within this notice. Persons wishing to make comments are allowed five minutes per item. Please note that the Committee cannot take action on any items not on the agenda, with certain exceptions as outlined in the Brown Act. Matters brought before the Committee that are not on the agenda may, at the Committee's discretion, be referred to staff or placed on the next agenda for Committee consideration. The Committee requests that the public speak on matters which are on this agenda at the time that the item is considered by the Committee.</i>
None.
4. Approval of Minutes – December 10, 2013: It was moved by Mr. Lewis, seconded by Ms. Gonzalez, and unanimously carried, that the Minutes be approved as submitted.
5. Approval of the Agenda: It was moved by Ms. Lewis, seconded by Ms. Gonzalez, and unanimously carried, that the Agenda be approved as submitted.

MINUTES	
6. General Obligation Bond - Wallace	According to Bond Counsel, it is not likely the college can put a GO bond on the 2015 ballot. For the college to piggy-back onto a 2015 ballot, both Riverside and San Bernardino Counties would have to have a general county-wide election at the same

time, and neither county has anything scheduled for the ballot. Consultation with financial counsel indicates the COP's can be refinanced any time after Jan. 1, 2016.

Discussion occurred regarding refinancing the COP's, and how the college is going to repay the debt. The SERP's will be paid off in 2016 which will free up approx. \$760,000 towards debt service, but the college is still short approx. \$500,000. If the bond were passed it would free up \$400,000-\$500,000 in the general fund. Without passing the bond, the college would have to restructure in order to pay the debt service. The other solution would be to increase FTES, but currently the projected FTES are under 1300. The college budgeted for 1700 FTES. If 1300 FTES is the new normal, then the college is over staffed.

Mr. Lewis requested that Ms. Egan, Dr. Wallace, and Ms. Jones build a spreadsheet showing the different scenarios of what the budget would look like at 1200-1600 FTES. Ms. Egan stated she would get the information and report back.

Discussion occurred in regards to the timing of the bond. The strong recommendation from all three primary consultants; Tim Schaefer (financials), David Casnocha (bond counsel), and Ann Noch (pollster), is that the college move forward with the survey in order to get the data on how the community feels about a GO bond. This survey will give the board an idea whether or not a bond would pass, and the board can make their decision based on data.

Ms. Egan stated she has found a reserve certificate for the COP's in the amount of \$3,080,000. The reserve is money set aside to pay one year of debt service in the event a payment cannot be made. Discussion occurred, and Ms. Egan stated she has contacted Mr. Schaefer to get clarification on the reserve certificate, and will then report

	<p>back.</p> <p>Mr. Arneson stated that if something financially doesn't happen soon there will need to be a major reorganization of the institution.</p> <p>Discussion regarding the Accreditation visit in March occurred. Ms. Jones stated she received a letter indicating 6 specific areas the team will look at during their visit, and there are some concerns. The team's findings will be very important.</p> <p>Ms. Jones reported on the ISP Pilot Program. Legislation is underway that will allow the college to claim apportionment for these classes. Ms. Jones also stated that the college must get behind a focus as to what would be done with the money from the GO bond, aside from refinancing. Research has been done in regards to an agriculture program at PVC. Degree requirements, curriculum, career data, justification for the program, courses and course outlines from Imperial Valley College have been studied, and this could be PVC's signature program. Mr. Lewis recommended using the money at the Needles Center to finish the mezzanine, build a lab classroom with water, and create a hub where students and the community could come for wifi/coffee. Ms. Jones stated there has been discussion of making Needles the Center of PVC's online education program.</p> <p>Action:</p> <p>The survey to voters will be done. Data from the survey will be reviewed by the board and a decision will be made whether to put a GO bond on the ballot in 2014 or not. Putting the GO bond on the ballot in 2015 does not appear to be likely.</p> <p>Ms. Egan will create a spreadsheet showing FTES at 1200-1600 with/without GO bond.</p>
<p>7. Other Agenda Items For Future Meetings</p>	<p>Continue discussion regarding the GO bond.</p>

8. Adourn	Meeting adjourned at 2:08 p.m. A retreat will be scheduled in the near future. The topic will be to fill out the Survey Questionnaire.
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