

**BOARD FINANCE AND AUDIT COMMITTEE
MEETING MINUTES
February 11, 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	X
Jerry Lewis – Board of Trustee Member	X	Derek Copple – CTA President <i>(arrived at 1:40 pm)</i>	X
Don Wallace – Superintendent/President	X	Debbie Mitchell – Management/Confidential	X
Sheri Jones – Interim V.P. of Instructional and Student Services <i>(arrived at 1:23 pm)</i>	X	Imelda Gonzalez – ASG Representative	X
Biju Raman – Academic Senate President	X	Carrie Mullion - Recorder	X
Russi Egan – CBO <i>(arrived at 1:13 pm)</i>	X	Guests: C.M. Brahmbhatt, Ed Gonzales-Trustee, George Thomas-Trustee, Eva Munguía, Shelley Hamilton, Diana Mendez, Staci Lee, Lupita Andrade, Denise Taylor	

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 – January 21, 2014: It was moved by Mr. Lewis, seconded by Mr. Raman, and unanimously carried, that the Minutes be approved as submitted.
5. Approval of the Agenda: It was moved by Ms. Mitchell, seconded by Ms. Egan, and unanimously carried, that the Agenda be approved as submitted.

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6. General Obligation Bond - Wallace	Dr. Wallace and Ms. Egan met with C.M. Brahmbhatt and a potential Bond underwriter last week. Based on property values and the potential for property value

	<p>to rise, the bond could be around \$11.6M. Calculations were done, and given the capital money and proceeds of the bond, the college could easily pay COP debt by half. This would save the college approx. \$500,000 per year. If the bond passes, the college could pay the COP debt with the general fund, providing that FTES keep growing. If the FTES were at 1800, we would not need a bond, however, having 1800 FTES and passing a bond would afford the college a solid financial future. Information is being provided to the pollster in regards to the survey. Polling will be done May or June.</p>
<p>7. Financial Update – C.M. Brahmbhatt</p>	<p>Mr. Brahmbhatt commended PVCCD on how far they have come and stated there are three things that PVCCD has done a wonderful job of; 1) the board opened up the responsibility of the budget to everyone; 2) the Board decided that there has to be 5% or better reserve and by 2012-2013 the books were closed with 14% reserve; and 3) the college is now in compliance with the Fifty Percent Law.</p> <p>The fourth issue that needs to be addressed is the responsibility of the district to maintain FTES. The college has been getting paid for 1800 FTES due to stabilization which will end in 2015. Some funding was lost in 2012-2013, because the FTES were 1600. The college was able to maintain because we were able to build a budget on 1600 FTES, and because there was a reduction in staffing. The goal during stabilization was year one 1600 FTES, year two 1700 FTES, and year three 1800 FTES. The FTES are currently hovering at 1400, which would be very detrimental to the budget and jobs if that were to become the base funding. If the college does not get to 1800 by 2014-2015, funding will be lost, and the lower FTE will be the base funding. The only opportunity the college will have for increased FTES funding will be in the 2014-2015 year so planning needs to start now. The college may need to spend money for outreach, marketing, more</p>

	<p>ISA classes, and increased prison population classes, but this is worth it because the college will get paid for it in present and future years by increasing the base.</p> <p>Mr. Brahmbhatt stated that every board member, employee, student needs to “bring one” extra student to PVC. Face to face students are decreasing, and we need to bring those students back to the college. We need to go to the high school, clubs, and neighborhoods to “bring one”.</p> <p>The bond is equally important because it will help the college grow. The college needs the bond in order to secure its future, and promote new programs. The goal of the bond is to substantially decrease the COP payment because from that point forward there will be nothing left in the LAIF account to fall back on.</p> <p>Discussion occurred on ways to increase FTES and bring students to PVC. Dr. Wallace explained college boundary lines and “free flow” of the student, in regards to online classes and classes being provided in the prisons. Mr. Brahmbhatt emphasized the urgency of putting a plan in place to bring up FTES by 2014-2015, based on the needs of the community. Dr. Wallace stated he is willing to bring in a consultant to do an impact study in order to figure out what programs are needed in our community to bring students to PVC. Dr. Wallace stated that due to scheduling, Mr. Brahmbhatt will not be attending the board meeting tonight.</p>
<p>8. PVC Budget/FTES - Egan</p>	<p>Ms. Egan provided a spreadsheet that displayed different FTES scenarios beginning at 1272, which is what is predicted for 2013-2014. Ms. Egan stated that there are contingency plans in place if 1800 FTES is not met, but the college would look radically different. Mr. Arneson stated huge budget cuts will have to happen and there will be big changes if the goal of 1800 FTES is not obtained.</p>

	<p>Ms. Egan provided a follow-up report on the COP reserve certificate in the amount of \$3,068,000. The issuers of the COP took out an insurance policy, and it was stipulated on the insurance policy that if the credit rating of the insurance company dropped below a certain point then they would have to use the \$3,068,000 reserve. So the money is there, but it does not belong to the college, and has not been on the cash flow reports.</p>
<p>9. Other Agenda Items for Future Meetings</p>	<p>Policies and Procedures</p>
<p>10. Adourn</p>	<p>Mr. Brahmbhatt thanked everyone at the college for their resiliency. A concerted effort to take our story to the community needs to take place.</p> <p>Meeting adjourned at 2:28 p.m.</p>