

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

2323 N. Broadway, Santa Ana, California 92706

Office: (714) 480-7321

Website: <http://rscdd.edu/Departments/Business-Operations/Pages/Fiscal-Resources-Committee.aspx>

Fiscal Resources Committee Meeting

Executive Conference Room – District Office

1:30 p.m. – 3:00 p.m.

Meeting Minutes for September 25, 2013

FRC Members Present: Michael Collins, John Zarske, Jeff McMillan, Esmeralda Abejar, Steve Kawa, Michael DeCarbo, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor and Sylvia LeTourneau

FRC Members Absent: Morrie Barembaum and Diane Hill

Guests Present: Ray Hicks, Jim Kennedy, Jose Vargas and Richard Kudlik

The meeting was called to order by Mr. Hardash at 1:35 p.m. Mr. Hardash introduced Richard Kudlik, the Manager of Fiscal Services. Mr. Kudlik has an extensive auditing and fiscal background and comes to RSCCD from the Coast District where he served as their Internal Auditor.

State/District Budget Update

Mr. Hardash reviewed the following:

- Board PowerPoint presentation on 2013-14 Adopted Budget
 - Mr. Hardash reviewed the PowerPoint presentation from the September 23, 2013 Board of Trustees meeting on the 2013-14 Adopted Budget
- 2013-14 Adopted Budget
 - The 2013-14 Adopted Budget was approved by the Board of Trustees at their September 23, 2013 meeting. The document is on the district website at: <http://rscdd.edu/Departments/Business-Operations/Pages/Budget.aspx>
- P2 Exhibit "C" August Revision-RSCCD and Statewide
 - August 13, 2013 Exhibit C distributed
- Statewide Deficits - RDA Revenue
 - Shortfall for this year, no clue yet, huge concern system-wide
 - EPA short fill is a couple hundred thousand for RSCCD
 - \$40m - \$50m structural deficit equals \$1m to \$1.3m for RSCCD
 - Current budget has a little bit of a cushion to cover this short fill
- OEC Renovations: On September 23rd the Board of Trustees approved the use of \$5m from Measure E funds; \$7m from the stabilization fund and approximately \$4.2m will come from Santiago Canyon College's RDA funds for renovations to OEC. If we receive any insurance money or money from a legal settlement, those funds will go back into Measure E. If the cost estimate exceeds the current estimate of \$16m for the repairs, the shortfall will come out of the stabilization fund. The plan that Facility Planning is working on is to hire an architect to do programming with users and CDC, this will take 3-5 months. An RFP has been done and should go to Board soon. Then we will hire architects to design, plan drawings and get DSA approvals; could take 6-9 months. Followed by bidding of the project and construction estimated at about 18-24 months. This timeline will change as we begin the process.

Defining our Charge Back System and Building in Efficiency Checks

Mr. DeCarbo requested this item be placed on the agenda; however, Mr. DeCarbo was not present at the time. Mr. O'Connor said Mr. DeCarbo had asked that a listing of District Office departments be shared with the committee including department codes. Mr. Hardash added that the FRC is supposed to review and evaluate the district allocations every fall, however, the process was never defined. Mr. O'Connor suggested convening a subcommittee to review a draft review instrument. The subcommittee will consist of Adam O'Connor, Steve Kawa, Mike Collins, Jim Kennedy, Jose Vargas and two faculty members, one from each college. Mr. O'Connor added that it was suggested in the **Budget Allocation Model** that POE create a planning process and review of the Model. Mr. O'Connor will arrange the meeting. After this issue has been addressed, the next step is to review and evaluate the Budget Allocation Model.

FON Policy

This item was also added to the agenda by Mr. DeCarbo. Mr. Hardash reviewed the Estimated Fall 2014 Full-time Faculty Obligation document provided by Mr. Didion. The actual calculation spreadsheet is already outdated; it states the district needs to hire 26 full-time faculty members to meet the 2014 obligation. There was an additional retirement announced bringing the number up to 27, any other retirements announced by April 2014 need to be hired for the fall 2014, after April we have 18 months to fill the positions. The second handout shows the split between the colleges.

50% Law

Mr. Hardash added that we must use the planning process and stop the accounting gimmicks to make the 50% law requirements.

Discussion ensued on examples and strategies on how to balance the instructional/non-instructional side of the 50% law including identification of matching funds.

It was recommended that the POE committee place on their agenda for discussion the 50% law and its' effect on future hiring. It was recommended unanimously, Mr. Hicks will discuss this item at the POE meeting immediately following this meeting.

FRC Calendar Revision

Mr. O'Connor asked members to update their calendars, moving the January 22, 2014 meeting to January 29, 2014. It was determined that the date change would be discussed at a later meeting as there may be a conflict with flex week.

Informational Handouts

The following materials were included in the materials:

- District-wide expenditure report link: <https://intranet.rscdd.edu>
- Vacant Funded Position List as of September 5, 2013
- Measure "E" Project Cost Summary as of August 31, 2013
- Monthly Cash Flow Statement as of August 31, 2013

Approval of FRC Meeting Minutes – August 14, 2013

Mr. Hardash called for a motion to approve the minutes of August 14, 2013 Fiscal Resources Committee meeting. Mr. DeCarbo moved and Mr. Kawa seconded the motion to approve the Minutes. Mr. Vargas added that the committee is still referred to as BAPR in the minutes, please update. The motion carried unanimously. Dr. Collins abstained.

Adjournment

Mr. Hardash adjourned the meeting at 2:55 p.m.

Meeting Schedule – Next Meeting:

Wednesday, October 23, 2013 – 1:30 p.m. – Executive Conference Room, District Office