BUDGET PLANNING COMMITTEE  
Friday, September 27, 2013  
1:00 p.m.  
SS 104  
Draft  
Summary Notes

MEMBERS PRESENT  
Michael Dennis, Tami Engman, Chris Gaines, Anita Janis (phone), Lee Lindsey, MaryGrace McGovern, Crystal Morse, Dan Potts (phone), Steven Roper and Lorie Walsh.

CALL TO ORDER  
The meeting was called to order by committee co-chair Mike Dennis.

ACTION APPROVAL OF MEETING NOTES  
The meeting notes from May 15, 2013 were approved as presented.

CHARGE & COMMITTEE STRUCTURE  
There was discussion regarding the charge of the BPC and the revised committee structure now that the FPC and TPC have been rolled into it. It was suggested by Mr. Dennis and Mr. Lindsey that subcommittees for the TPC and FPC be formed with a chairperson over each subcommittee. It was agreed by all that this would be a good structure and Steven Roper will serve as chair for FPC and Angelina Hill will serve as chair for the TPC. Steven and Angelina will recruit representatives to serve on each subcommittee. The subcommittees will continue to be involved in the review and ranking process for funding priorities.

DETERMINE REGULAR MEETING SCHEDULE  
Mr. Lindsey stated that he hopes this year will be less challenging for the committee as the district’s budget is more stable than it was last year. At this time he would like to see the committee return to regular monthly meetings. There was a brief discussion and those present agreed that Friday’s at 1:00 p.m. seem to be a good time for the committee to meet. It was noted that the 3rd Wednesday of the month at 3:00 p.m. is no longer a good meeting time as Expanded Cabinet has been scheduled for that time.

DISCUSSION  
MOODY’S & STANDARD & POOR’S RATINGS  
Mr. Lindsey stated that he, President Smith and Special Trustee Henry recently attended meetings in San Francisco to coordinate the sale of the remaining Measure Q bonds. As part of the meeting Standard and Poor’s and Moody’s both conducted credit rating reviews. Moody’s lowered our rating by 2 steps and added a negative outlook, but no change was made by Standard and Poor’s. Mr. Lindsey noted that it’s important to have these external agencies look at the district, but they only take into account the actuals. He stated that the Moody’s downgrade will cost the district a small amount due to the low interest rates, but it hurts the District’s image and future prospects. It is important to act on the issues raised by the ratings agencies to improve our ratings.

FINAL BUDGET FORECAST 13/14  
Mr. Lindsey reported that currently news from the Chancellor’s Office is that there will be no mid-year budget cuts this year. He said that he will be surprised if this holds true because in recent years there have always been mid-year cuts. He stated that the district currently has a reserve in the general fund of $350,000 set aside as
Mr. Lindsey went on to say that this year the District needs growth in enrollment, so there is no decrease to our base funding each year. He stated that we’ve done the work making budget cuts and now the revenue needs to improve. He continued by saying it doesn’t look like we’re going to meet our enrollment target for fall, but CR need’s to attract more students in Spring and again next Fall. Mr. Lindsey also stated that this year BPC will work more closely with Enrollment Management Committee (EMC) to develop strategies to improve enrollment. Mr. Lindsey stated that if enrollment continues to decline we can expect more budget cuts in the future.

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<tr>
<th>ACCJC FOLLOW UP ON FISCAL ISSUES</th>
<th>Mr. Lindsey reported briefly regarding a follow up letter to the ACCJC on the district’s fiscal issues.</th>
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<td>ACCOUNTS RECEIVABLE UPDATE</td>
<td>Mr. Lindsey reported that the college has a history of students not paying and this has led to the accumulation of over $2 million debt that has been written off over several years. He stated that we are currently in the process of turning over delinquent accounts to a collection agency in hopes of recovering some of this money. Bringing back the de-registration process has decreased the amount of debt that has to be written off by the district each year. New policies have also been implemented at the Residence Halls and students are now being required to make a partial payment and have a payment plan before being admitted. Mr. Lindsey also noted that going forward we are going to contract with Nelnet to handle payment plans starting in Spring semester. Nelnet will assist students to establish payment plans that meet their individual needs.</td>
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<td>CLOSING THE LOOP ON BUDGET SAVINGS IDEAS</td>
<td>Vice President Lindsey updated the committee regarding some of the ideas that were suggested to increase district revenue. He noted that several leases have been established with various entities that are now occupying some of the district’s vacant spaces on the Eureka, Fort Bragg campus and Southern Humboldt site. He went on to say that tenants expect deferred maintenance to be fixed promptly. With this being the case, it is expected that most of the rental income will go into making necessary repairs on these spaces over the next several years. Mr. Lindsey reported the possibility of Billboards on property throughout the district has not panned out. After several attempts to identify an appropriate location, it was determined that there are none suitable, due to blockages such as trees.</td>
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<td>RE-BALANCING MEASURE Q PROJECTS</td>
<td>Mr. Lindsey reported that he received direction from the Board of Trustees for the need to rebalance the Measure Q projects. There are a lot of immediate health and safety and ADA issues that need to be addressed. He will bring a draft back to this committee next meeting for review and approval.</td>
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<td>ADJOURN SUBMITTED</td>
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