1.0 CALL TO ORDER 5:00 p.m.

1.1 Roll Call
Members Present: Brenda Knight, Michael Baldini, Bruce Ketron, Steve Reinbolt, JoAnn Busenbark, Bill Blair, James Holliday, Tom Andrews

1.2 Adoption of Current Agenda
M/S/C (Ketron/Blair) to adopt the agenda.

2.0 Budget Related Work-Session
The Board of Trustees reviewed various budget related documents including, but not limited to, the Budget Worksheet, budget development calendar, Budget Blog Comments, applicable Board Policies and Administrative Regulations, preliminary staffing reports, and section selection priorities matrix. The session began with an update from John Nahlen, Vice President of Business & Finance, on the recently released May Revise. The Trustees next discussed the current version of the Budget Strategy Worksheet as a set of examples showing line item reductions that might achieve a balanced college budget.

The session continued with Sue Nelson, Vice President of Instruction, presenting the Schedule Development Guideline as used by Instruction Council to identify priorities for class cuts. She shared that the guidelines had been reviewed with all division chairs and dean and that cuts were based on the various tiers shown.

Laura Ecklin, Dean of Human Resources, discussed unfilled positions at the college, sharing that there were currently 34 vacant classified positions and 11 vacant administrative positions. She handed out a list of positions that were or would be filed in the coming months and the rational for each. Board Chair Brenda Knight asked if the rationale document had been shared with the campus and if everyone was on board with the hiring plan. Laura indicated she had presented the information at a Classified Staff forum and that the Academic and Administrative senates were familiar with hiring guidelines. The discussion next turned to salaries as Laura reviewed data related to Contract/Regular Faculty Compensation, Salaried Classified and Professional Staff Compensation, and Administrative/Confidential Compensation for 2010-2011.

John introduced the next discussion topic of the college’s plan to shift operating expenses to categorical grants within the limitations of each grant agreement and match requirements. Oscar De Haro, Vice President of Student Services, said that categorical funds total about $3.3 million per year. He has been meeting with grant managers to identify what operating expenses, including salaries, could be shifted to the categorical fund sources and to insure compliance with the
requirements of each program. Overalls categorical programs have been cut approximately 36% over the last few years. Oscar also shared that per Governmental Accounting Standards Board Statement 45 (GASB 45), retirement liability for personnel would be shifted to the categorical funds.

Following discussion of on-going and newly developing grants (HSI, CTE), John shared information on developing cutbacks in services such as reduced office hours and a short Counseling shutdown over the summer. He also said an upcoming consolidation of student services was hoped to provide additional cost savings and that the food service contract for the cafeteria would be terminated for a shaving of $25,000-30,000 per year. John indicated that salary adjustments, if successfully negotiated with bargaining groups, could reduce expenses and he gave as an example that a one day per month furlough for all groups would save $420,000 for the year. John said that layoffs were still a possibility and that the staffing assessment and reorganizations might alleviate that need through the reassignment of filled positions. Laura added to the discussion with an explanation of the staffing assessment process and its focus on identifying mission critical functions. She indicated that the assessment results could identify areas where redeployment of staff, lateral transfers or possibly reductions in force as early as June or July would be beneficial. She further reviewed the steps and timelines required to implement layoffs.

Discussion of supplies purchasing, reining in the credit card program and other operating expense reduction strategies followed. John shared plans to reduce the number of personal printers saying there are 300 of the units on campus and that the ink for these machines is very expensive. Centralized commercial copiers and printers were planned as replacements.

President Edna Baehre-Kolovani led discussion of potential revenue increasing strategies such as fee based classes, rental of facilities, and memberships to the college’s pool and/or gym. Fee based classes were identified as a potential way to maintain services to students while covering expenses from a funding source other than the state apportionment.

President Baehre-Kolovani then moved the discussion to the lengthy summary of budget blog suggestions and comments saying that even if the budget outlook improves some of the suggested efficiencies would be beneficial to implement. She shared that the blog summary would be trimmed even further going forward as suggestions were grouped and condensed. Board Vice President Michael Baldini offered $500 as incentive money to authors of suggestions with significant savings attached saying that the efforts of the camps community should be recognized. JoAnn Busenbark offered to add $200 to the incentive and it was suggested there could be a divvy of the funds among the top three suggestions. It was the board’s direction that all comments coming in after July would not be anonymous.

3.0  ACTION ITEMS

3.1  Adoption of 2011-2012 Preliminary Budget
The proposed 2011-2012 Napa Valley College Preliminary Budget includes financial plans for the General Fund, Capital Outlay Projects Funds, Bond Project Funds, Bond Redemption Funds, Child Care Fund, Post-Retirement Employee Benefits Fund, Associated Student Body Account, Student Representation Fee Account, Bookstore Account, Farm Account, and Trust Account. Previously the Budget Committee met and took action to recommend adoption of the developed budget to the college Superintendent/President. The recommendation included a deferral of the Supplemental Employee Retirement Plan (SERP) payment ($363,242) to fiscal year 2011-12. The Superintendent/President has reviewed the budget and supports its adoption including the recommended deferral of the SERP payment, as presented by the Budget Committee.
John presented two Preliminary Budget documents to facilitate discussion. Both incorporated the information above and differed only in the deferral or inclusion of the college’s unfunded retiree benefits liability as identified in GASB 45. The college auditors recommended that action be taken to address the liability.

John clarified that only the Preliminary Budget without GASB Liability was before the trustees for approval and discussion followed. Trustee Tom Andrews asked why the liability was not addressed in the budget and indicated he did not think it should be postponed indefinitely. The group then briefly discussed an Irrevocable Trust and its establishment in June with a funding policy to follow.

Trustee Bill Blair questioned the ending fund balance reserve of 13% and the potential use of reserve funds in managing the budget deficit. John answered that the budget was built on revenue received, not the reserve. Trustee Bruce Ketron said that he opposed continuing the “pay as you go” method of funding retiree liability and said that continued deferral would be disastrous in the future.

M/S/C (Busenbark/Blair) to approve the 2011-2012 Napa Valley College Preliminary Budget as recommended by the college Superintendent/President and the Budget Committee.

4.0 ADJOURNMENT