PLANNING AND BUDGET COMMITTEE
MINUTES
March 20, 2007

PRESENT: Dr. Noelia Vela
Jo Ann Higdon
Dr. Stephen Johnson
Renee DeLong Chomiak
Lee Krichmar
Jenine Nolan
Dr. Dan Smith
Dr. Nathan Durdella
Rich Cameron
Dr. Bryan Reece
FRANCES DE FRANCE
Fred Henry
Dr. Solomon Namala
Jeanine Prindle
Anita Rios
Ed White (Laughon)
Irlanda Lopez
Schellary Thomas
Christopher Olivares

ABSENT: William Farmer
Wes Nance
Lynn Serwin

GUEST(S): Fran de France
Arcely Donnel
Shawn Jones
Terrie Lopez
Connie Mayfield
Suzie Payne
Randy Peebles
Robert Riffle
Graciela Vasquez

1. CALL TO ORDER
Dr. Vela called the meeting to order at 2:05 pm. She introduced Christopher Olivares as the new Student Representative.

2. APPROVAL OF MINUTES – February 15, 2007 & March 1, 2007
It was moved by Mr. Cameron that the minutes of February 15, 2007 be approved as presented. Dr. Reece seconded the motion. The motion passed.

It was moved by Ms. DeLong Chomiak that the minutes of March 1, 2007 be approved as presented. Mr. Henry seconded the motion. The motion passed.

3. REVIEW OF THE FIVE COLLEGE AREA CAPITAL REQUEST LIST
Dr. Vela led the Planning and Budget Committee through the four (4) college area capital request lists. She noted that Human Resources may have a potential capital outlay request, and Ms. Higdon will confirm if they would like to submit this capital outlay item. If Human Resources would like to submit a capital request item, this would complete the fifth area list. Their potential request is for the Liberty Document Imaging System, with a cost of $25,000.

Dr. Vela noted that the areas that report to the President’s Office are: Public Affairs; the Foundation; and the Title V Project Hope program. The only area that requested a capital outlay item was Public Affairs.
Dr. Vela stated that by having the Planning and Budget Committee review the four available area lists, this provides the committee the opportunity to provide input with regard to the capital outlay requests prior to the Vice President’s and Director of Human Resources meeting to develop a college-wide prioritization of all requests.

Ms. Higdon requested that the committee ignore the column on the capital outlay request form entitled “college-wide ranking,” as it is only an input indicator at this time and does not yet represent the college-wide prioritization ranking. She asked that the committee focus on the area ranking column.

Ms. Higdon provided the following information with regard to the dollar amounts requested by each area for the 2006/07 capital outlay requests:

<table>
<thead>
<tr>
<th>Area</th>
<th># Amt of Request</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>$922,992</td>
<td></td>
</tr>
<tr>
<td>Business Services</td>
<td>$968,147</td>
<td>Includes Phase II/$600,000</td>
</tr>
<tr>
<td>Human Resources</td>
<td>$25,000</td>
<td>Will follow up w/HR</td>
</tr>
<tr>
<td>President’s Office</td>
<td>$5,530</td>
<td></td>
</tr>
<tr>
<td>Student Services</td>
<td>$172,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,069,000</td>
<td>This amount does not reflect the HR Request.</td>
</tr>
</tbody>
</table>

$494,302 Amount of funds available for 2006/07 Capital Outlay Process
- 58,140 Amount subtracted for library books
$436,165 Amount of unrestricted general funds now available for 2006/07 Capital Outlay Process

**General Comments:**

- It was noted that there are duplicate entries, i.e. stadium sound system, and classroom furniture. The Vice Presidents are aware of this situation and will take this into account when reviewing the capital outlay lists.
- For clarification, it was noted that “Smart”, “Electronic” and “E-Classrooms” all reflect the same concept. The dollar figures are different dependent upon various factors, i.e., classroom size, and equipment needs in various rooms, etc.
- It was requested that the Vice Presidents take into account what buildings would be demolished in the near future or scheduled for remodeling. GO Bond funds could fund capital outlay items requested for those buildings.
- It was also requested that the Vice Presidents consider (dependent upon the timeline of new construction) if the computer equipment housed in those buildings can be relocated.
Committee members requested further clarification on the following capital outlay items:

**Academic Affairs:**

0257-006: **Physics 201, 202 & 203 Class expansion**
This equipment is needed to complete a class set for the Physics 201, 202 & 203 labs. At this time the students are forced to work in larger groups to accommodate the lack of equipment or, more typically, forced to have smaller class sizes. Having a complete class set will not only allow our students better learning experiences, but will let the College eventually open more classes to students.

2550-007 – **Computers in Writing Center – LC 62**
At this time the writing lab has no computers. This request was made to place computers in the Writing Lab.

2250-005 – **Macs for Academic Support Center (2)**
The Macs requested would be for the faculty and staff of the Academic Support Center to use for professional development, training and also provide access for individual use by either faculty or staff.

2560-008 – **Temporary Fencing to partition off the throws area**
This request was made to provide temporary fencing to partition off the new “throws area” during track meets. This fencing would also be used to separate the home and visiting football teams during football games.

2520-012 – **Chairs for Studio Theater**
The Vice Presidents will further review all furniture requests.

2600-006 **Facility Renovation - The Welding Department**
The Welding Department is currently undergoing some modification and is adding new welding stations and moving equipment to accommodate more students as the program continues to grow.

2520-017 – **Outfitting of Radio Station Van**
This request is to take an existing college van and “outfit” it for promotional purposes. Currently there is not an existing van identified for this purpose.

**Business Services:**
Dr. Reece inquired if Phase II was funded for 2006/07. He asked if this would become a recurring budget line item (i.e. Technology Phase I restricted fund) and be funded every year, or would the College have the challenge of continually attempting to fund this Phase II computer replacement program year-to-year.

Dr. Vela replied that her original concept for Phase I and Phase II was that if the College had monetary resources and enrollment growth, a recommendation would be presented to the Board for an augmentation to the existing restricted fund (Phase I),
so that the resources would be available to fund a 5-year cycle for both Phase I and II. The total amount needed to fund this request would be approximately $1,100,000 per year for that restricted fund (in today's dollars). The 2006/07 capital outlay funds are “one-time only” funds and would only allow a partial implementation of the plan and only a portion of year-one Phase II. Absent growth funds or other sources of new additional funds, Phase II would need to be funded as funds are available.

Further discussion ensued with clarification of committee members questions with regard to Phase I and Phase II. The question remains; how can the College continue to purchase computer equipment, and provide future replacement funds to sustain the purchases? Dr. Vela stated that ultimately this is an institutional question and discussion that needs to take place in the future. The College has to discuss its priorities. She further clarified that whether or not there is this current kind of capital outlay process and discussion, the same questions exist and the reality of always having more needs than available resources would also exist. At some point there will still be a prioritization discussion going on. It will be a matter of if this discussion takes place at the division/dept. levels or at the campus-wide level.

- The Vice Presidents will take “Class 2” equipment for new buildings into consideration. Unfortunately, the State standard of calculation of classroom equipment does not provide enough funds to include all capital items needed for classrooms.
- State Instructional Equipment Funds have not been incorporated into the 2006/07 capital outlay funds. It was noted that some capital outlay items listed could be funded through the Instructional Equipment Fund. Since Mr. Farmer is absent from this meeting, specific answers with regard to this fund cannot be answered.

Committee members requested further clarification on the following capital outlay items:

Liberty Document Management System
It was noted that there were multiple requests for the Liberty Management System Upgrade, along with a couple of areas requesting the entire system. As the Vice Presidents review the Area Lists they will ensure that the College is on one version of the Liberty software system.

4100-001 – Voice Recognition
This Voice Recognition System will allow staff to record notes and meetings and later have them electronically transformed into text documents.

4200-001 – ELMO Presentation System
The Elmo Presentation System will allow for more in-depth and informative presentations to the Board of Trustees, campus committees and other groups both on and off campus. This system would be replacing outdated and antiquated equipment. It would be utilized not only by the VP of Business Services but also the Director of Fiscal Services and staff.
4300-002 – Classroom Furniture
This allows classroom furniture to be replaced in approximately 10-12 classrooms, dependent upon size and quality of furniture. It was noted that this does not include electronic classroom instructor’s desk. This item does overlap with requests from Academic Affairs, and the Vice Presidents will make note of this.

Student Services:

- It was noted that the items already funded by categorical capital outlay funds would not be included in the amount of money requested by Student Services.
- A committee member noted that categorical programs have full funding of all of their expenses including capital outlay.
- It was noted that EOPS does not allow for capital outlay expenditures.

Committee members requested further clarification on the following capital outlay items:

3400-001 – Laptops for Student Registration
This request is for six laptops to use for student registration while counselors are in the Board Room. Currently, laptops are borrowed from the Teacher TRAC Program.

79800-001 – Emergency Generator
This emergency generator would be located in Campus Police. Campus Police is the Incident Command Center for crisis response. Also, facilities will eventually be next door and those two facilities could share the use of the emergency generator.

3200-009 – EOPS Computers
The EOPS computers are over five years old. Because this is a categorically-funded program, the College district is required to have a funding match. If this request is not approved, alternatives are currently being reviewed for the College’s required match.

3300-001- Stadium Sound System
It was hoped that Student Services and HPE/A could partner on this request and split the funding request or that it could be funded in another manner.

President’s Office

03600-001 – Web Content Management Editor
This software would upgrade our existing web-based authoring system (the Content Management System) used by division & departmental web authors to update and keep current over 200 webs on our public web site.

Dr. Vela noted that she would take the college-wide prioritized list and meet with Steve Richardson (Foundation) to see if there are donors that would be willing to donate some items that are reflected on the College’s capital outlay list.
Dr. Reece inquired whether or not the College is required to maintain a 5% reserve. He asked if the reserves were at a 8% - 9% level, could the difference be used to augment the capital outlay budget? Ms. Higdon replied that, while not legally required by the State, a 5% budgeted reserve is advised by the State as a prudent level of budgeted reserve. Any budget reserve of less than 5% would initiate actions by the State. While it is common to end the year with an actual reserve several percentage points higher than budget, this is needed for cash flow purposes. This is common among our comparison districts as well. The end-of-year actual reserve becomes the future year's beginning balance and allows the budgeting cycle to continue in a similar manner. If any of these funds were to be expended on any one-time expenditure, the future year's budgeting methodology would be modified and the future year deficit spending budgets would immediately be at unacceptable levels.

Dr. Vela added that even if there were a substantial balance of funds, there are a number of unfunded areas all competing for those resources. Some examples of those areas would be: Technology Phase II; employee salary & benefits and other negotiable requests; the comp/class study for classified staff and managers; GASB 45, etc.

A question was asked if the Avalon funds would be available to augment the capital outlay funds. Dr. Vela replied that a portion of the revenue generated from Avalon have been earmarked for Sakai and Sirsidynix (library automation system). There is a financial commitment to these two items through the year 2011 from the Avalon funds.

4. **GO BOND FUND UPDATE**

Ms. Higdon provided to the committee two draft spreadsheets entitled Cerritos College Revenue Bond Fund for GO Bond Series 2004A and 2006B. She noted that these sheets are only a snapshot of the balance of the funds as of 02/28/07.

To provide historical information with regard to the GO Bond funds, see information below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of GO Bond:</td>
<td>$210,000,000</td>
</tr>
<tr>
<td>Total amount of 1st bond series (2004A)</td>
<td>$37,053,271</td>
</tr>
<tr>
<td>Total amount of 2nd bond series (2006B)</td>
<td>$34,845,000</td>
</tr>
</tbody>
</table>

5. **ITEMS FROM THE FLOOR**

There were no items presented.

6. **NEXT MEETING - APRIL 12, 2007**

The next meeting is scheduled for April 12, 2007. The committee will be reviewing the college-wide capital outlay prioritization list at this meeting.

7. **ADJOURNMENT**

The meeting was adjourned at 3:41 p.m.