

**MONTEREY PENINSULA COMMUNITY COLLEGE DISTRICT
GOVERNING BOARD OF TRUSTEES**

SPECIAL MEETING

3:00-4:30 p.m., Open Session
Library and Technology Center, Sam Karas Room
980 Fremont Street, Monterey, California 93940
www.mpc.edu/GoverningBoard

WEDNESDAY, JULY 31, 2013

MINUTES

1. OPENING BUSINESS

A. Call To Order - Chair Charles Brown called the meeting to order at 3:01 p.m.

B. Roll Call

Present:

Mr. Charles Brown, Chair

Dr. Margaret-Anne Coppernoll, Trustee (Present from 3:17 p.m. until adjournment.)

Ms. Marilynn Dunn Gustafson, Trustee (Present from 3:00-3:15 p.m.)

Mr. Rick Johnson, Trustee

Dr. Loren Steck, Vice Chair

Dr. Walter Tribley, Superintendent/President

Mr. Maury Vasquez, Student Trustee

C. Comments from the Public – No comments.

2. SPECIAL BUSINESS

A. BE IT RESOLVED, that the Governing Board approves the awarding of the Pool Modifications, Building 13 project to Ausonio Incorporated in the amount of \$1,774,000.00.

Motion Steck / Second Dunn Gustafson / Carried.

2013-2014/11

Mr. Joe Demko introduced Mr. Mike Carson and Mr. Dustin Connor of Kitchell. He reported that they are ready to begin work on the pool on August 5, 2013. / Mr. Ma referred to the article written by Claudia Melendez that recently appeared in the *Monterey Herald*, noting that 95% of the renovations from the bond program will be complete approximately one year from now. / Trustee Dunn Gustafson and Vice Chair Steck congratulated Mr. Ma.

B. INFORMATION: To provide further explanation to the Governing Board regarding the Fiscal Year 2013-14 Tentative Budget prior to the adoption of a final budget.

Dr. Walt Tribley and Mr. Stephen Ma reviewed the presentation entitled, "[Budget Analysis 2013-14.](#)"

Dr. Tribley examined slide #2 (“FTES Trend),” slide #3 (“What does ‘deficit spending’ look like?”) and slide #4 (“Budget Responses”). Additions to his prepared presentation are listed below.

- Slide #2: MPC’s downward FTES trend can be attributed to a multitude of factors, including the state’s decision not to fund classes that are repeated more than three times, workload reductions, financial aid restrictions, and a lack of interest in community colleges now that there is an upturn in the economy. This downward trend seems to be further compounded by MPC’s lack of outreach and marketing resources.
- Slide #3: This year’s increases in expenditures also can be attributed to a multitude of factors, including the expiration of wage concessions, the trustee election, and our increased South Bay commitment of 475 FTES.
- In August, the Board will be asked to approve a budget with a \$2.85 million structural deficit. The college will take the actions necessary to reduce the deficit by at least \$1.4 million for the 2014-15 academic year and then will present a balanced budget to the Board for adoption in 2015-16.

Mr. Ma, who reviewed slides five through eighteen, provided a summary of the budget analysis. Additions to his prepared presentation are listed below.

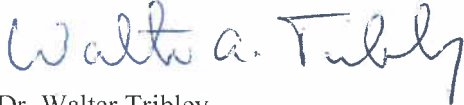
- Slide #7: We have been trying to increase our base allocation by achieving full center status and 1,000 FTES at the Marina Education Center. If successful, our base allocation amount of \$3,598,340 would increase by \$725,000-\$750,000. / There is some disagreement between the Chancellor’s Office and the Department of Finance as to the amount of the deficit coefficient, so the final amount could be higher than the \$300,000 currently estimated by the Chancellor’s Office.
- Slide #9: 87.3% of our UGF (Unrestricted General Fund) monies goes towards the people that we employ. This percentage is consistent with other colleges this size across the state.
- Slide #10: UGF expenses are defined by the Chancellor’s Office. / At least 50% of our UGF expenses have to be tied to classroom instruction.
- Slide #11: The “dues & memberships” line item includes fees paid to Santa Rosa (for use of their SIS system), the Accrediting Commission for Community and Junior Colleges (ACCJC), athletic leagues, the Community College League of California (CCLC), and the Foundation for California Community Colleges. / The “other services” line item includes expenses such as marketing, postage and bulk mail, contributions to the MPC Foundation, as well as the Monterey County Office of Education’s fee for use of their software.
- Slide #12: Although we pay South Bay \$1.1 million for 475 FTES, they generate \$2 million of apportionment for us.
- Slide #13: We are losing our stability funding because we haven’t made cap for two years in a row. / The “hybrid estimate” refers to his reduction of the apportionment estimate by \$750,000 last year. / The expiration of our wage concession amounts to approximately \$400,000. /
- Slide #15: The 9% increase in retiree rates (>65 yrs. old) is based on the cumulative consumer price index between our last increase (January of 2010) and where we are today.

There was discussion as to what options MPC will consider to generate revenue. Dr. Tribley noted that these options include a concerted effort by the entire college community to generate FTES. / Vice Chair Steck noted that bonds cannot be used to pay for salaries. Although parcel taxes could theoretically pay salaries, we cannot count on parcel taxes because they take a lot of effort to pass. Chair Brown noted that this effort could be made more difficult by the fact that MPC is not in a healthier financial position. / Trustee Johnson thanked Dr. Tribley and Mr. Ma for their efforts. The Board will have to vote for things we don’t want to vote for; to do less is to cheat this community and the job we were given. We are going to need the school and administration to come forward with ideas and benchmarks to which we can return and when. The next couple of years are going to be difficult and then we have to be out of this. /

Chair Brown appreciated the effort to limit the number of difficult years faced by MPC to two. / Dr. Tribley stated that the entire college has been and will continue to be a part of this discussion. He also acknowledged his executive cabinet for their support and for their involvement in strategizing how to involve the college community in this discussion. / Vice Chair Steck acknowledged the difficulty of increasing the budget in some areas at a time when other areas are being cut, while noting that he can see us growing out of this problem more than he can see us cutting our way out of this problem. / Trustee Coppernoll commended Dr. Céline Pinet for her efforts to increase our FTES and expressed confidence in our ability to generate revenues.

3. ADJOURNMENT – Chair Brown adjourned the meeting at 4:04 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Walter A. Tribley". The signature is written in a cursive style with a large initial 'W'.

Dr. Walter Tribley
Superintendent/President