

## Attachment A



### **Financial Advisory Council Meeting**

Tuesday, April 27, 2004

Governing Board Room

2:00 p.m. to 4:00 p.m.

### **MINUTES**

**Members Present:** Jan Binder, Alyssa Brown, Sue Burrola, Larry Christiansen, Roy Cohen, Karen Hardin, Leah Heathcoat (CGCC Student), Maria Hesse, Emily Hogan (GCC Student), Conrad Mills, Lorie O'Brien, Linda Rosenthal, Jane Saldana-Talley, Anna Solley, Trevor Smith (CGCC Student), Les Strickland, Debra Thompson

**Members Absent:** Art DeCabooter, Rick DeGraw, Rufus Galsper, Carnella Hardin, Steve Helfgot, Willie Minor, Steve Riley, Yvonne Zeka

**Guests:** Carl Couch, Jim Devere, Chad Douwstra, Georgia Gudykunst, Mark Mason, Janet Ortega, Arlen Solochek, Mark Valarde

**Welcome and Introductions:** Everyone was welcomed to the meeting. The students were thanked for their participation and value input to the council in the past year. In addition, congratulations were extended to the students on the council. Emily Hogan received a scholarship to BYU and will be attending in the upcoming Fall semester, Trevor Smith was elected to Vice-President of the student body at Chandler-Gilbert and Leah Heathcoat will be President of the student body at Chandler-Gilbert.

**April 6, 2004 FAC Meeting Minutes:** The minutes were unanimously approved.

### **Agenda Items:**

**New Student Information System Update** – Jim Devere provided FAC with an overview and update on the New Student System project.

**2004 Legislative Session Update/Information Item** – Chad Douwstra from the Government Relations office provided an update on the 2004 Legislative Session.

**Update on Tuition and Salary Adjustments/Information Item** – The proposed tuition increase of \$4 was presented to the Governing Board as an action item at the March 23<sup>rd</sup> Governing Board meeting. The \$4 tuition increase was not approved and the discussion has been moved to the April 27<sup>th</sup> Governing Board meeting. Some other proposals are

being prepared and looked at and a budget discussion has been schedule for the April 20<sup>th</sup> Governing Board retreat.

**Capital Development Program Operating Cost Support/Information Item** – With the proposed 2004 bond program, funds will need to be budgeted for operating costs to support the program. Funds will need to be allocated to support the capital development program, for example, to open the buildings that will be built in the bond program (i.e. heating and cooling, support staff in Crafts, M&O and Safety, etc.). Voter approval of the bond referendum does not bring any additional operational resources to the district. The FAC Subcommittee put together documents that reflect and support the proposed planning for operational costs district-wide. The proposed allocation process for the 2004 bond program is reflective of the 1994 bond program and follows similar guidelines. The expectation is, and has been, that the colleges will partner with the district office in the commitment to support capital program operating costs. The intent is that the colleges will support about half of the real operating costs. The recommendation for the 2004 Capital Program is to support new construction at \$15 per GSF and renovated space at \$5 per GSF. In addition, district-wide technology investments may also be supported. Technology project support will be reviewed on a project-by-project basis for those projects that substantiate an operating cost need as part of the overall project budget in the technology plan.

Guidelines that were highlighted:

- 1) GO Capital Development Program funded new construction: \$15 per GSF
- 2) GO Capital Development Program funded renovations: \$5 per GSF
- 3) Only projects funded by G.O. capital development funds will be eligible for operating cost funding
- 4) New and renovated space eligible for support will receive full support one month prior to scheduled project completion date as identified by Facilities Planning and Development. A small portion of these funds can be requested at an earlier date if the project can demonstrate placing a burden on existing staff in order to provide appropriate college project oversight. These requests will be brought to FAC and a process will be put in place for review.
- 5) Allocations will be pro rated, if appropriate, in the initial budget year.
- 6) Project costs include Furniture, Fixtures and Equipment and budgeted contingency funds
- 7) New and major district-wide information systems may require additional operating costs. These may receive support and will be on a project-by-project basis.
- 8) Initial funding estimates are based on FY03-04 college master planning. These estimates may be revised as colleges complete educational specifications for specific projects. Final funding will be at the level set under design. The budget office and FAC will monitor changes in funding requirements that occur as projects become more defined through the design process; if overall costs begin to increase materially, FAC will review and make recommendations to the District's ability to fund the program at these levels.
- 9) There may be some additional budget needs for District divisions that directly support the capital program, such as Facilities, Planning and Development,

Business Services and Legal. The needs will be assessed and presented separately to FAC.

Suggestions made for guidelines:

- Add emphasis on partnering providing resources for technology support and similar needs
- Add mention of other financial support for our operational support is Enrollment Growth Funding
- Draw attention to deadlines

The Council was also asked to take into consideration when a building might open in between budget cycles. A decision could possibly need to be made on which FY to include the allocations in.

The Council was also asked to take into consideration establishing a process in the event that a college builds less or more than their planned square footage. The council felt a modest increase was addressed in the guidelines, the actual design will be funded. In the event that the increase is substantial, FAC will need to review the increase.

A point was made that this is a working document and once suggested changes from FAC have been made it will be moved to CEC for review.

The Subcommittee was complimented on their work with the document and supporting documentation.

**FY 06 Budget Calendar:** The FY06 FAC budget development calendar was reviewed with the council and members were asked to add all the dates to their calendars. The first meeting will be on September 7, 2004.

**Other Business:** There were no additional items added to the agenda for discussion.

#### **Plus / Delta**

- + Informative Staff reports
- + New Thinking (e.g. Dianne Johns' report)
- + More positive Legislative report

**Next Meeting** / September 7, 2004 from 2:00 p.m. to 4:00 p.m. in the Governing Board Room