

ST. JOHNS RIVER STATE COLLEGE  
DISTRICT BOARD OF TRUSTEES  
Palatka, Florida

Budget Workshop  
May 20, 2015

MEMBERS PRESENT:

Ms. Mary Ellen Hancock, St. Johns Co., Chairperson  
Col. Mickey Duren, St. Johns County  
Mr. Ronald Coleman, Clay County  
Mr. Brian Keith, Putnam County

MEMBERS ABSENT:

Mr. Wendell Davis, Clay County, Vice-Chairperson  
Ms. Denise M. Bramlitt, Putnam County  
Ms. Marlene Lagassé, Putnam County

OTHERS PRESENT:

Joe H. Pickens, J.D., Executive Secretary  
Mr. Ron Brown, Attorney for the Board

The Budget Workshop was held in the Thrasher-Horne Conference Center, Suites C & D, at the Orange Park Campus and began at 2:00 p.m.

Chairperson Hancock opened the workshop and recognized Dr. Lynn Powers, Vice President for Finance and Administration/CFO.

Dr. Powers explained that the Legislative Session ended without a State budget being adopted. She explained that she will be presenting information that will assist the Trustees in passing a continuation budget if necessary. It will be a tight timeframe with the Legislature meeting in June and our Board of Trustees meeting on June 24<sup>th</sup>. The College is statutorily required to submit budgets to the State on June 30<sup>th</sup>. She overviewed the State's budget timeline provided by Jack Hall. We should know by June 15<sup>th</sup> what our state appropriations funding will be. Ron Coleman discussed calling a special meeting in July with the only agenda item being the adoption of the budget.

Dr. Powers referred Trustees to page three (3) of the PowerPoint presentation and overviewed the resources for the operating fund. The Student Fees are flat with no tuition increases built in. President Pickens stated there is still hope that the College will be in a position to consider reducing tuition if we are successful in obtaining a special appropriation. He stated it is more likely that we could reduce tuition by twice the amount of the capital improvement fee increase. State support is expected to be \$18.2M. The overall revenue expected is a 1.01% increase.

Dr. Powers referred Trustees to page four (4) of the presentation and overviewed the expenditures for the operating fund. The non-personnel total operating expenditures are proposed at \$7.9M. Trustee Hancock questioned savings that are noted in several categories. Dr. Powers explained those figures were the budget for 2014-2015. The actual expenditures were reviewed to date and the 2015-2016 budget starts with an amount that was actually spent. Dr. Powers stated there is \$350K budgeted for capital outlay.

Next, Dr. Powers discussed that there are 354 full-time positions as of May 2015. The continuation budget will keep everyone employed. The budget will not be able to accommodate any new hires except the one faculty position that is required. She explained that most employees are funded from the operating fund; however, a few are paid partially from a grant (restricted fund) and eight (8) are paid from the auxiliary fund.

Dr. Powers discussed the personnel costs. The change in the Executive Management category is elimination of Dr. McLeod's position as he has taken a new job in Virginia. She explained the costs for contingency/GASB accruals.

Dr. Powers then discussed the use of carryforward and/or reserves that will be needed to balance the budget. The amount is \$758,484 which does include purchase order commitments. President Pickens stated that each year we do not spend all the money that is budgeted; however, this projected budget is leaner so there is less cushion.

Dr. Powers referred Trustees to page nine (9) of the presentation and discussed the grants and restricted funds including federal, state, and local and privately funded activities. All of these figures are firm except student activities which could change, but the amount should be close to \$900K. Trustee Hancock asked how the Wellness Program funding is being utilized. President Pickens explained that the College earned from Florida Blue \$25K because over 50% of the employees participated in the wellness day. Dr. Powers stated that the College is offering fitness classes free to employees from this funding.

Dr. Powers overviewed the Auxiliary Fund which includes the bookstore, food/vending/copiers, and the Thrasher-Horne Center. The College will be implementing a Point-of-Sale system for the bookstore and will use reserves to fund this project. The food vending revenues are lower and we are renegotiating the Orange Park Campus food vending contract. The THCA new season will be starting and ticket sales should increase significantly due to the new performances.

Dr. Powers then discussed the Plant/Capital Project fund. Revenue being carried forward for projects already ongoing is estimated. President Pickens explained that the College does the three (3) most critical projects in remodeling/renovation. Dr. Powers overviewed the source and expenditure of funds. President Pickens discussed project #18, the renovation of the women's locker room. The College received a reminder from the equity office regarding the urgency of this project. The uncertainty of the direction of the volleyball program had been the reason to not move forward, so this project is going forward now.

Dr. Powers reviewed the 2015-16 budget key factors: state appropriation unknowns, tuition changes, use of reserves, personnel changes (any changes from the Strengthening SJR State Report), enhancing student success, enrollment growth/stabilization, and control of inflationary expenditures. President Pickens stated that we look forward to passing a budget at the Board meeting on June 24<sup>th</sup>.

Chairperson Hancock adjourned the Budget Workshop at 2:45 p.m.