

PRESIDENT'S CABINET MEETING

May 16, 2006

MINUTES

MEMBERS PRESENT:

Steven Jones, Terry Berg, Renea Fike, Victor Fite, Brad Johnson, Paul Matney, and Damaris Schlong

OTHERS PRESENT:

Katie Ahlbom, Brenda Bussey, Rhonda Higgs, Lola Hornstra, Theresa Rider, Ellen Robertson, and Brenda Sadler

MERIT PAY PROPOSAL – The revised proposal was distributed. Katie discussed some of the major issues; such as processing awards once a year as a collaborative group or every six months, with September and March as possible months, following employee performance evaluations. There were some concerns expressed regarding if all supervisors would take the time to request merit pay for their employees. She referred the Cabinet to the merit recommendation percentage tables which broke the pay increases down by 2.5%, 5%, and 7.5%. These tables were based on a five-year period and gave a bottom line analysis of how much it would cost to add merit to employees' base pay. The Merit Pay Award Committee did not recommend a one-time award because there already is an employee performance award given once a year to selected classified employees. Jones stated he believes there are conceptual and technical issues regarding the proposal; one being, where the money will come from without having to take from other areas of the budget and he reminded Katie that cost-of-living awards (COLAS) are not guaranteed. Jones said that most colleges he has checked with, who previously have given merit pay, are planning to discontinue the practice. Jones stated that revenue allocations shift; there are three ways to obtain revenue: property taxes, raising tuition/fees, and state appropriations. Katie reported that the Merit Pay Award Committee was formed in June 2005 and has met twice a month since; they were given the charge to form a plan and deliver a proposal to the Cabinet. If the Cabinet is unable to implement the proposed system at this time, she suggested a new group of employees have the opportunity to serve on a newly formed committee. Jones told Katie the Cabinet would discuss again. The revised merit pay award proposal will be included with the official minutes.

FY07 BUDGET – Handouts were distributed. Berg reported that the FY07 budget was balanced. Projected additional tax revenue is \$521,765. Berg said there should be approximately \$550,000 in retained earnings at the end of the fiscal year. The Board will be asked to review the budget prior to the August Board meeting where they will hopefully approve the FY07 budget.

FINANCIALS – Berg distributed the April 30 financials.

Revenue – We are 66% through the fiscal year with 71% of revenues received. Academic tuition/fees are down 8% below last year.

Expenditures – Academic support is 2% below last year. Physical plant operation and maintenance is at 69% due to utility increases and a purchase of a vehicle.

Auxiliary – Bookstores have made a profit of \$209,000. The POS software is in and should be running and in use this summer. Employee scholarships are up some.

Restricted Funds – Local grants and contracts have increased \$290,854; KACV grants are down by \$99,000 due to a loss of some local funds.

Cash & Investments - We had \$29.1 million as of April 2006; \$28.8 million in 2005; \$26.3 million in 2004.

A & I –

Budgeted funds – The Lynn Library electrical system upgrade is 100% complete.

Designated reserves - The MCC phase II renovations and the East Campus roof repairs and parking lot are 100% complete.

Allocated funds – KACV roof replacement and Polk Street Campus signage and planter are 100% complete.

Tax Schedule – Total taxes collected are \$12,340,758; we are over by \$2,774.

Reserve Analysis – The total balance is \$13,826,358.

POSITION ON TAX FREEZE – In 2003, the legislators passed Proposition 13 which froze ISD taxes for seniors and disabled citizens. In April, petitions to place the issue on the November ballot were delivered to the AC President's office. College attorney, Bob Sanders will be called to determine if there is a deadline for verifying signatures on the petitions. Ellen Robertson reported that AC will run an advertisement in the fall; the angle will show how much is done for senior citizens in the community. Jones asked Theresa Rider to find out how many households are considered to house senior or disabled citizens and what the tax rate would be per property value. He also requested that Schlong obtain the senior citizen demographics data for those who are enrolled in Amarillo College SCH and CE classes.

LOGISTICS OF CABINET APPROVAL OF BUDGET REQUESTS – Fike wanted to verify that Cabinet members' endorsement of budget approvals from budget managers in their areas was required before submitting to the Business Office and brought to Cabinet.

BOARD BUDGET WORKSHOP PRESENTATION FORMAT – Deferred until next meeting.

POSITION ON ATHLETICS – Deferred until next meeting.

MISCELLANEOUS –

Schlong reported that U.S. Department of Energy (DOE) Secretary, Samuel Bodman, would be flying in the next day for a conference at the Business and Industry Center.

Next meeting: June 6, 2006

bs