

*Spensin,
 Below are the motions adopted at Finance Committee meeting on September 24, 2009 for action at
 Cabinet or for your approval.
 Thanks,
 Danny*

| Item | FC Vote/ Remarks | President Approval/ Disapproval |
|---|--|---------------------------------------|
| 1. To determine the expected hiring dates of vacant positions and determine the corresponding budget savings from salaries, benefits and housing, and to continue the policy of freezing reprogramming for fiscal year 2010. | 16 unanimous votes; Motion Passed | |
| 2. Jim C. submitted the motion of half day (or 4 hours) furlough per month for non-instructional employees, if savings from unused salaries, benefits and housing are not sufficient. | 9 yes votes 3 no votes 2 abstain; Motion Passed | |
| 3. Ray V. moved a motion which was seconded by Ringlen to recommend to the curriculum committee discussions in changing from two regular semesters to quarterly semester. The motion received 10 yes, 1 no and 2 abstain votes. | 10 yes votes 1 no vote 2 abstain Motion Passed | |
| 4. The motion to adopt the request for supplemental funding of \$50,000 for CRE office was moved by Penny and seconded by Jim C. | 6 yes 3 No 5 Abstain Motion Passed | |



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| Committee or Working Group: | Finance Committee |
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| Date: September 24, 2009 | Time: 2:30 pm to 5:10 pm | Location: Board Conference Room |
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| Members Present: 16 (80%) | Members Absent: 4 (20%) |
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| <ul style="list-style-type: none"> ▪ Danny D, Comptroller ▪ Joe H, VPA ▪ Ringlen R, VPSS ▪ Jim C, VPCRE ▪ Rencelly N. HRO Director ▪ Jimmy H., IRPO Director ▪ Jean T, VPJA ▪ Jojo P., Chk, Director | <ul style="list-style-type: none"> ▪ Doman D., SC Accountant ▪ Kimberly A, Student Rep. ▪ Kalwin K, Ksa Director ▪ Ray Vergin, Faculty Rep NC ▪ Rafael P, Bus. Div. Rep. ▪ Penny W, Pni Director ▪ Trisha, Student Rep ▪ Eddie Haleyalig, FAO Director | <ul style="list-style-type: none"> ▪ Debra P., Faculty Rep SC ▪ Lourdes R, Yap Director ▪ Matthias E, FMI Director ▪ Pelma P., Bus. Office Mngr. |
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| Additional Attendees: | Francisco Mendiola, Maintenance Director |
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| <p>1. <u>Roll call and declaration of quorum</u></p> <p>The Chair welcomed everyone and called the meeting to order at 2:30 pm on September 24, 2009 at the Board Conference Room.</p> <p>Sixteen members or 80% are present and four members or 20% are absent. With majority members present, a quorum was declared to proceed with the meeting.</p> <p>The Chair presented the agenda items. Members agreed to proceed with the agenda items.</p> <p>2. <u>Balancing of FY 2010 Budget</u></p> <p>The Chair advised that the reduction of the appropriation from FSM government by \$100k, from \$3.9 Million to \$3.8 Million in FY 2010 shall be addressed by freezing new positions as previously communicated via email.</p> <p>The comparison of actual revenue as against projected revenue was presented. The actual revenue for fall 2009 indicated the shortfall of \$279k compared with the projected revenue. Except for Pohnpei campus, all campuses did not meet the projected revenue. The chairman opened the floor for discussions on how to balance and address the shortfall.</p> <p>Ray V. suggested to take look at increasing revenue due to the increased PELL grant. Jim C. solicited clarification whether the \$10 increase in tuition every three years is a policy. The Chair clarified that it is not a policy.</p> <p>Eddie H. provided information on the new regulations on Pell grant. It was agreed that the new regulations on Pell award will be considered in the development of the revenue budget for fiscal year 2011.</p> <p>Jim C. suggested to charge parking fee of \$10 per vehicle per month) to increase revenue which may generate about \$20,000 a year. Ringlen R. suggested to discuss the suggestion also in the development of revenue budget for fiscal year 2011.</p> <p>Ankie M. suggested to cut the travel budget. Jimmy H. responded that we should be</p> |
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discussing quality service to students and not cutting line item budgets. The Chair asked Jimmy H. for suggestions on how to address the revenue budget shortfall. No immediate suggestion was provided by Jimmy H.

Penny W. commented that the FY 2010 revenue shortfall is the pressing issue that needs to be dealt with right away. Discussions in increasing revenue should be addressed in future budgets.

Joe H. commented that we are balancing the budget without compromising the quality of services. He suggested to provide certain percentage of budget cuts.

Ray V. suggested to reduce the budget on administrative division and student services division.

Jimmy H. suggested to freeze the annual merit increase. Jim C. commented that only those employees who are on lower scale will be affected. Employees who are at the end of the scale will not be affected. The Chair commented that this would bring low morale to employees, and efficiency of performing employees might be affected.

Ray V. suggested not to fill-up of vacant positions.

Jim C. suggests a ½ day (or 4 hours) a month furlough for all employees except instructional will be implemented. He mentioned the recent 21 furlough days per year mandated by the government of Hawaii for their personnel including teaching staff.

The Chair suggested to review the expected hiring dates of vacant positions. The unused budget for vacant positions that would not be filled – up for the whole year will result to savings from salaries, benefits and housing. Accordingly, the Chair submitted the following motion:

“To determine the expected hiring dates of vacant positions and determine the corresponding budget savings from salaries, benefits and housing, and to continue the policy of freezing reprogramming for fiscal year 2010.”

The motion was seconded by VPA and received unanimous vote.

The committee suggested the following:

- Launch programs to increase the retention rate for spring 2010. Ringlen R. was assigned to present this to the Admission board.
- Maximize the use of classrooms to increase number of students in spring 2010, and to consider providing two mini sessions for summer to increase enrollment. Jean T. was assigned to present this to Curriculum committee.

Jim C. submitted the motion of half day (or 4 hours) furlough per month for non-instructional employees, if savings from unused salaries, benefits and housing are not sufficient. The motion was moved by Ringlen and received 9 yes, 3 no and 2 abstain votes.

Ray V. moved a motion which was seconded by Ringlen to recommend to the curriculum committee discussions in changing from two regular semesters to quarterly semester. The motion received 10 yes, 1 no and 2 abstain votes.

3. Supplemental Budget for CRE and COM office at Pohnpei Campus

Ankie, Penny, Jim C. and Joe H. presented the request for supplemental funding for the construction of CRE and COM office at Pohnpei Campus. The COM office was not included in this request but it was suggested that by completing the CRE portion it might stimulate COM to identify funding to complete their section. The safety of the current building was highlighted as the primary concern for the urgency of constructing a new office.

It was discussed that the college can fund the portion of the project that is for the CRE office, and to ask other institutions (CMI and PCC) for assistance for the COM office.

Jimmy H. suggested to table the agenda on the next meeting after determining the fund balance for fy 2009. A motion was moved by Ray V. and seconded by Rencelly to table the agenda item in future meetings. The motion received 4 yes, 4 no and 6abstain. The motion to table for future meeting was not passed.

The committee discussed the agenda. Ankie M. provided clarifications on the requested amount of \$50,000 and the breakdown of \$75,000.

The motion to adopt the request for supplemental funding of \$50,000 for CRE office was moved by Penny and seconded by Jim C. The motion received 6yes, 3 no and 5 abstain votes. The motion was passed.

4. FY 2010 salary budget for VPCRE

Jim C. explained that this item should not be handled by the committee. Discussion on this agenda was withdrawn by Jim C.

Joe moved to adjourn the meeting and everybody seconded the adjournment of the meeting

The meeting was adjourned at 5:10 pm.

Next FC Committee Meeting:

To be advised.

Handouts/Documents for the Meeting:

1. Projected revenue vs Actual revenue
2. Floor plan of COM and CRE office at Pohnpei Campus
3. Estimate of the COM and CRE office project

Motion Adopted by Finance Committee

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| 5. To determine the expected hiring dates of vacant positions and determine the corresponding budget savings from salaries, benefits and housing, and to continue the policy of freezing reprogramming for fiscal year 2010. | 16 unanimous votes; Motion Passed | |
| 6. Jim C. submitted the motion of half day (or 4 hours) furlough per month for non-instructional employees, if savings from unused salaries, benefits and housing are not sufficient. The motion was moved by Ringlen and received 9 yes, 3 no and 2 abstain votes. | 9 yes votes 3 no votes 2 abstain; Motion Passed | |
| 7. Ray V. moved a motion which was seconded by Ringlen to recommend to the curriculum committee discussions in changing from two regular semesters to quarterly semester. The motion received 10 yes, 1 no and 2 abstain votes. | 10 yes votes 1 no vote 2 abstain Motion Passed | |
| 8. Jimmy H. suggested to table the agenda on the next meeting after determining the fund balance for fy 2009. A motion was moved by Ray V. and seconded by Rencelly to table the agenda item in future meetings. | 4 yes 4 no 6 abstain Not Passed | |
| 9. The motion to adopt the request for supplemental funding of \$50,000 for CRE office was moved by Penny and seconded by Jim C. The motion received 6yes, 3 no and 5 abstain votes. The motion was passed. | 6 yes 3 No 5 Abstain Motion Passed | |

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| Prepared by: | Date Distributed: |
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Adoption of Minutes by FC & Responses:
The revised minutes included the comments from Jim C. No responses received from other FC members after three days indicating silent endorsement of the minutes.