

VIRGINIA PENINSULA COMMUNITY COLLEGE

Virginia Peninsula Community College Local Board
Budget and Finance Committee
February 15, 2023

Members Present: Dr. Linda Reviea, Joseph Fuentes, and Mary Bunting

College Staff Present: Steven Carpenter, Vice President for Finance and Administration; Tim Crittenden, Business Office Manager; and Geraldine Mathey, Administrative Assistant

Dr. Reviea opened the meeting at 4:05 p.m.

1. Review of December 7, 2022, Minutes.

A motion was made to accept the December Minutes; approved by committee.

2. Review of FY 2023 Local Funds 2nd Quarter Statement:

A. Local Funds & General Funds (page 1):

- 1) \$400,000 was transferred from line item "Use of Fund Balance" to State expenses. This was money set aside for Public Relations, which is a state-funded expense.
- 2) \$2,000,000 was transferred to the investment pool (LGIP); It was noted the LGIP is a good source of income for the College.

B. Student Activity (page 2):

- 1) The College has not yet billed the Educational Foundation for the \$100,000 under line item "Transfer in from Foundation."

C. Safety, Security and Parking Fund (page 3):

- 1) \$1,000,000 from this fund balance was transferred to LGIP. There is no restriction on moving funds.
- 2) Projects identified under this fund have shifted due to more emergent issues with renovations in Hampton III and Hampton IV; however, those projects will be held in abeyance until a future time.

D. Construction Fund (page 4):

- 1) \$1,000,000 from this fund balance was transferred to LGIP. It was reported that interest rates are recovering. The College does not anticipate spending all the funds identified for "Facility/Grounds Improvements."

In response to a question about the Commonwealth allowing the College to keep any state surplus, the committee was told that traditionally we were allowed to keep the entire surplus. There is a chance the current administration will change that practice, but the College anticipates

keeping most of the surplus. Up to 6-percent of state funds surplus may be used for ongoing operational costs, while the remainder must be used for one-time expense(s)/project(s).

A motion was made to accept for informational purposes the FY 2023 Local Funds 2nd Quarter Statement; approved by committee.

3. FY 2023 State Funds 2nd Quarter Update:

- A. Annual Revenue compared to Projected Revenue:
 - 1) An additional \$300,000 is anticipated in “Tuition Revenue.”
- B. Annual Expenditures compared to Projected Expenditures:
 - 1) Personnel Services makes up the bulk of this fund. This line item was underspent due the College not filling vacancies. We are now in the process of filling some vacancies.
- C. Financial Projection:
 - 1) The College anticipates a surplus of \$1,700,000 of annual revenue over annual expenses.

A motion was made to accept for informational purposes the FY 2023 State Funds 2nd Quarter Update; approved by committee.

Open Discussion:

A question was raised regarding the “Local Board Expenses” budget, which is currently \$3,000. Funds had been used in the past to purchase recognition awards for Local Board members as well as to pay travel expenses when Local Board members attended conferences on behalf of the College and for the Local Board retreat. The Educational Foundation sponsored the retreat this academic year. Current encumbered expenses are for name badges and business cards for Board members. Steve Carpenter suggested that a recommendation may be made to raise this budget to \$5,000 since post-Covid travel is increasing and we cannot rely on the Foundation to cover Board retreat expenses in the future.

The proposed FY 2024 Local Funds Budget will be shared with the Local Board in April with a vote in May.

There being no further discussion, the meeting adjourned at 4:35 p.m.