

**College of Micronesia – FSM
Minutes of Meeting (Draft)**

Committee or Working Group:	Finance Committee
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Date: February 5, 2009	Time: 3:30pm to 5:00pm	Location: Board Conference Room
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Members Present: 14 (70%)	Members Absent: 6
<ul style="list-style-type: none"> ▪ Danny D, Comptroller ▪ Ringlen R, VPSS ▪ Penny W, Pni Director ▪ Eddie H, FAO Director ▪ Jean T., VPIA ▪ Joe H, VPA ▪ Rafael P, Bus. Div. Rep. ▪ Doman D., SC Accountant ▪ Jimmy H, IRPO Director ▪ Rencelly N. HRO Director ▪ Jojo P., Chk, Director (via VOIP) ▪ Kalwin K, Ksa Director (via VOIP) ▪ Lourdes R, Yap Director (via VOIP) 	<ul style="list-style-type: none"> ▪ Jim C, VPCRE ▪ Debra P, SC Faculty Rep ▪ Matthias E, FMI Director ▪ Jay P. Student Rep. ▪ Ray Vergin, Faculty Rep NC ▪ Pelma P, BO Manager ▪ Kimberly A., Student representative

Additional Attendees:	
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<p>Agenda:</p> <ol style="list-style-type: none"> 1. Terms of Reference <ul style="list-style-type: none"> ➤ The chair announced the verbal approval by the President on the suggested amendments of FC's terms of reference. 2. Status of Fund balance <ul style="list-style-type: none"> ➤ The Chair presented the status of the fund balance and handouts were given for reference and discussions. ➤ The fund balance dropped by 18%, from \$7,438,251 to \$6,076,413 between FY 2006 to FY 2007. ➤ Possible reduction of fund balance by 48%, from \$6,076,413 to \$3,187,335 between FY 2007 to FY 2008 was likewise presented by the chair. The figures may decrease or increase after completing the audit. ➤ The decline in fund balance includes supplemental budgets of \$1,284,612 for various projects funded by fund balance consisting of \$654,254 for FY 2007, \$480,358 for FY 2008 and \$150,000 for FY 2009. ➤ The committee agreed that certain measures need to be adopted to control the declining fund balance. ➤ VPA advised that the matter will be taken – up at Planning and Resource Committee. 3. Results of Operations FY2009 <ul style="list-style-type: none"> ➤ The chair advised that actual revenue is short by about \$800k compared with revenue projection. ➤ The committee agreed to control the deficit by freezing certain budget line items. ➤ The committee discussed the handout providing the list of unfilled positions.
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- The committee adopted the following motions:
 1. Jean moved and Eddie seconded the motion that Vice Presidents and Directors would review unfilled positions that will be placed on hold. The motion received a unanimous positive vote.
 2. The chair moved and Penny seconded the motion reaffirming the President's directive of freezing reprogramming. The motion received unanimous positive vote.

VPA clarified that on extreme cases, the President can still provide exceptions to the directive regarding freezing of budget reprogramming on a case to case basis. The Chair also clarified that the freeze on reprogramming does not include TRIO, CRE and other grants and programs.

4. Cafeteria rates
 - Hand out of the cafeteria operation and projected statement of Revenue and Expenditures were provided to members.
 - The Chair presented the proposed amendment of cafeteria rates.
 - Due to time constraint, the committee agreed that the proposal be sent thru email for discussion and voting. Below are the suggested proposals:

Alternative I – COM – FSM rates are \$3.00 for breakfast, \$3.50 for lunch and \$3.50, and for Non COM-FSM rates are \$4.00 for breakfast, \$4.50 for lunch and \$4.50 for dinner

**Alternative II – COM – FSM – same rate with Alternative I,
For Non COM-FSM rates are same for breakfast, \$5.00 for lunch and \$5.00 for dinner**

Increase in Cafeteria Rates:

	Current	Proposed Changes			
		Alternative I		Alternative II	
		COM – FSM	Non COM-FSM	COM - FSM	Non COM-FSM
Breakfast	\$2.50	\$3.00	\$4.00	\$3.00	\$4.00
Lunch	3.00	3.50	4.50	3.50	5.00
Dinner	3.00	3.50	4.50	3.50	5.00

Two basic considerations:

1. Due to significant increases in food supplies such as:
 - Rice from \$18 to \$34 per 50-lb. bag or by 89%
 - Chicken from \$19 to \$29 per 20-lb. case or by 53%
 - Eggs from \$2.75 to \$4.00 per dozen or by 46%
2. To enable Cafeteria maintain a self sufficient operations.

Mr. Ringlen moved and Eddie seconded to adjourn the meeting.

Next meeting:

March 5, 2009 Thursday (3:30 to 4:30 pm) at the Board Conference Room.

Handouts/Documents for the Meeting:

1. FY 2009: Budget vs Actual – Revenue
2. Unreserved Fund Balance Analysis as of January 31, 2009
3. List of unfilled positions
4. Cafeteria budget worksheets

Prepared by:

Date Distributed: