Finance Committee Meeting of February 4, 2017

The meeting was called to order at 9:04 am. Members present: Bryan Bonina, Lorraine Li, Cindy Casper, Steve, Cohen, Nick Lefakis, and Tony Scott by phone. Tony arrived close to the end of the meeting.

Budget Discussion:

Tony provided the committee with financial statements including 7 months actual and last year's actuals, and the budgeted amounts.

The projected revenue for the current fiscal years appears to be about $1.6M. This is an estimate based on the first half of the fiscal year. We don't know if there will be a drop in revenue based on what our employer does to respond to state budget rescissions.

Also, we are adding a ccp15 position to the 4Cs staff. Richard will be added as a staff person. This will increase our costs for salaries and benefits.

This year, we had expected a $180,000 to 200,000 deficit. It may come in at about half that amount.

Tony proposed that we use zero based budgeting. This means that we start all budget items at zero and build from there. As the budget is built, we will ask if this item is necessary. There appeared to be support for this idea among the Finance Committee Members.

Tony pointed out that much of the budget is fixed because we have salaries and benefits obligations.

The Investment Fund was just over $1M recently, but we withdrew about $200,000 to pay SEIU and now the Fund is about $800,000. At one point in past years, and before dues holidays, the Fund had reached about $1.5M.

It is the shared opinion of the Finance Committee members that the 4Cs cannot continue to operate at a budget deficit.

To reduce expenses, we plan to assess continuing with paying for local affiliations. We will review the costs and benefits of continuing with certain local affiliations.

There was a brief discussion of the value of having consultants and the goodwill they may produce for us at the Legislature and within the State.

Chapter Chairs have grown accustomed to receiving compensation and this would be a difficult area to cut. We will suggest that future Newsletters be sent via email to save on printing and postage costs.

The rent seems stable. Bryan pointed out how Tony helped us reduce costs for electricity.

A general budget discussion is preliminary for the DA today.

<u>Flex Plan for Staff Discussion:</u>

At the last meeting, the staff heard that a consultant discussed with the members of the Finance Committee two plans for healthcare and dependent care. The staff is asking if any decisions have been made regarding these plans and employees' Flex fund.

We discussed the budget deficit and adding another person to the payroll and the potential implications to the budget. It is also anticipated that members will not see a pay increase and may even see a decrease. Therefore, we should plan for this on the revenue side of the 4Cs budget.

It appears that whatever we add will be an increase in compensation to the staff. We must be mindful of a possible pay freeze for the membership so we need to think about what the DA will embrace. It appears that the plans work better with a fixed amount rather than the current percentage or a future percentage.

Because of the different needs of the staff members, the cafeteria medical plan and dependent care plans are favored over the existing percentage of salaries. Therefore the following motion was made and passed:

Lorraine moved that the finance committee recommend to the DA a cafeteria type flex account for the new fiscal year budget. Steve seconded the motion. The motion passed. Procedurally, we plan to meet with staff to discuss the plan before the budget is presented to the DA. The Flex Plan will be incorporated into the next 4Cs Budget.

We will meet with Staff prior to the Budget presentation to the DA to discuss our proposal regarding the Flex Plan.

The meeting adjourned at 10:05.

Notes taken by Nick Lefakis, Chair