

COUNCIL ON BUDGET AND FACILITIES

January 11, 2016
2:00 p.m.
Anaheim Campus Room 105

Videoconferencing of the meeting will be available at Cypress College Room 301 and the Fullerton College President's Conference Room A

AGENDA

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| I. | Approval of December 14, 2015, Summary Notes (Action) | Irma Ramos |
| II. | Budget Update | Brian Fahnestock |
| III. | Bond Update | Rick Williams |
| IV. | Retirement Board Update | Brian Fahnestock |
| V. | Initial Funding of Irrevocable Trust | Brian Fahnestock |
| VI. | Information Services Infrastructure Funding | Brian Fahnestock |
| VII. | Other Items (Discussion) | Irma Ramos |

NOTE: The numerical order of items on this agenda is for convenience of reference. To promote efficiency and as an accommodation to the parties involved, agenda items may be taken out of order upon request of the Chair or Members of the CBF.

COUNCIL ON BUDGET & FACILITIES
December 14, 2015

UNAPPROVED SUMMARY

Members Present: Brian Fahnestock, Karen Cant, Jolena Grande, Tina Johanssen, Ian Kolaja Cherry Li-Bugg (**Member Li-Bugg arrived at 2:12 p.m.**), Elaine Loayza, Lorenze Legaspi, Rod Lusch, Sandra Palmer, Irma Ramos, Justin Richardson, Pete Snyder, Richard Storti, Olivia Veloz, Tanya Washington

Absent: Barbara Bennett, Rodrigo Garcia

Visitors: Adam Gottdank, Rick Williams

Call to Order: The meeting was called to order at 2:08 p.m. by Chair Irma Ramos.

- I. **Summary:** The summary of the November 9, 2015, meeting was accepted as amended.
- II. **Budget Update:** Mr. Fahnestock provided and reviewed a series of spreadsheets he created in order to explain the budget in a different way than the Proposed Budget book; he hopes this will clarify how it all rolls together.

Mr. Fahnestock also shared that is expected that the State Chancellor's Office will announce at the Budget Workshop in January that there will be between \$400-\$500 million of new money for community colleges which will be put into four areas:

- COLA will be at 1.6%;
- Base Allocation of \$8 million (funding not tied to enrollment) in order to fund our increase in PERS/STRS;
- State-wide Growth may be funded at 2.5%;
- Workforce Development (categorical program).

- III. **Bond Update:** Mr. Rick Williams stated that currently we are continuing with planning meetings with the colleges and a few projects are moving forward. We are in the priority planning and programming stages at Cypress and Fullerton and at the Anaheim Campus we have a meeting planned regarding the 7th and 10th floor projects. We have program managers on board to attend these meetings. Overall the planning is going well; we have the environmental impact report consultants selected and we are currently in contract negotiation a tentative start date of January.

Mr. Rick Williams shared that beginning in the first quarter of 2016 we plan on selling the first offering of bonds; the plan is to sell the bonds every three years so that we can tier the projects based on priority thereby keeping some harmony on the campuses. (**Member Li-Bugg arrived at 2:12 p.m.**)

- IV. **Retirement Board Update:** Mr. Fahnestock explained that a Retirement Board was created to oversee an irrevocable trust to fund the District's retiree health benefits. Currently, the District's money is held at the County Treasury which pays 1% per year and we need to move it in order to get 6%-8%. The nine-person Retirement Board recently interviewed four vendor teams (Community College League, Keenan, PARS, PERS). The Retirement Board unanimously decided that Keenan gives the best overall package of a good investment history, low fees, and great service. The Retirement Board will meet again on January 14, 2016, to formalize those agreements; at a future time, the Board of Trustees will authorize us to move money into the trust.

- V. **Other Items:** The next meeting will be January 11, 2016.

Adjournment: The meeting adjourned at 2:58 p.m.