

COUNCIL ON BUDGET AND FACILITIES

December 14, 2015
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 November 9, 2015, Summary Notes (Action) | Irma Ramos |
| II. | Budget Update | Brian Fahnestock |
| III. | Bond Update | Rick Williams |
| IV. | Retirement Board Update | Brian Fahnestock |
| V. | 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
November 9, 2015

UNAPPROVED SUMMARY

Members Present: Barbara Bennett, Brian Fahnestock, Karen Cant, Rodrigo Garcia, Jolena Grande, Tina Johannsen, Cherry Li-Bugg, Elaine Loayza, Lorenze Legaspi, Rod Lusch, Irma Ramos, Justin Richardson, Richard Storti, Tanya Washington

Absent: Sandra Palmer, Pete Snyder, Stephen Tith

Visitors: Adam Gottdank, Rick Williams, Ian Kolaja (Fullerton College AS), Kim Kimble (recorder)

Call to Order: The meeting was called to order at 2:05 p.m. by Chair Irma Ramos.

- I. **Summary:** The summary of the October 12, 2015, meeting was accepted as amended.
- II. **Budget Update:** Mr. Garcia mentioned that not much had changed since the budget was approved by the Board in September. The State Chancellor's Office has released the SSSP and Equity Funding allocations. Our District received \$7,948,078 for credit and non-credit SSSP which is an increase of \$2.2 million. The District also received \$3,655,520 for credit and non-credit Equity funding, which is an increase of \$1.8 million.

Mr. Garcia also mentioned that he had previously reported that the community college system had dropped 10,000 FTES from the P-2 reporting period to the annual reporting period and that our District might be able to capture 2014-15 unfunded FTES. After Mr. Garcia spoke with the Chancellor's Office he was informed that will not be the case. The districts that had dropped in FTES were in stability and they just fell deeper into stability, meaning that none of the FTES reduction would be available to other districts. This means that there could be a lot of growth funds available in the 2015-16 year.

Mr. Garcia informed us that the Chancellor's Office expects the 2016-17 budget year to be a good one. The District should not expect a great budget like the 2015-16, but it should still be a good budget.

Mr. Garcia also mentioned that the District was in the process of selecting a financial advisor to facilitate the selection of an underwriter and issuance of bonds. It is expected that the District will issue \$100 million bonds early in the 2016.

- III. **Bond Update:** Mr. Fahnestock stated we are in escrow on 8-unit property near Fullerton College, and are looking at an adjacent 4-unit apartment building. A question was raised whether the properties could be used as transitional housing for students. Probably not, due to requirements from DSA for student housing.

Mr. Rick Williams will be meeting with architects to determine the use of the building(s) which may be rented out in the short-term.

- IV. **Retirement Board Update:** Mr. Fahnestock explained the retiree health benefits liability is approximately \$150 million. We have set aside about \$70 million which earns about 1% currently. The District is establishing an irrevocable trust to make a higher rate of return. The irrevocable trust will be started with current funding.

Ms. Johannsen questioned whether the unions could receive quarterly printouts of funds and earnings. Per Mr. Garcia, no, they are available once a year.

Ms. Bennett proposes quarterly reports and should be provided to leadership of CSEA and United Faculty. Then it was mentioned that the retirement meetings are Brown Act Meetings.

Once the irrevocable trust is established, we will post on the District website.

The Retirement Board Meeting dates, Agendas and Minutes are currently available on the District website.

- V. **Other Items:** Mr. Garcia gave an update on the 2014-15 District audit. The audit had been finalized and there were no adjustments. There was only one finding at the campuses related to early implementation of the Veterans Choice, Access, and Accountability Act of 2014 (VACA) allowing people from the armed forces to submit a waiver of non-resident tuition fees. The effective date was 7/1/14, and the campuses implemented it one semester too early. The error has already been fixed in the District's attendance reporting and no further action is necessary. The next meeting is January 11, 2016.

Adjournment: The meeting adjourned at 2:49 p.m.