

**COUNCIL ON BUDGET AND FACILITIES**  
**October 10, 2022**

**APPROVED SUMMARY**

**Members Present:** Jennifer Combs, Terry Cox, Danielle Davy (confidential alternate), Rodrigo Garcia, Monica Hagmaier (CSEA Alternate) Raine Hambly, Geoff Hurst (Ed Services Alternate) Fola Odebunmi, Jennifer Oo, Stephen Schoonmaker, Marlo Smith, Kashu Vyas, and Fred Williams

**Members Absent:** Damon De La Cruz, Cherry Li-Bugg, Marwin Luminarias, Leslie Tsubaki

**Guests Present:** Monte Perez, Jeremy Peters, Richard Williams

**Call to Order:** The meeting was called to order at 2:03 p.m.

**1. Summary:** The summary of the September 12, 2022 meeting was approved.

**2. Membership:**

- Kathleen McAlister has been elected as the Cypress College Academic Senate's President Elect.
- Marwin Luminarias has been elected as the new CSEA representative.
- Stephen Schoonmaker is the new Interim, VP, Admin Services at Cypress College
- Both Fullerton and Cypress College are still awaiting a new Student Association representative to serve on CBF.

**3. Evaluation of the Resource Allocation Model** – Kashu Vyas provided a written evaluation of the Resource Allocation Model (RAM), per the annual requirement identified in the RAM Handbook. The evaluation highlighted the following:

- The process used to develop the budget within the RAM appears to have generally worked as intended with all budget centers being able to manage their own activities.
- The allocation formulas also appeared to be generally equitable with regards to expected activity.

Changes implemented during the year:

- Districtwide Expenses included a contribution of \$3 million from the Retiree OPEB Trust which was approved by the Retiree Trust Board for FY 2021-22.
- The Districtwide RAM SCFF continues to be based on the final FTES numbers. Any additional funding from hold harmless or received from participating in the Emergency Conditions Provision will continue to be accounted for separately from the ongoing RAM structure.
- The District elected to continue to participate in the Emergency Conditions Provision which holds our FTES to the 2019-20 P1 levels for funding purposes. Funding received above the earned SCFF RAM calculations was also allocated as supplemental revenue to the three campuses and to District Services.

Reports identifying the Proposed Budget summary were provided to the committee for review. The reports were based on the anticipated combined revenues (\$226.4 million) and the operational expenses (\$238.7 million). In addition, a settle-up report based on actual FTES earned revenues (\$213.9 million) and expenses (\$215.9 million) were shared. The reports identify the overall Districtwide deficit of \$2 million. It was also noted that the emergency provision funding was used to supplement the budget centers, which provided them with additional dollars that may be used as carryover funds for the follow year.

Based on the evaluation and feedback from the budget officers, staff do not anticipate any further changes to the RAM at this time.

*Questions/Comments:*

1. After 2025-26, if enrollments do not increase, the deficit will be more apparent, however there is concern with alarming staff that there will be layoffs. This tends to instill fear in many employees and can have a psychological effect on individuals. Layoffs may not be the solution, but FTEs numbers are a large part of our funding and if numbers do not increase, we will see the effects. Changes need to be made and the District needs to really evaluate vacant positions.

4. **Board Policy 6250 Budget Management** – A second reading for the proposed changes to BP 6250 were presented to the council.

One of the requirements for emergency condition allowances for 2022-23 is that the District adopt a Board Policy aligning reserve balances to recommendations included in the Government Finance Officials Association Budgeting Best Practices, by February 28, 2023. What this says is that the District must adopt a formal policy to maintain sufficient unrestricted reserves with a suggested minimum of two months of total General Fund operating expenditures. Staff believe it is a good opportunity and time to take advantage of this change without adversely impacting the District's operating funds. The previous reserve requirement of 5% no longer seems to be prudent and many districts have already moved to increase their reserves.

It was recommended to update BP 6250 Budget Management; section 2.0 The District's unrestricted general fund reserves shall be no less than two months of total general fund expenditures and to move the recommended changes to DCC for further approval. By consensus, the recommendation was approved.

5. **One Time Funds** – The District has \$27.5 million of unallocated resources. One-time funds are available for any future funding recommendations and/or request. Members are asked to submit an agenda item for any future recommendations.
6. **Facilities Updates** – Four projects have been approved in the State budget for State capital outlay and the District will be receiving scheduled maintenance funding.

Fullerton College

- Sherbeck Field – the team has run into a infrastructure issues during construction and footings will need to be replaced. There is no estimate on how long these issues will delay the overall project.

- Starbucks – the restroom renovation is complete, and the new Starbucks is now open and running.
- Performing Arts Project/Chiller Plant Relocation – this project also includes relocating the chiller plant across the street and reconfiguring the parking lot. Construction drawings are anticipated to be submitted to DSA in late November.
- Chapman and Newell/M&O Project – 50% construction drawings will be submitted to DSA in late 2022.
- 300 Building Project – the project will not include a full seismic retrofit and the preliminary plans for resubmission to the Chancellor’s office are being prepared.
- STEM Vocations Center – an FPP has been submitted for state funding. Unfortunately, the bill for a state funded bond did not pass, and matching funds from the state are not expected for this project.
- Scheduled maintenance funds received will be used for projects around campus. Some of the projects include: the underground tunnel, the bridge, boilers, etc.

#### Cypress

- Fine Arts Project/Swing Space – Old SEM space is being prepared to house the Fine Arts department.
- EV Charging Stations – Installation of 66 new stations will be underway.
- Scheduled Maintenance Projects – funds from scheduled maintenance will be used to fund these projects. 50 projects have been completed or are underway. Some of the projects include, roofing, HVAC, repairs, safety, ADA barrier removals, rehabilitation of the pool, etc.

#### Anaheim

- Upper Deck Waterproofing Project – Awaiting state approval to begin construction.
- Culinary Arts & NOCE Swing Space – Both Anaheim and Cypress are preparing for the swing space and move. Plans are anticipated to be taken to DSA in November and bids to be begin at the end of 2022.
- Wayfinding Project – staff are preparing to resubmit to DSA by the end of October.
- West Parking Lot – repaving has been completed and lot is open for use.
- Charging stations – prep work has been completed, next steps will be to install the units. There has been a slight delay due to cost negotiations, but the project continues to move forward.

#### Network Refresh

- Voice over IP (VoIP) deployment will begin at the Anaheim Campus, followed by the two campuses.
- FC Access Points - testing continues and solutions have been found for the access points automatically resetting.
- Preparation at Cypress has begun to bring them into the VoIP system.

### **7. Future Meetings**

- November 14, 2022
- December 12, 2022
- January 9, 2022

**Meeting was adjourned at 2:53 p.m.**