

COUNCIL ON BUDGET AND FACILITIES

February 8, 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 January 11, 2016, Summary Notes (Action) | Irma Ramos |
| II. | Information Services Infrastructure | Deborah Ludford |
| III. | Budget Update | Rodrigo Garcia |
| IV. | Bond Update | Rick Williams |
| 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

January 11, 2016

UNAPPROVED SUMMARY

Members Present: Brian Fahnestock, Karen Cant, Jolena Grande, Tina Johanssen, Ian Kolaja, Lorenze Legaspi, Rod Lusch, Sandra Palmer, Irma Ramos (**Member Ramos arrived at 2:11 p.m.**), Justin Richardson, Pete Snyder, Richard Storti, Tanya Washington

Absent: Barbara Bennett, Rodrigo Garcia, Cherry Li-Bugg, Elaine Loayza, Olivia Veloz

Visitors: Adam Gottdank

Call to Order: The meeting was called to order at 2:10 p.m. by Brian Fahnestock.

- I. **Summary:** The summary of the December 14, 2015, meeting was accepted as submitted. (**Member Ramos arrived at 2:11 p.m.**)
- II. **Budget Update:** Mr. Fahnestock shared that the Governor's Budget is good as it contains \$170 billion which will be put into:
 - COLA will be at 0.47%;
 - Physical plant/instructional equipment will be approximately \$8.7 million of one-time money;
 - State-wide Growth funded at 2%;
 - Workforce Development \$200 million.

Mr. Fahnestock believed there were a few other noteworthy items:

- PERS has anticipated a return on investment of 7.5% and they recently reduced that to 6.5%; the assumption is that STRS will do the same thing down the road but nothing in the budget yet that relates to that;
- The Governor said he's going to start taxing health plans to pay for all of the people who are now on Medicare because 1/3 of our population is on Medicare now because of the Affordable Care Act but we have not seen anything on how that is going to affect our budget.

The budget provides funding growth, a tiny COLA, and some great programs but not a lot otherwise. There is a proposition on the ballot to extend Prop 30; they are proposing to extend the personal income tax part of Prop 30 and not the sales tax portion.

- III. **Bond Update:** Mr. Brian Fahnestock stated that we are moving forward with the bond program at the campuses at different paces. We have hired a company to conduct an Environmental Impact Report for both colleges which will begin soon. We are still moving forward with the Anaheim Campus seventh floor build-out and for SCE we just rented some space at 505 Euclid utilizing the Adult Education Block Grant. Brian added that we hope to sell the bonds in the first quarter of 2016 and that we have money from the other bond available to begin projects so we do not need to wait. Karen Cant reported that Cypress College has their program manager on board to oversee the construction projects; she is a full-time District employee because it was determined that an employee gives us better control over construction than having a consultant. The Program Manager is Susan Rittel and she comes with a lot of qualifications and we're very excited to have her on board. She's currently knee-deep in screening architects for our first project; she has not wasted any time.
- IV. **Retirement Board Update:** Mr. Fahnestock explained that the Retirement Board met on Thursday, January 14, to sign documents and approve bylaws to set up the irrevocable trust. It was the first real kickoff meeting with the consultant to get the program going.

- V. **Initial Funding of Irrevocable Trust:** At a future time, we will ask the Board of Trustees to authorize us to transfer money into the trust. We will put money in incrementally over a period of time rather than transferring all of the money at once.
- VI. **Information Services Infrastructure Funding:** This current fiscal year we received \$19.9 million for mandated cost reimbursements that we were owed by the state from years ago. We gave \$5 million to the two colleges to do a number of projects that were waiting at the time and we may move a large portion of the remainder to help Information Services repair/replace the network and some other projects needing to be done. This is an informational item only making you aware that we will be moving money to both the irrevocable trust and for the infrastructure. We will ask Deborah Ledford to attend the next meeting and give a presentation on the network updates.
- VII. **Other Items:** There were no additional items. The next meeting will be February 8, 2016.

Adjournment: The meeting adjourned at 2:45 p.m.