

COUNCIL ON BUDGET AND FACILITIES
September 12, 2016

APPROVED SUMMARY

Members present: Terry Cox, Richard Fee, Vivian Gaytan (substitute for Karen Cant), Rodrigo Garcia, Adam Gottdank, Jolena Grande, Tina Johannsen, Elaine Loayza, Rod Lusch, Sandra Palmer, Irma Ramos, Justin Richardson, Pete Snyder, Kashu Vyas, Tanya Washington, and Fred Williams

Guests: Josh Ashenmiller, Rick Williams

Absent: Karen Cant, Ian Kolaja, Cherry Li-Bugg

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

- I. **Summary:** The summary of the August 8, 2016, meeting was accepted as amended.
- II. **Budget Update:** Ms. Kashu Vyas presented an in-depth review and discussion of the 2016-17 Proposed Budget & Financial Report book which will also be shared with the Board. The cover showcases a Fullerton College student. The 2016-17 State Budget is the 4th year of prosperity for our state. We expect to see the expiration of Prop 30 Educational Augmentation Account (EPA); Prop 55 will be on the ballot this year hope and we hope it will pass. PERS/STRS rate increases are still a concern, and statutory COLA was zero.

The review included all sections of the Budget book:

Introduction, pp 1-4: Identifies what is happening in the state and how we need to adjust our budget. Highlights include:

- 4th year of prosperity for the state;
- No statutory COLA;
- PERS/STRS future rate increases projected to go over 19% by 2021;
- Sunset of Prop 30 – new Proposition is Prop 55;
- Possible shortfalls in state revenues could see return of deficit factors for community colleges.

General Information, pp 5-13: Structure & Board Policies which govern the process; Organization charts; Budget calendar (new to the book).

Budget Narrative, pp 14-66: What guides decision-making & use of resources; Analysis of components that make up ongoing budget; Outstanding issues which impact operation and budget; General Fund.

- Ongoing revenues compared to expenses is positive for this year. Projections for the next two years show a deficit;
- PERS/STRS increases this year is \$2.1 million with additional increases projected in the future;
- Planned growth in FTES of 1.56%.

Other District Funds, pp 67-75: Maintained by the District (non-general fund): bond funds (Measure X & Measure J); capital outlay funds (major construction projects, includes scheduled maintenance, not funded by District's bond funds); Retiree Benefits Fund; Self-Insurance Fund; Child Development Fund; Financial Aid Fund.

Auxiliary Funds pp 76 to 85: Maintained by the campus Bursar Offices (Student organizations, Clubs, Bookstore, Food Services).

Hospitality, pp 86-87: Funded by interest income, report expenditures annually to the Board.

CCFS-311, pp 88-137: Required to report to the State. Includes Annual Financial & Budget Report, 50% Law calculation, Gann Limit Calculation, Lottery-funded expenditures, Education Protection Account, Projected PERS/STRS costs.

Any questions regarding the Budget, please call or email us at Budget@nocccd.edu.

III. **Bond Update:** Mr. Rick Williams reported:

- We took an item to the Board in late August regarding the Cypress College Science Engineering & Math project to increase the increase the projected project cost to an estimated budget of \$89,088,967 due to the escalation of rates within the construction industry and an increase the building by 6,023 GSF, from 100,000 GSF to 106,023 GSF;
- We have issued Requests for Proposals for a Construction Manager-At-Risk at Cypress College; we hope to be in the interview phase in two weeks;
- We are taking an item to the Board meeting regarding the consideration of LEED. Some Board members are passionate about this issue, however, we are not recommending LEED as it will increase costs anywhere from \$2-\$6 million. We are recommending California Green Building Standards Code, Title 24, which exceeds a LEED Silver certification;
- Cypress College to draft environmental impact report distributed September 2 which started the 45-day review period;
- Anaheim Campus first floor warehouse renovation project construction in progress, all demolition work completed, structural slab is poured and curing. Steel framework will begin this week;
- Anaheim Campus 7th and 10th floor construction documents continuing progress. DSA submittal end of October 2016.

IV. **Other Items:** The next meeting will take place on October 10, 2016, at 2 p.m.

Adjournment: The meeting was adjourned at 3:25 p.m.