



Board of Trustees Budget Committee

SBCCD Board Room, 114 S. Del Rosa Drive, San Bernardino CA 92408

Meeting Minutes

October 20, 2016

Members Present – **Donna Ferracone, Gloria Macias Harrison, Scott Stark, Larry Strong, Jose Torres**

Members Absent – **Joseph Williams, Mike Strong**

Guests Present – **Steve Sarres, San Bernardino Valley College ASG Treasurer**

I. Welcome & Introductions

Gloria called the meeting to order at 10:32 a.m. No introductions were made.

II. Public Comment

There were no public comments.

III. Approval of Prior Meeting Minutes

Donna made a motion to approve the minutes of August 16, 2016. Jose seconded the motion and the minutes were unanimously approved by the members present.

IV. New Business

A. 2017-18 Budget Calendar

Committee members reviewed the draft calendar. Jose mentioned that it is anticipated for the calendar to be presented at the November 10 board meeting for approval, and that it was consistent with last year.

B. 2017-18 Board Directives

Committee members reviewed the draft board directives. It was clarified that the directives should be board approved prior to March 2017, and that it was preferable that they were approved earlier than that. Gloria mentioned that the board imperatives/goals should be in place prior to the directives being approved.

C. Investment Options for Retirement Set-Asides

Jose presented material on investment options for the \$5.5 million that SBCCD has set aside to meet its anticipated pension obligations. Currently the money is at the County, which is a very safe investment that will earn 0.77% over three years. He talked about the Public Agency Retirement System (PARS) and Community College League of California (CCLC) Pension Rate Stabilization Program. This program is a trust that would allow SBCCD more investment options.

Committee members discussed the five scenarios presented. Jose recommended the Vanguard Fixed Income option with an estimated return over three years of 4.09% or approximately \$500,000.

The monitoring would be assigned to Jose and Larry. There would be (and already is) a quarterly report to the board on SBCCD investments. Jose mentioned that there is no fee for early withdrawal and Gloria asked him to reconfirm this. The committee also asked Jose to develop a scenario that includes an annual withdrawal of \$1 million for SBCCD operating expenses.

V. Recurrent Topics

A. Budget Updates

Jose discussed the SBCCD multi-year forecast, which is built on estimates. He mentioned that Business & Fiscal Services is working with Questica to get true salary and pension costs over the next few years. SBCCD needs to begin to incorporate into its budget the cost of operating its new buildings.

Gloria mentioned "industry standards" for educational institutes, including personnel, M&O, etc. She talked about the development of an executive summary from Business & Fiscal Services to the board of trustees. She promised to provide Jose a sample template.

The KVCR Educational Foundation was discussed and Gloria asked about the development of its \$2 million budget. Larry advised that the revenues are proposed by the Foundation. She also asked why KVCR Foundation is a separate fund and EDCT Foundation is not. Jose and Larry promised to investigate and report back to the committee.

B. Enrollment Management Updates

Jose presented a handout on the current status of enrollment. It was mentioned that the current estimated deficit of 900 FTES is significant to SBCCD's budget – approximately \$4.5 million. Scott advised that the student count is the same but they are taking fewer classes. This year SBVC is cutting classes if they are not filling up. He mentioned that an adjustment to the drop for nonpayment policy may help.

VI. Next Meeting

It was decided that beginning November 3, meetings of the BBC would be held on the first Thursday of the month from 12:30-2:00 p.m. in the Board Room. Items that will be included on future agendas are Reporting Formats, 50% Law, Retirement Incentives and the EDCT Fund.

VII. Future Topics

- A. FON (To be agendaized when reporting results are available.)
- B. Explore centralization of M&O, Custodial and other services.

VII. Adjournment

The meeting was adjourned.