



Board of Trustees Budget Committee (BBC)

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

Meeting Minutes – April 25, 2019, 12 pm

Members Present – Gloria Macías Harrison, Anne Viricel, Don Singer

Members Absent – Elijah Gerard

Staff Present – Bruce Baron, Jose Torres, Mike Strong, Scott Stark, Steve Sutorus

I. Welcome & Introductions

Gloria called the meeting to order at 12:03 pm.

II. Public Comment

There was no public comment.

III. Approval of Minutes from March 14, 2019

Committee members reviewed the minutes from March 14, 2019. Anne made a motion to approve which Don seconded. The motion was passed with the following vote.

Ayes: Gloria, Anne, Don
Noes: None
Abstentions: None
Absent: Elijah

IV. Current Topics

A. Bond Program Manager RFQ/P Recommendation

Gloria turned the meeting over to Jose who reminded everyone that the BBC charge calls for the committee to spend time performing research on behalf of the Board regarding the implementation and operation of bond measures. He introduced Business Manager Steve Sutorus, who addressed the committee on the Request for Qualification/Proposal (RFQP) process.

Everyone was referred to the Notice of Intent to Award (pages 5-6 of the meeting materials). In addition, a guide to the RFQP Process, previously reviewed at the March meeting, was distributed to aid the discussion. Steve commented that the process had been very successful with a unanimous decision at the end of the evaluation to move forward with a recommendation of AECOM. He pointed out that, as opposed to a Public Bid which is

governed by low price, the purpose of an RFQP was to determine best value. Price is one of the factors but there are several other considerations.

Steve commented that the RFQP developed for the Bond Program Manager had been detailed and comprehensive, allowing SBCCD to effectively compare proposals. The evaluation process consisted of three different phases with the first being a review of submissions received to determine which firms to interview. Through this review the evaluation committee scored and ranked the firms. Jose clarified the six different members of the evaluation committee (as shown on the handout) stating there was a good balance and amount of experience. The conclusion of this evaluation committee was to interview all four firms.

Phase 2 included a presentation from the firms and a question/answer session. Questions for the interview were developed by committee members and enabled them to get a sense of the firm from the answers. An important part of this process was the ability to discuss staffing plans.

Steve concluded that for Phase 3, firms were requested to submit their best and final pricing. Consideration of the pricing, as well as scoring from the first two phases, was considered in the final ranking and recommendation.

Jose emphasized that questions and answers came from both SBCCD and the proposing firms, which had been instructed to send to the interview the team that would eventually be working with the District. He reiterated that the interview was one of the most important considerations. Which firm would best be able to provide the necessary support for this undertaking?

BBC members were referred to the Program Management Key Personnel listed on the handout. There were two companies that indicated these positions would be fully dedicated to SBCCD with the other firms indicating key personnel would be split with other projects. It was decided that AECOM was bringing the full-time staff that the colleges needed.

Gloria noticed that there were references requested on types of projects and customer satisfaction. This is extremely important. Steve reiterated the benefit of having developed a comprehensive RFQP document. Gloria stated that she thought the process followed was good and she liked the makeup of the evaluation committee. She confirmed that the next step is a recommendation to the whole Board. A draft Board item was distributed for discussion purposes.

Don commented that the process which had been followed was equitable, fair, deliberate and good. He further stated that, in terms of scoring the top two firms had come very close. He asked if the evaluation committee felt the group that came out as number one is the best. Steve stated that the six-member committee deliberated and came to a unanimous decision. Gloria again stated her satisfaction with the makeup of the committee and its members' collective experience. Anne asked about local representation. Jose answered that three of the four companies have a local office, however, the headquarters of all the companies is out of our District.

Committee members briefly reviewed the draft board item and came to the consensus that it was appropriate and agreed to have staff submit it as an agenda item to the May 16 Board of Trustees meeting.

B. 2019-20 Preliminary Budget

Accounting Manager Tenille Alexander assisted in presenting the Preliminary Budget. Jose will be reviewing the whole document at the May 30 Board of Trustees Study Session. He highlighted that on page 4, beginning in 2021-22, the fund balance drops below the BOT 10% directive. This indicates there is still work to do.

The Preliminary Budget includes salary increases that have been negotiated, however, benefits are still under negotiation. Gloria confirmed that as of today this is the Preliminary Budget and that the Tentative Budget will be presented in June. She asked what may change from Preliminary to Tentative. Jose advised that the 4000, 5000, and 6000 expenditure classifications will be reviewed and the campuses may be asked to use some of their one-time grant from the FCC Auction Proceeds.

Another big variable is the revenue shortfall shown on page 1, line 22, in the amount of \$4,950,257. This shortfall is what the state has indicated it may not be able to pay SBCCD due to anticipated revenue shortages. In previous years the revenue shortfall has been very small and has consistently been reduced to 0. This is the first time in many years it has been this large. The May Budget Revise will, hopefully, shed more light.

V. Updates (as necessary)

A. Use of FCC Auction Proceeds

This item has been added to the agenda to enable the BBC to discuss as necessary. BBC members went through the table. The income from the commercial buildings purchase was estimated at \$2.3 million and will fund the SBCCD Free College Promise.

Don confirmed that the PRST will address the anticipated increases in retirement costs. Jose advised that this fund is estimated to earn 5% and the commercial property investment projected to earn 5-6%. Don is glad SBCCD is taking steps to meet its obligations.

Gloria expressed a desire to consider using some of the commercial property income for purposes in addition to the College Promise such as one-time needs or deferred maintenance. She further stated she would like to see a recommendation from the DBC that considers the use of 5-10% of the income from the Commercial Property investment. This could then be discussed at the BBC and possibly developed into a recommendation for the whole Board.

B. Measure CC Timeline

Committee members reviewed the timeline.

C. PARS

The March statement was reviewed; Jose highlighted the positive growth.

D. Enrollment

Mike commented that CHC FTES are exceeding target. He talked about the decline in productivity and felt this reflected that no late starts were canceled. He mentioned that Reassign Time also played a role. He commented that under the new SCFF, productivity is the not the same.

Don expressed his appreciation of Mike's comments and added that there should be a balance of working toward student success and getting more students. Bruce commented that the Board asked for a productivity plan and development of this is underway. Don stated his belief that SBCCD work toward a student-centered schedule.

Scott advised that SBVC is also working on the productivity plan, as requested by the Chancellor. The campus' goal is to not leave any funded FTES on the table while not incurring an unfunded FTES.

E. 2018-19 Board of Trustees Budget

Jose pointed out that the County still has not billed for election expenses.

F. KVCR UHF-to-VHF Transition & Technology Core Modernization

Transition is complete and the deadline has been met. The channel change has not yet happened but KVCR is ready.

G. Monthly Budget Expenditure Summary

The report was reviewed with little discussion.

VI. Future Topics

There was no discussion of future topics.

VII. Adjournment

The meeting adjourned at 1:25 pm. The next meeting is scheduled for May 16 at 10:00 am.