



Board of Trustees Finance Committee (BFC)

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

Meeting Minutes – September 4, 2019, 10:00 am

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

Members Absent – Elijah Gerard

Staff Present – Bruce Baron, Jose Torres, Larry Strong, Diana Rodriguez, Kevin Horan, Scott Stark, Mike Strong

I. WELCOME & INTRODUCTIONS

Trustee Harrison called the meeting to order at 10:00 am.

II. PUBLIC COMMENT

There was no public comment.

III. APPROVAL OF MINUTES FROM AUGUST 8, 2019

Trustee Viricel made a motion to approve the minutes of August 8, 2019, which Trustee Harrison seconded. The minutes were approved by the following vote.

Ayes:	Harrison , Viricel
Noes:	None
Abstentions:	None
Absent:	Singer, Gerard

Trustee Singer arrived at 10:02 am.

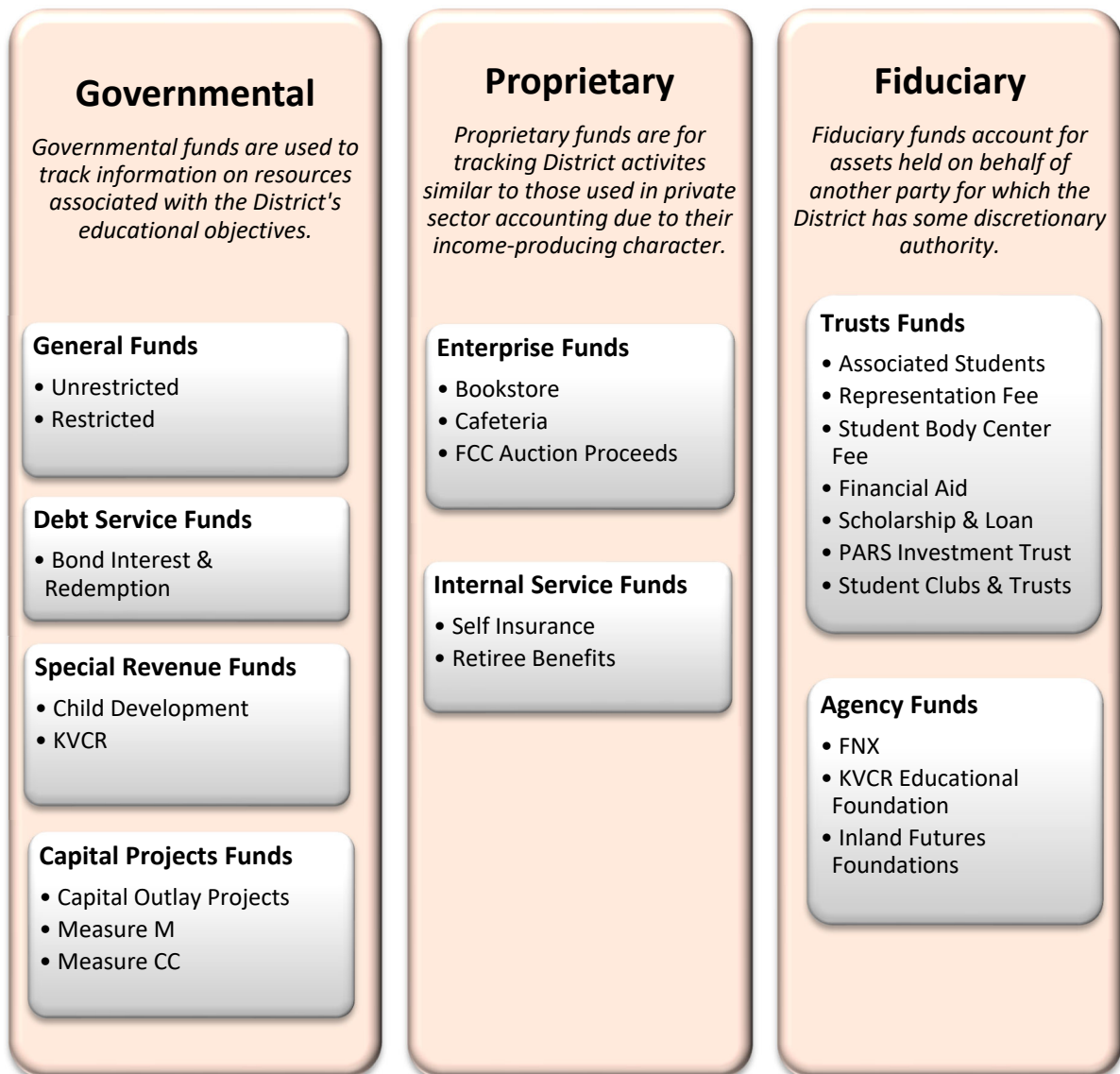
IV. CURRENT TOPICS

Final Budget 2019-20

Trustee Harrison spoke about the Final Budget document. She clarified that on a monthly basis the reports reviewed by the Board of Trustees and the BFC relate only to the Unrestricted General Fund. She commented on the many restricted funds and the fact that there are various parameters governing expenditure of those funds, i.e. state, federal, etc.

Executive Vice Chancellor Torres commented that, as in the past, only the Unrestricted General Fund was reviewed at the Board Study Session, while the entire budget (including all the funds) is being presented for adoption in September. The state deadline for this action is September 15. This year, however, because the BFC is such an active body, staff has been requested to present further detail on the entire budget document. A handout was distributed which explains the different types of funds and their purposes.

Kelly Goodrich, Recorder



For trust funds, SBCCD is basically a banking institution and ensures the accounts follow required guidelines. The Student Clubs and Trusts Fund includes teams and clubs such as football, Math, etc. Agency funds are governed by an agreement. KVCR Educational Foundation and the Bookstore are presented for historical purposes and will eventually come off the books. Trustee Harrison mentioned a desire for agency fund projections.

Trustee Singer commented that he appreciates learning these things and asked if staff has considered further training for the Board as a whole. Executive Vice Chancellor Torres advised that, based on today's feedback, he will work with Chancellor Baron on scheduling such a meeting.

Committee members reviewed each fund beginning on page 14 of the budget document. Discussion included the following.

- The Unrestricted General Fund is the fund balance related to the Board Budget Directives. Executive Vice Chancellor Torres outlined the different types of revenues.
- The Restricted General Fund income contains mostly grants from the state.
- SBCCD has no control over the Bond Interest and Redemption fund. County receives the money and makes the payments.
- The Child Development Fund usually breaks even. Everything received is spent.
- Capital Outlay Fund expenditures include deferred maintenance and the computer network refresh costs. Redevelopment agency revenues are recorded here. Currently, SBCCD is spending a little more than it is receiving.
- Measures M and CC are very similar funds. Whenever the District sells bonds, this is where the proceeds are recorded.
- The Cafeteria Fund, although usually a break-even, is projected to make \$54,000 in 2019-20.
- The Self Insurance Fund is used for tracking workers compensation and liability insurance revenues and expenditures.
- The Retiree Benefits Fund supports OPEB medical costs.
- Board members were curious as to why there is a Scholarship and Loan Fund separate from the district. Staff will research this question and report back to the BFC.
- Executive Vice Chancellor Torres illustrated how all of SBCCD's funds fit within the Fund Description handout.

A question arose about the EDCT. EDCT is not a separate fund, but rather a department of the District like the Police or TESS. Two EDCT employees are funded by the General Fund. The remaining employees are supported by various grants.

Committee members discussed General Fund support of foundation employees and suggested that it would be helpful for all foundations to report in a standard format, ensuring SBCCD is making more than it is spending. Trustee Harrison indicated that the IFF is the only foundation that is directed by the District; it would be up to the independent foundations supporting CHC and SBVC whether they wanted to report in a specified format. SBVC President Rodriguez advised she will ask Interim Director of Development Nik Nazarian to work with CHC's Director of Institutional Advancement Michelle Riggs to develop consistent formatting. CHC Vice President of Administrative Services Strong commented that the annual audit requires that the foundations raise more than what it spends.

The Total All Funds graphics on page 16-17 were reviewed. It was decided that pie charts would be developed for just the Unrestricted General Fund.

Director of Fiscal Services Strong distributed a handout showing KVCR, FNX and IFF Fund detail, which was thoroughly reviewed by the committee. KVCR is projected to have a deficit of \$2,967,448. The IFF Fund is a pass-through. It was commented that the income and expenses of the IFF related to KVCR would better be depicted in the KVCR Fund. Staff will make this adjustment.

Trustee Viricel appreciated the information presented and Trustees Harrison and Singer asked how this information could be communicated to the full Board. Staff promised to develop an executive summary of the business discussed.

Committee members determined that no further BFC meeting was necessary for the month of September.

V. UPDATES (as necessary)

A. iLEAD Purchase

The property on 1888 E Highland was purchased for \$3 million and is in escrow. Vice Chancellor Galope, who was present at the meeting, advised there is one last step in the EDA grant process, which requires the Tribal office to post something. The due date for the EDA grant announcement is September 30, 2019. The cost of renovating the building is to be paid from the grant proceeds.

B. FCC Auction Proceeds

Committee members reviewed the Allotment and Approved Uses handout and commented on the SBCCD Promise. Trustee Harrison asked about the cost of this initiative. Chancellor Baron advised that it has been a huge success with 1,800 applicants – 800 more than originally anticipated. The final cost is still being computed and is dependent on financial aid. He commented that SBCCD will need to raise more money. There have been discussions on whether or not the program needs to be capped and he thinks that would be a huge mistake. Chancellor Baron is hoping to come to the Board in October with an analysis of costs per student, as well as methods for raising money. The annual cost could be up to \$9 million, as opposed to the originally anticipated \$4.5 million.

Trustee Harrison asked if the governor's funding plays into the SBCCD program. The Chancellor advised that the state funds about \$400,000 per year for about 200 students, or 20% of the program. Trustee Singer commented that those funds cover free tuition only and the SBCCD Promise goes far beyond tuition. What makes the District's program special is that it provides laptops, textbooks, etc.

C. PARS Trust

There was no update.

D. Enrollment

There was no update.

E. 2019-20 BOT Budget

The BOT Budget was distributed and reviewed with no further comment.

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

No update.

G. Monthly Budget Expenditure Summary

The Monthly Expenditure Summary was reviewed without comment.

VI. FUTURE TOPICS

A. Deferred Maintenance

Trustee Harrison commented that the Board needs to discuss carving out a percentage of money to take care of the District's infrastructure. While it's not a popular topic, it is important.

B. Trustee Suggestions

No topics were added.

VII. ADJOURNMENT

The meeting adjourned at 11:43 am. The next meeting is scheduled for October 10 at 2 pm in the Boardroom.