



San Bernardino Community College District  
 Board Finance Committee  
 June 09, 2022  
 2:00 pm-3:30 pm Pacific Time

## **MEETING AGENDA**

*Board Finance Committee  
 Thursday, June 9, 2022, 2:00 p.m.  
 550 E. Hospitality Lane, Suite 200, San Bernardino  
 Boardroom Extension*

### **I. Welcome & Introductions - Trustee Joseph Williams, Chair**

### **II. Public Comment**

*Any member of the public who wishes to address the Committee on any matter is limited to five minutes. The total time for members of the public to speak on the same or a similar issue shall be limited to 20 minutes.*

### **III. Approval of Minutes**

May 12, 2022

### **IV. Current Topics**

Follow Up May 26 Strategy Session Discussion, including

- Simple Measurement Metrics for Enrollment
- Development of Local Revenue Streams
- Ways to Contextualize Multi-Year Forecast
- BFC Strategy Plan for the Coming Years

### **V. Updates (as necessary)**

- A. PARS Snapshot
- B. Measure CC Timeline & Org Chart
- C. Budget Revenue & Expenditure Report
- D. 2021-22 Board of Trustees Budget

### **VI. Future Topics**

- A. Trustee Suggestions
- B. Revenue & Enrollment
- C. Professional Development on Investing

### **VII. Next Meeting Date & Adjournment**

The next meeting of the Board Finance Committee is scheduled for July 14, 2022, at 2 p.m. in the Boardroom Extension.

*SBCCD | Mission:*

*SBCCD positively impacts the lives and careers of our students, the well-being of their families, and the prosperity of our community through excellence in educational and training opportunities.*

*BFC Charge: The SBCCD BFC exists as a standing, advisory committee comprised of less than a quorum of Board members and is subject to the California Public Meetings Brown Act. The committee is charged with:*

- Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf.*
- Improving clarity by providing a platform for detailed questions not conducive to the flow of monthly business meetings.*
- Promoting transparency of the SBCCD budgeting process and fiscal matters through detailed discussion of these topics in an open forum.*
- Fostering an environment of understanding by communicating findings and formulating final recommendations to the Board of Trustees.*
- Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf regarding the implementation and operation of bond measures.*



## Board of Trustees Finance Committee (BFC)

Meeting Minutes – May 12, 2022, 2:00 p.m.

**Members Present:** Trustee Williams, Chair; Trustee Harrison,

**Members Absent:** Trustee Houston

**Other Board Members Present:** None

**Staff Present:**

- Chancellor Diana Rodriguez
- President Kevin Horan and Interim President Scott Thayer
- Vice President of Admin Services Mike Strong and Interim Vice President of Admin Services Tenille Norris
- Vice Chancellor of Educational & Student Support Services Nohemy Ornelas
- Executive Vice Chancellor Jose Torres
- Director of Fiscal Services Larry Strong

### V. WELCOME & INTRODUCTIONS

*Trustee Harrison called the meeting to order at 2:05 p.m. on behalf of Chair Williams, who was scheduled to arrive later in the meeting. Self-introductions were made.*

### VI. PUBLIC COMMENT

*There were no public comments.*

### VII. APPROVAL OF MINUTES OF APRIL 14, 2022

*This topic was set aside due to a lack of quorum.*

### VIII. CURRENT TOPICS – PENSION 101 (By Charles Francis, Government Finance Executive Consultant)

*This topic was set aside pending the arrival of Chair Williams.*

### IX. UPDATES

#### A. State Budget Update

*Executive Vice Chancellor Torres reported that the Governor's May revise is expected at approximately 10 a.m. on Friday, May 13. SBCCD has been advocating for an increase of base allocations. There will be a report to the full Board at the May 26 strategy session.*

#### B. FTES Targets & Progress Report

*The material was reviewed. The colleges have made good progress in increasing FTES. The P3 figures are due to be reported to the State on July 15.*

## C. PARS Pension Rate Stabilization Trust Snapshot | March 31, 2022

*This report has a new, more streamlined format based on BFC directives. Trustee Harrison asked that the snapshot be presented every quarter instead of every month.*

## D. Commercial Property Performance

*Vacancy has increased due to the pandemic. The Facilities team has been proactive and working creatively to keep clients by developing the spaces that they need. The cash flow is still positive. The work to develop smaller spaces in One Parkside (560 E. Hospitality Lane) will be done by September.*

## E. Measure CC Workforce Report

*Local Business Outreach Administrator Canela highlighted the updates since the last report. Trustee Harrison asked the Chancellor if the unions have developed a training program. The pre-apprenticeship program is still part of the current (second) CBA. Math has been an obstacle for participants in the past. Staff is currently developing paid internships. Chancellor Rodriguez stated that anticipated student benefits are financial gain from paid internships, units that apply toward graduation, and hands on job experience. The internships are scheduled to begin in the Fall. Trustee Harrison advised she is looking forward to a mid-fall report on how the program is progressing.*

## F. Budget Review and Expenditure Summary

*Director of Fiscal Services Strong reviewed this report for the committee.*

## G. 2021-22 BOT Budget

*There was no discussion of this update.*

IV. CURRENT TOPICS – PENSION 101 (By Charles Francis, Government Finance Executive Consultant) *(out of order)*

*Chair Williams arrived just as the presentation began. Mr. Francis explained that in a defined contribution program such as SBCCD has, the employer is responsible for funding the plan. Executive Vice Chancellor Torres advised that SBCCD pension costs average 20% for retired employees and 43% of District benefits overall. The District has been advocating that the State contribute directly to CalSTRS and CalPERS so the rates do not continue to increase.*

*SBCCD's investment in the PARS Pension Rate Stabilization Trust helps offset costs and also allows the District to receive favorable bond ratings from Moody's and Standard & Poor's (S&P's).*

*The presentation was well received and it was commented that it should be part of the onboarding for any new trustee.*

V. UPDATES *(out of order)*

## D. Commercial Property Performance

*Trustee Williams commented that this report should also include properties at 8<sup>th</sup> Street, Del Rosa and Highland.*

III. APPROVAL OF MINUTES OF APRIL 14, 2022 *(out of order)*

*Trustee Harrison moved to approve the minutes from April 14. Trustee Williams seconded the motion, which was approved by the following vote.*

*Ayes: Trustees Williams, Harrison*

*Noes: None*

*Abstentions: None*

*Absent: Houston*

## VI. FUTURE TOPICS

*There was no discussion of future topics.*

A. Trustee Suggestions

B. Revenue & Enrollment

## VII. NEXT MEETING DATE &amp; ADJOURNMENT

*The meeting was adjourned at 3:10 p.m. The next meeting of the Board Finance Committee is scheduled for Thursday, June 9, 2022, at 2 p.m. in the Boardroom Extension.*

# PARS Pension Rate Stabilization Trust Snapshot | April 30, 2022

	Principle Investment <sup>4,5</sup>	Total Gains/Losses Since Start	Total Distribution of Gains to SBCCD <sup>5</sup>	Total Expenses Since Start	Current Unrealized Gains/(Losses)	Balance Including Current Unrealized Gains/(Losses)
<b>General Fund<sup>1</sup></b>	46,000,000	10,412,324	(6,150,000)	(369,038)	3,893,286	49,893,286
<b>SBVC<sup>2</sup></b>	5,000,000	1,153,017	(1,535,000)	(34,252)	(416,235)	4,583,765
<b>CHC<sup>2</sup></b>	2,700,000	260,353	(130,000)	(12,259)	118,094	2,818,094
<b>DSO<sup>2</sup></b>	3,000,000	(161,486)	-	(468)	(161,954)	2,838,046
<b>KVCR</b>	12,000,000	3,438,727	(1,800,000)	(103,508)	1,535,219	13,535,219
<b>FNX</b>	9,000,000	1,069,251	(1,350,000)	(41,682)	(322,432)	8,677,568
<b>MAE<sup>3</sup></b>	7,040,000	1,008,736	(684,946)	(37,533)	286,257	7,326,257
<b>TOTAL</b>	<b>84,740,000</b>	<b>17,180,922</b>	<b>(11,649,946)</b>	<b>(598,741)</b>	<b>4,932,235</b>	<b>89,672,235</b>

1. Includes \$5 million contribution from General Fund invested prior to FCC Auction Proceeds as Board approved November 10, 2016.

2. MAE refers to overarching Media Academy Endowment, which is comprised of SBVC's Institute of Media Arts and CHC's Digital Media program.

3. Adjusted to show \$9 million transfer from KVCR as FNX principle (Board approved August 8, 2019; and \$3 million transfer from General Fund as DSO principle Board approved March 10, 2022.

4. Adjusted to show \$1,960,000 MAE transfer out as reduction of principle and not distribution per Board approval on September 10, 2020.



**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**PARS Post-Employment Benefits Trust**

**Account Report for the Period**  
**4/1/2022 to 4/30/2022**

Jose Torres  
Executive Vice Chancellor  
San Bernardino Community College District  
550 E. Hospitality Lane  
San Bernardino, CA 92408

## Account Summary

Source	Balance as of 4/1/2022	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 4/30/2022
PENSION - GF	\$52,563,275.70	\$0.00	-\$2,662,458.03	\$7,531.79	\$0.00	\$0.00	\$49,893,285.88
PENSION - SBVC	\$4,829,060.75	\$0.00	-\$244,603.70	\$691.95	\$0.00	\$0.00	\$4,583,765.10
PENSION - KVCR	\$14,259,542.95	\$0.00	-\$722,280.61	\$2,043.25	\$0.00	\$0.00	\$13,535,219.09
PENSION - MAE	\$7,718,314.15	\$0.00	-\$390,951.42	\$1,105.96	\$0.00	\$0.00	\$7,326,256.77
PENSION - FNX	\$9,141,939.97	\$0.00	-\$463,061.54	\$1,309.94	\$0.00	\$0.00	\$8,677,568.49
PENSION - CHC	\$2,968,901.31	\$0.00	-\$150,382.09	\$425.42	\$0.00	\$0.00	\$2,818,093.80
PENSION-DSO	\$2,989,921.18	\$0.00	-\$151,446.80	\$428.42	\$0.00	\$0.00	\$2,838,045.96
<b>Totals</b>	<b>\$94,470,956.01</b>	<b>\$0.00</b>	<b>-\$4,785,184.19</b>	<b>\$13,536.73</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$89,672,235.09</b>

## Investment Selection

### Source

PENSION **Vanguard Conservative Strategy**

## Investment Objective

### Source

PENSION The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.

## Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
PENSION - GF	-5.07%	-7.47%	-6.82%	4.74%	-	-	6/22/2018
PENSION - SBVC	-5.07%	-7.47%	-6.81%	4.74%	-	-	6/22/2018
PENSION - KVCR	-5.07%	-7.47%	-6.82%	4.74%	-	-	6/22/2018
PENSION - MAE	-5.07%	-7.47%	-6.82%	-	-	-	9/23/2019
PENSION - FNX	-5.07%	-7.47%	-6.82%	-	-	-	8/31/2019
PENSION - CHC	-5.07%	-7.47%	-6.82%	-	-	-	11/1/2019
PENSION-DSO	-5.07%	-	-	-	-	-	3/16/2022

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.  
Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.  
Account balances are inclusive of Trust Administration, Trustee and Investment Management fees



# MEASURE CC

BUILDING NEW OPPORTUNITIES FOR  
OUR STUDENTS & OUR COMMUNITY

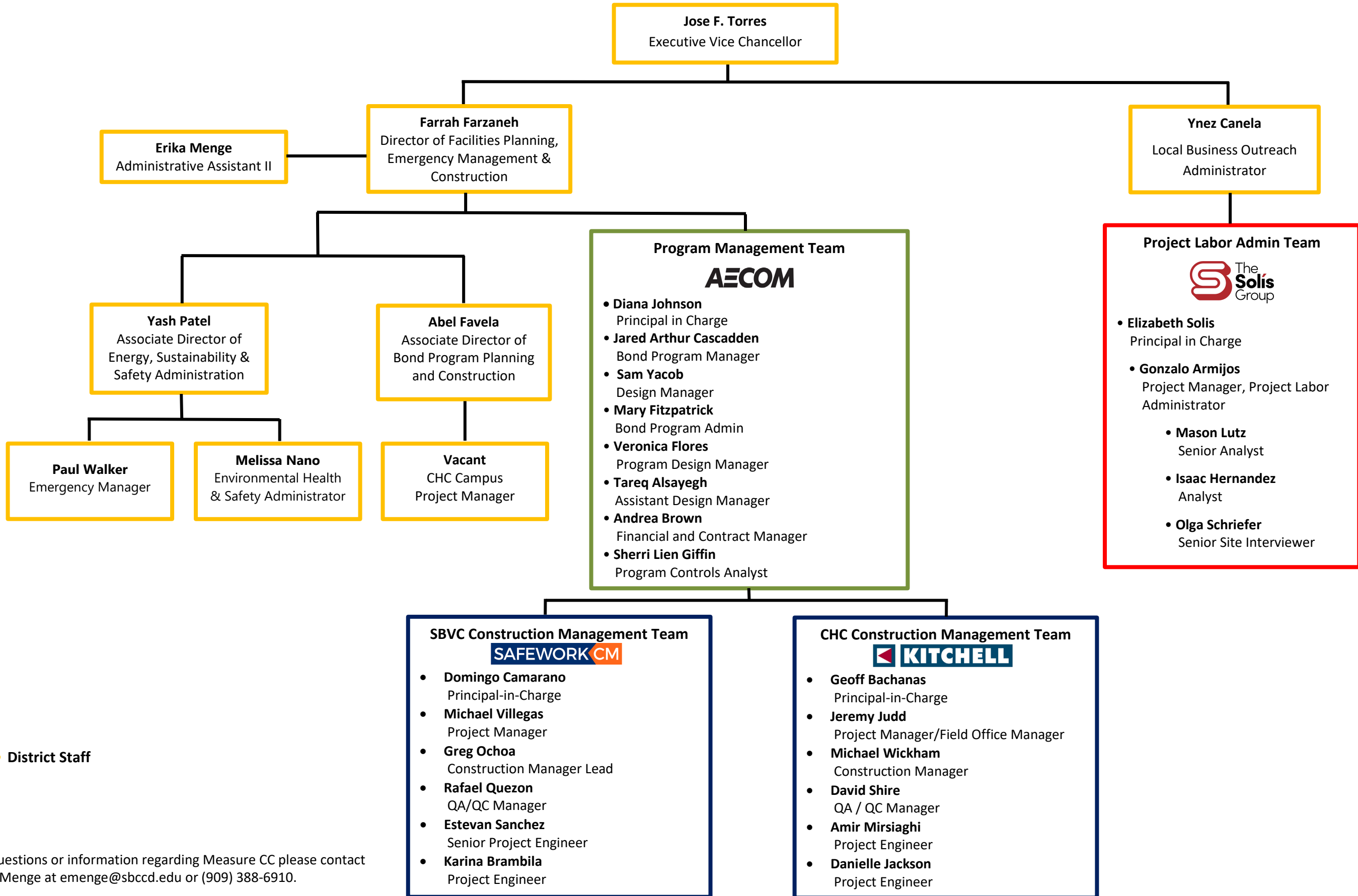
## PROJECT TIMELINE

April - June 2022	Completion Date	July - September 2022	Completion Date
✓ Award SBVC CWI Campus Wide Utility Upgrades, Electrical Contractor	4/27/2022	Award District Wide FF&E Design, Procurement, and Installation Coordination Services	July 2022
✓ Award SBVC CWI Campus Wide Utility Upgrades, Mechanical Contractor	4/27/2022	Award SBVC Career Pathways 2, Special Inspection & Material Testing	July 2022
✓ Award SBVC Planetarium HVAC Replacement, General Contractor	4/19/2022	Award SBVC East Wing Mechanical Improvements, Special Inspection & Material Testing	July 2022
✓ Award CHC Instructional Building, Geotechnical	4/15/2022	Award SBVC East Wing Mechanical Improvements, General Contractor	July 2022
✓ Award CHC Crafton Hall Renovation, A&E	4/20/2022	Award SBVC CWI Hardscape & Landscape, A&E	Aug 2022
✓ Award CHC Crafton Hall Renovation, CxA	5/10/2022	Award CHC Performing Arts Center, Special Inspection & Material Testing	Aug 2022
✓ Award CHC Crafton Hall Renovation, Hazmat Assessment	5/20/2022	Award CHC Performing Arts Center, Inspector of Record	Aug 2022
✓ Award CHC Child Development Center Renovation, General Contractor	4/15/2022	Award CHC CCR Multi-Purpose Room Acoustical Improvement, General Contractor	July 2022
✓ Award CHC Central Complex 2 Renovation, CxA	5/4/2022	Award CHC Instructional Building, CxA	Sep. 2022
✓ Award SBVC Student Services Building, Hazmat Assessment	5/20/2022		
✓ Award SBVC Technical Building, General Contractor	5/12/2022		
Award SBVC Student Services Building, Design Build Entity (DBE)	June 2022		
Award SBVC Old Central Plant Repurpose, General Contractor	June 2022		
Award CHC Public Safety Training Center, CxA	July 2022		
Award SBVC CWI Business Quad Development, Geotechnical	June 2022		
Award CHC CWI Accessibility and Site Improvements, General Contractor	June 2022		
Award CHC BL 10 Third Floor Corridor Upgrade, General Contractor	June 2022		
Award CHC Student Support Building, CxA	June 2022		
Award SBVC Technical Building, Environmental Monitoring	June 2022		
Award SBVC East Wing Mechanical Improvements, CxA	June 2022		
Award SBVC Old Central Plant Repurpose, Hazmat	June 2022		





ORGANIZATION CHART



— District Staff

For questions or information regarding Measure CC please contact Erika Menge at emenge@sbccd.edu or (909) 388-6910.

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Diana Z. Rodriguez, Chancellor

**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor

**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services

**DATE:** June 9, 2022

**SUBJECT:** Budget Revenue & Expenditure Summary

### **RECOMMENDATION**

This item is for information only and no action is required.

### **OVERVIEW**

While year-to-date revenue and/or expenditure percentages often vary from the percentage of fiscal year elapsed, all funds are expected to remain within the 2021-22 budget unless otherwise noted here. For explanations of any significant variances in year-to-date revenues/expenditures from fiscal year elapsed, please see the attached summary.

### **ANALYSIS**

The attached Revenue and Expenditure Summary reflects activity for the 2021-22 fiscal year through May 18, 2022. As of that date, SBCCD was 88.2% through the fiscal year and had spent and/or encumbered approximately 61.7% of its budgeted general fund.

### **SBCCD GOALS**

4. Ensure Fiscal Accountability/Sustainability

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this Board item.





## Budget Revenue & Expenditure Summary

### Year to Date 5/18/22

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88.2% of Fiscal Year Elapsed

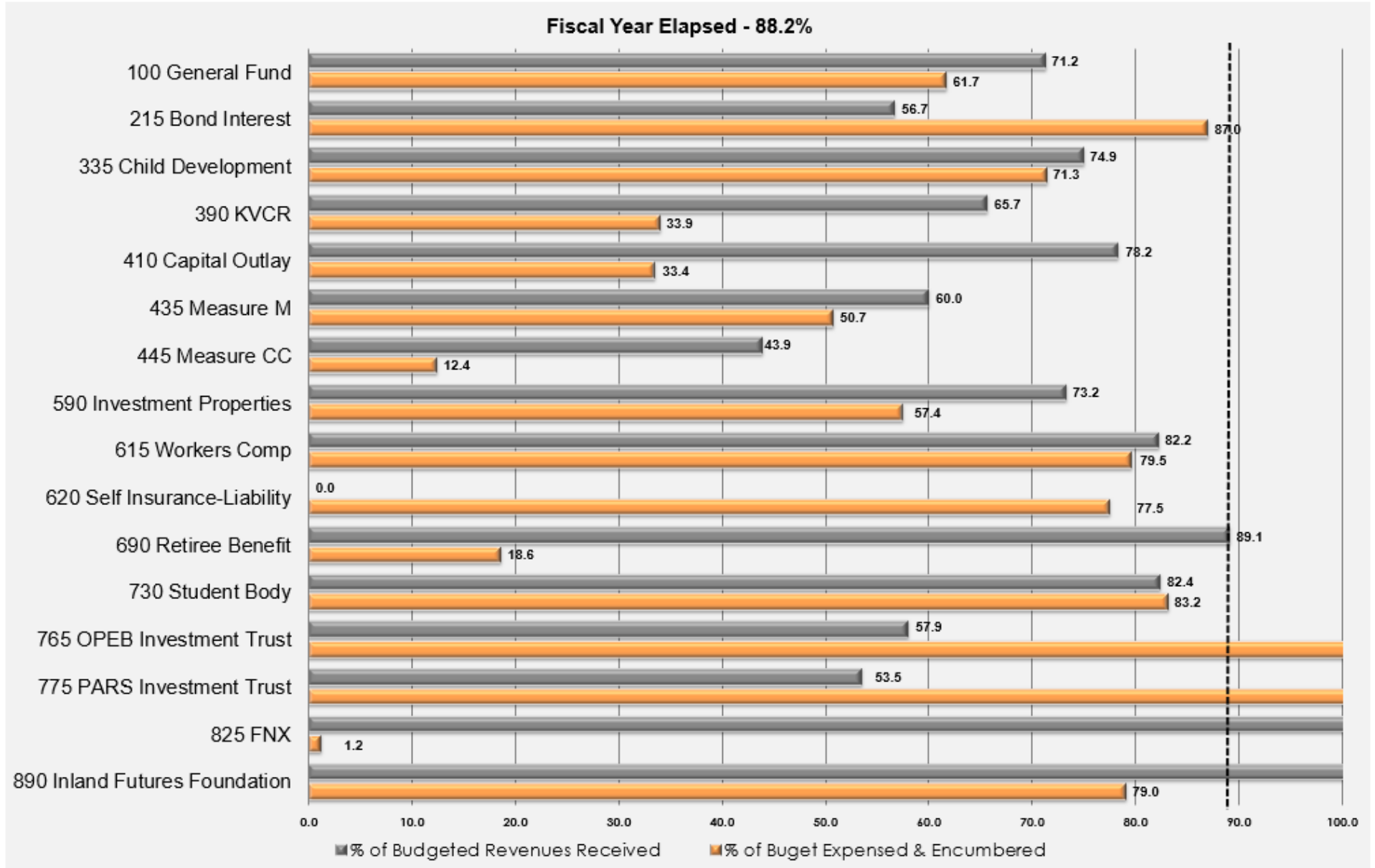
FUND	REVENUES			EXPENDITURES			COMMENTS
	Budget	Received YTD		Budget	Expensed/ Encumbered YTD		
100 General Fund	238,530,249	169,891,503	71.2%	239,437,303	147,643,585	61.7%	Expenditures are consistent with the needs of the fund given the current climate.
215 Bond Interest & Redemption	58,000,000	32,880,436	56.7%	58,000,000	50,437,387	87.0%	Taxes are determined and collected by the County for bond measures.
335 Child Development	4,198,678	3,146,126	74.9%	4,198,678	2,995,576	71.3%	Expenditures consistent with the current needs of the programs associated with this fund.
390 KVCR	11,116,835	7,298,876	65.7%	10,552,108	3,580,834	33.9%	Expenditures consistent with the current needs of the programs associated with this fund.
410 Capital Outlay	2,824,251	2,209,137	78.2%	2,275,963	760,689	33.4%	Expenditures consistent with the current needs of the programs associated with this fund.
435 Measure M	23,500	14,099	60.0%	880,413	446,623	50.7%	Interest income has been lower than expected due to the underperformance of the market. Expenditures consistent with project schedules.
445 Measure CC	3,400,000	1,492,855	43.9%	283,418,073	35,066,365	12.4%	Interest income has been lower than expected due to the underperformance of the market. Expenditures consistent with project schedules.
590 Investment Properties	4,627,527	3,389,286	73.2%	2,038,789	1,170,976	57.4%	Revenue and expenditure activity posted one month in arrears. Posting in progress for April activity.
615 Workers Compensation	1,345,000	1,105,170	82.2%	2,570,000	2,043,788	79.5%	
620 Self Insurance-Liability	595,660	580,457	97.4%	1,135,000	879,584	77.5%	Revenues are usually received at the beginning of the fiscal year.
690 Retiree Benefit	1,356,216	1,208,152	89.1%	1,356,216	251,873	18.6%	Expense budget increased due to expected retirement incentive expenses.
730 Student Body Center Fee	241,151	198,639	82.4%	241,151	200,622	83.2%	
765 OPEB Trust	1,000,000	579,124	57.9%	82,000	1,364,921	1664.5%	Significant investment losses have been posted due to the underperformance of the market.
775 PARS Trust	4,900,000	2,622,673	53.5%	3,454,946	9,282,728	268.7%	Investment Gains have been lower than expected due to the underperformance of the market. \$6 Million recorded in investment losses and \$4.4 million in disbursement to General Fund, KVCR, and FNX.
825 FNX	570,000	643,704	112.9%	553,028	669,750	121.1%	Underwriting income received has currently exceeded the budgeted amount by \$79,600. \$195,866 prepaid expenses recognized not accounted in the budget.
890 Inland Futures Foundation	823,525	1,309,810	159.0%	823,525	650,867	79.0%	Contributions, Gifts, and Grants income received has currently exceeded the budgeted amount by \$484,000.



# Budget Revenue & Expenditure Summary

Year to Date 5/18/22

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# SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

## Program Summary: Board of Trustees - As of 05/31/2022

Percentage of Year Expired: 91.7%

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Object #	Description	2022		Encumb.	Total 2022 Actuals + Encumb.	% of Budget Used	Notes
		Budget	Actuals YTD 05/31/22				
200000	Board Of Trustees Stipends	38,640	29,600	-	29,600	77%	
	<b>Total 2000's Classified Salaries</b>	<b>38,640</b>	<b>29,600</b>	<b>-</b>	<b>29,600</b>	<b>77%</b>	
300000	Employee Benefits	100,340	94,445	-	94,445	94%	
	<b>Total 3000's Employee Benefits</b>	<b>100,340</b>	<b>94,445</b>	<b>-</b>	<b>94,445</b>	<b>94%</b>	
450000	Noninstructional Supplies	1,500	34	966	1,000	67%	
456000	Commencement Supplies	1,200	564		564	47%	
475000	Meals & Refreshments	11,500	2,968	8,639	11,607	101%	
	<b>Total 4000's Supplies &amp; Materials</b>	<b>14,200</b>	<b>3,566</b>	<b>9,605</b>	<b>13,171</b>	<b>93%</b>	
511300	Consultant & Other Services	17,000	11,968	-	11,968	70%	Retreats, training facilitator
520000	Travel & Conference Expenses	27,500	601	15,482	16,083	58%	
531000	Dues And Membership	11,000	2,250	7,668	9,918	90%	ACCT, CCLC, CALCCTA
554000	Telephone	1,000	-	-	-	0%	
561000	Rentals	500	-	-	-	0%	
581800	Student Travel	2,500	-	1,000	1,000	40%	Student trustee conference attendance
	<b>Total 5000's Other Expenses</b>	<b>59,500</b>	<b>14,819</b>	<b>24,150</b>	<b>38,969</b>	<b>65%</b>	
	<b>Total Expenditures:</b>	<b>212,680</b>	<b>142,430</b>	<b>33,755</b>	<b>176,185</b>	<b>83%</b>	