



## Board of Trustees Finance Committee (BFC)

Meeting Minutes – June 13, 2024, 2:30 p.m.

**Members Present:** Trustees Gonzales, Chair, Trustee Harrison, and Trustee Houston

**Members Absent:** None

**Staff Present:**

- Executive Vice Chancellor Jose F. Torres
- Director of Fiscal Services Larry Strong

### I. WELCOME & INTRODUCTIONS

*Trustee Gonzales called the meeting to order at 2:30 p.m. Trustees Houston and Gonzales were present.*

### II. PUBLIC COMMENT

*There were no public comments.*

### III. APPROVAL OF MINUTES

#### A. May 9, 2024

*Trustee Houston made a motion to approve the minutes which Trustee Gonzales seconded. The motion was approved by the following vote.*

*Ayes: Trustees Gonzales, Houston*

*Noes: None*

*Abstentions: None*

*Absent: Harrison*

### IV. CURRENT TOPICS

#### A. PARS Pension Rate Stabilization Trust Review

*Executive Vice Chancellor Torres advised that this type of presentation by the PARS team is made to the BFC on a regular basis. If BFC members feel that any changes need to be made to the current investment strategy, the team could be brought back to make a presentation to the full Board at any time.*

*PARS Senior Vice President Maureen Toal introduced herself to the committee. She has been with SBCCD since the inception of its trust. She introduced Keith Stribling of PFM Asset Management, a subsidiary of U.S. Bank. They proceeded to present information on SBCCD's Pension Rate Stabilization Trust (PRST), its accounts, and its two investment strategy pools – Conservative and Fixed Income. As of April 30, the PARS Pension Rate Stabilization Trust has net gains total \$23.7 million.*

*Up until the beginning of this year, SBCCD funds were managed by Vanguard, however, that company was purchased by Mercer and Mercer does not handle government accounts. This resulted in the transfer to U.S. Bank's PFM Asset Management. SBCCD's investment strategies, access, and fee schedule remain the same.*

*The BFC receives a monthly snapshot on the PARS PRST which is structured to show distribution of funds in light of SBCCD's investment as it relates to protection of principal. Due to the disbursement of \$1,960,000, which was a Board directed reduction of principal from the MAE, and not a distribution of gains that reduced the investment principal, the PARS numbers differ from those of the snapshot. Although this is footnoted on the snapshot, it was decided that the snapshot should be reformatted to promote clarity and better understanding of the transaction.*

*Senior Portfolio Manager Stribling presented information on SBCCD's investment strategies. At this point staff is not recommending any changes to the conservative investment strategy.*

*Executive Vice Chancellor Torres spoke about the Conservative Strategy accounts vs. Fixed Income mirror accounts. As part of SBCCD management strategy, the mirror accounts were established to hold funds identified for distribution prior to them being paid out to protect any such funds from loss due to market volatility. Funds would not remain in this account more than one-two months.*

**B. Bond Measure Work Force Report**

*Associate Director Ynez Canela addressed the committee. She went over the new report format. The report was well received, and Trustee Harrison recommended that staff do a press release highlighting the District's efforts at keeping bond money local.*

**V. UPDATES (as necessary)**

**A. State Budget**

*There was no discussion of this item.*

**B. Enrollment**

*SBCCD is at 102% of target at 13,457 FTES. There are still additional FTES to be counted from positive attendance. Kudos to the campuses who have exceeded their goal.*

**C. PARS Investment**

*The committee did not review these numbers as they were included in the earlier PARS presentation. The snapshot will be revised to reflect more clearly the Board approved MAE reduction of principal.*

**D. Bond Construction Program Timeline & Org Chart**

*There was no discussion of this item.*

E. Budget Revenue & Expenditure Report

*There was no discussion of this item.*

F. BOT Current Year Budget to Actual Expenditures

*There was no discussion of this item.*

VI. FUTURE TOPICS

A. BFC Planning Calendar

*This item was not discussed; however, Executive Vice Chancellor Torres did inform the group that a presentation of BFC activities over the past year was to be made at the upcoming Board retreat.*

B. Trustee Suggestions

*There were no trustee suggestions.*

VII. NEXT MEETING DATE & ADJOURNMENT

A. Next Meeting

*The BFC is scheduled to convene again on July 11 at 2:30 p.m. in the SBCCD Boardroom Extension.*

B. Adjournment

*The meeting adjourned at 3:25 p.m.*