

DISTRICT BUDGET COMMITTEE
Meeting Minutes
April 26, 2018
3:00—5:00 p.m.
EVC, Mishra Room

Members Present: Doug Smith, Peter Fitzsimmons, Jonathan Camacho, , Eugenio Canoy, Faustino Villa, Yesenia Ramirez, Andrea Alexander, Sandra Gonzalez, Dan Hawkins, Jorge Escobar, Paul Fong, Eric Narveson, Jesus Covarrubias,

Members Absent: Maria Avalos, Fabio Gonzalez, Carlos Marques, Robert Gutierrez, Randy Pratt

Also Present: Kim Garcia, Jennifer (Diep) Le, Linda Wilczewski, Carol Anderson (Recorder), Kathy Tran, Jennifer Bills, Marilyn Morikang,

- 1) Call to Order: – the meeting was called to order at 3:06 p.m.
- 2) Approval of Agenda: – M/S/P; Ayes – 12, Opposed –0, Abstentions – 0, Absent – 6, Motion was made by Paul Fong; seconded by Jonathan Camacho. Agenda was approved as with the following change:
 - Item #8 – FY18/19 Proposed Meeting Schedule will carry over to the May 24th meeting.
- 3) Approval of February 1, 2018 meeting minutes: M/S/P; Ayes – 10, Opposed –0, Abstentions – 2, Absent –6, Motion was made by Faustino Villa; Seconded by Yesenia Ramirez. Motion carries. The minutes were approved with the following changes:
 - Page two, paragraph two, third line – change “you is” to “you are”
 - Page two, item #7, second bullet – add “until” so sentence reads “SISC rates until FY19/20.”
- 4) Credit Ratings Update: Mr. Smith reviewed the process involved in selling bonds. The Board of Trustees has to approve the sale of bonds and the District then meets with Standard & Poor’s and Moody’s to obtain a credit rating. The District’s credit rating determines the interest rate for the bond sale. Standard & Poor’s upgraded the District’s rating to AA+ which is only one level from the highest rating. The District’s credit rating with Moody’s was reaffirmed at Aa1 which is also one level from the highest rating. During the credit rating meetings, the balance of all funds was discussed and how our District compares to other districts. While the District’s reserves are what keeps us from achieving the highest rating, the reserves are where the District wants them to be.
- 5) 3rd Quarter Budget Report: Mr. Fitzsimmons reviewed the 3rd quarter budget report and highlighted the following:
 - a) FTES growth of 3.13% from last year
 - b) Property tax growth is 7.97%. The District will receive its next property tax update on May 15, 2018.
 - c) The transportation fee will increase by \$2.00 to \$6.50 for part-time students and to \$11.00 for full-time students in FY18-19. The students voted for the increase.
 - d) Blue Cross assumption went from 5.9% to 8.84%.
 - e) Kaiser assumption went from 5.5% to 15.5%.

- f) The District received notice that it will likely receive \$2.471M in one-time money from the Successor Agency to the Redevelopment Agency. The funds should be received in January 2019 in the form of property tax. The thought was that this money would go to the new Resource Allocation Model to fund Performance and Innovation but this direction will likely change as we progress through negotiations with the labor unions.
 - g) The estimated Fund 10 ending balance for FY17/18 is \$17,517,745 or 15.6%; however, this does not assume any retroactive COLA, which will likely happen.
 - h) Fund 11 (Parking Fund) continues to run a deficit. It is estimated that \$544K will be transferred from Fund 10 to Fund 11 to close the books. VTA doubled its cost to the District, which added to the deficit. The District will share the cost increase with the students.
 - i) The estimated Fund 12 (Stabilization Fund) ending balance is estimated to be \$1.25M.
 - j) Funds 45-47 are for Measure X. This fund is still maturing and reflects the initial project list and will likely change.
- 6) SJCC VPAS Request: The Role of DBC: During RAM Design/After RAM Implementation and the Interaction with Local Finance Committees: VP Escobar brought some questions to the District Budget Committee that came about from the Finance Committee at SJCC.
- a) How will the relationship between DBC and the Local Finance Committees change with the implementation of the new resource allocation model?
 - b) How does “Hold Harmless” work?
 - c) How will the dynamics change? When will the colleges have full discretion of their own budgets (i.e. will budget transfers be handled at the college level)?

Mr. Smith explained that the RAM Task Force is an ad-hoc committee meaning that once the mission of adopting a new resource allocation model is accomplished, the work is done. Mr. Smith also explained that the RAM Task Force has agreed to a “Hold Harmless” clause that will make the colleges whole to the legacy model 100% in years one and two, 2/3 whole in year 3 and 1/3 whole in year 4.

Mr. Fitzsimmons addressed the issue of budget transfers, explaining the committee that per Title V, a BT Resolution has to be presented to the Board every month explaining changes between major object codes. It would be very difficult to create this report if transfers are entered at the different sites. There are also rules associated with budget transfers (e.g. can’t cross funds, etc.) and that ITSS has not been able to create a customization to ensure compliance.

Mr. Canoy stated that the College Budget Committee at EVC is waiting for the RAM to be finished so that they can start their planning. They aren’t sure how to proceed at this point. Mr. Smith noted that the RAM Task Force has 14 members representing the various constituency groups and with very different opinions. Once a model is agreed upon, it then has to go down the Shared Governance road. Mr. Narveson states that until a new resource allocation model is adopted, the College Budget Committee’s should operate as they have been.

- 7) Proposed Relocation of 5/24/18 meeting from SJCC to EVC: It was agreed that due to the Commencement Ceremony at EVC on May 24th, the next DBC meeting will be held on Friday, May 25th at 10:00 AM at SJCC.

Jorge Escobar made the motion, Jonathan Camacho seconded the motion. All were in favor and the motion passed.

- 8) Adjournment: Eugenio Canoy made a motion to adjourn the meeting, Faustino Villa seconded the motion. All were in favor.

Meeting adjourned at 5:06 PM