



**Fiscal Advisory Committee
May 3, 2017
Minutes**

Present

Voting Members: Adil Ahmed, Devin Cabillo (Student), Erin Farmer, Ruth Fuller, Neil Glines, Curt Johnston, Zyra Larot, Jeff Lehfeltd

Advisory Members: Yulian Ligioso (Chair), Greg Brown

Guests: Laura Convento

Absent:

Terri Pearson-Bloom, Lavonne Slaton, Michael Wyly

Call to Order

The meeting was called to order at 2:04 p.m. by the Chair, Vice President Yulian Ligioso.

Approval of Agenda

It was moved by Curt Johnston and seconded by Devin Cabillo to approve the agenda.

The motion passed unanimously.

Approval of Minutes

It was moved by Ruth Fuller and seconded by Erin Farmer to approve the February 1, 2017 minutes.

The motion passed. (R. Fuller – Abstain)

It was moved by Curt Johnston and seconded by Zyra Larot to approve the March 1, 2017 minutes.

The motion passed. (J. Lehfeldt – Abstain)

It was moved by Curt Johnston and seconded by Ruth Fuller to approve the April 5, 2017 minutes.

The motion passed. (Erin Farmer - Abstain)

It was moved by Erin Fuller and seconded by Ruth Fuller to approve the April 19, 2017 minutes.

The motion passed.

Public Comments

None

Budget Training Discussions

Series C, General Obligation Bonds (\$90 million) Update

VP Ligioso reported on the successful sale of Series C GO Bonds. The District received the money and it is in our County account. This allows for the three big projects, Biotechnology, Auto Technology and new Science Building to proceed seamlessly.

Prop 55 was discussed. VP Ligioso is hopeful more projects will be approved with the funds. The projects that were approved were Health and Safety related. The Executive Bonds Manager presented additional information for the Chancellor's Office.

R. Fuller commented on the Library Project. The library project has been approved and has been in the queue a long time.

The library (Learning Resource Center) is a \$40 million dollar project, where roughly \$20 million will come from the State. VP Ligioso is hopeful for the May Revise and this project may possibly receive approval next year.

New Classified Positions Update

VP Ligioso reported that the 19 classified positions were brought to Cabinet and were discussed with the Deans. Of the 19, 12 positions were approved.

- 5 Positions – Categorically Funded
- 5 Positions – Funded by Unrestricted General Fund
- 2 Positions – Still being discussed/funding source unknown at this point

VP Ligioso commented that the top ten will be folded into their respective budgets. Personally, he would have like to have seen more custodial and engineer positions approved.

Curt Johnston asked if the District can have maintenance contracts on Buildings. Jeff Lehfeltd commented that will be a Union discussion. He noted that when the buildings were designed (Vallejo Center), there was no input from staff. The Building is currently 8-10 years old and we have to replace the whole HVAC (which has a lifespan of 30 years if properly maintained).

It was discussed that the New Theater, building 1200 will be open soon. There is new equipment that employees need to be trained to use and maintain. We'll be in a better position to protect the investment.

Actuarial Study

VP Ligioso reported that since the last actuarial study, there are new regulations put in place (GASB 74/75), which will require the District to do a roll back or roll forward.

VP Ligioso explained that retirement health benefits to be funded (Medical, Dental and Vision, after a certain age and 10 years of service), creates a future liability. The District has only addressed the, "Pay as you go", but has not addressed the unfunded liability.

The actuarial study looks at all our costs and determines what we need to pay. It gives us a recommendation of what we should set aside.

He notes this may be more volatile and more expensive for us. He said our liability so far is about \$17 million. (Peralta \$200 million, Delta \$170 million, LA County \$10 billion, not bad off in relative terms)

The actuarial study needs to be completed by July 2017. The contract will be going to the Board tonight.

Tentative Budget

VP Ligioso presented Enrollment Data prepared by Research & Planning.

He focused on the FTES trends. Looking at 2016-2017, adding Fall and Spring came out to about 6400 FTES. By adding summer to the FTES, where are looking at really only 7200-7300 FTES. Currently we are funded at 8300 and about 8500 FTES before that.

VP Ligioso mentioned at the next meeting we will discuss FTES scenarios and discuss what will be the recommendation to the Board. He noted:

- 1 FTE is about \$5,000
- 200 FTES is about \$1 million dollars
- In 2017/18 we are projecting 8,100 FTES

- Vallejo Center Repairs (HVAC)
 - o Summer classes to be moved to MIT
 - o If Vallejo loses FTES, we lose center funding at \$1.2 million, funding decreases in \$250k increments.

Other Expenditures

- Retirement
 - o PERS going up 1.6%
 - o STRS going up 2%
- Health and Welfare
 - o Kaiser was flat this year, expect next year to increase 12-13%
- Step and Column Increases

The District has enough fund balance to sustain, but not for the long term.

J. Lehfeltd commented that he was happy to have that big of a reserve. He asked if there were going to be any cuts.

VP Ligioso commented that the apportionment reports show a deficit factor in four of the last six years. 1.45% Deficit factor, with 1.48% COLA, basically wipes out the COLA. 1.34% growth available, but there is no growth for us. Most of the growth is in Southern California. He noted:

- Los Rios is going into stability for the first time
- Foothill DeAnza is in stability like us
- Napa, Contra Costa and Santa Rosa have used Stability

He commented that we need to look at our course offerings for the students that are here. He noted that VP Brown's area has grown/beefed up and will work on outreach.

Summer Meetings Discussions

VP Ligioso commented that a lot of budget work is done between now and June. And from June – September for the Adopted Budget.

Quorum during the summer months has been difficult.

The group decided to schedule meetings in June using the current schedule and add another meeting at the end of May if needed.

Adjournment

It was moved by Curt Johnston and seconded by Jeff Lehfeltd to adjourn the meeting. The meeting adjourned at 3:23 p.m.

Respectfully submitted by Laura Convento