



**PLANNING & BUDGET COMMITTEE (PBC) MEETING**  
**Compton Community College District**  
**September 22, 2015 – 2:00 pm – 3:30 pm**  
**Board Room**

**MEMBERS PRESENT**

Dr. Rodney Murray       Dr. Billie Moore       LaVetta Johnson       Christian Sanchez  
 Dr. Abiodun Osanyinpeju       Miguel Ornelas       David Simmons  
 Carmela Aguilar       Dr. Jose Villalobos

**OTHERS ATTENDING:** Felipe Lopez, Armando Ruiz, Kayla Ellis, and Barbara Perez

**Handouts**

- Five Year Fiscal Management Plan
- Actuarial Study of Retiree Health Liabilities as of March 1, 2015

I. **Call to Order**

The meeting was called to order at 2:08 p.m. by Dr. Abiodun Osanyinpeju.

II. **Approval of Minutes**

The minutes of September 1, 2015 were not available and deferred until the next meeting.

III. **Five Year Fiscal Management Plan**

Mr. Ruiz provided a copy and a brief presentation of the Five Year Fiscal Management Plan. He stated that Mr. Lopez was running late and would be there shortly.

- Line 5 – Funded COLA will hold steady at 1.00 percent.
- Line 6 – Growth is tied to FTES. Mr. Ruiz stated that for 2015-2016 the projected FTES is 5860, 2016-2017 and 2017-2018 is budgeted at 6060 FTES for stabilization.
- Line 9 – Education Protection Account (EPA) - Mr. Ruiz stated that it is coming to an end. Dr. Murray mentioned that there are some folks who want Proposition 30 to continue and are going out for signatures to make it permanent. Mr. Simmons stated that even if it does not pass, the state will keep the funding stable from taxes that are collected.

- Lines 11 & 12 PERS & STRS - Mr. Ruiz stated that the rates are going up. Dr. Murray mentioned that it will cap at 19 percent. Mr. Simmons inquired if the rates were set by the state. Dr. Murray replied yes.
- Line 13 – Workers Comp Rate - Mr. Ruiz stated that it will remain constant.
- Line 14 – Election Expense – Mr. Ruiz stated that it appears to be in flux, but did not know why. Mr. Simmons responded that it is because some years we do not have elections. Mr. Simmons mentioned that it was previously discussed that elections would be budgeted for every year instead of the year that it falls in. Ms. Perez responded that it is “01 Funds” and if it is not spent we can not roll “01 Funds” over.
- Line 15 – Health and Welfare – Mr. Ruiz stated that this will drop down \$500,000. Ms. Perez stated that the reason 2015-2016 is more than 2016-2017 and 2017-2018 is because \$500,000 is being set aside for the PERS and STRS Pension Fund for long-term liability. She indicated that it is retained under Health and Welfare. Ms. Perez asked Mr. Lopez why there was a \$500,000 decrease and why the funding was located in two places. Mr. Lopez replied that he is trying to illustrate the creation and the establishment of the new fund. He indicated that there are no additional funding and set aside monies.
  - Dr. Osanyinpeju asked if there were any plans to increase health benefits. Mr. Lopez responded that the question would be handled during negotiations and not at this forum.
  - Dr. Murray confirmed that Line 23 OPEB is where the additional \$500,000 is being placed. Mr. Lopez replied yes and that the original plan outlined a minimum contribution of \$250,000.
- Line 16 – Utilities - Mr. Ruiz stated that it will remain constant.
- Line 17 – Insurance/Workman’s Compensation- Mr. Ruiz stated that it will remain constant.
- Mr. Lopez stated that the next pages are the driving point of what our assumptions are and that the largest point is enrollment. The 2015-2016 budget was based on an enrollment of 5860 FTES, with the next two years after that staying consistent at 6060 FTES. We have made tremendous progress with our Cosmetology Program but had to deal with an issue during negotiations with the City of Compton. However, we found a better solution in negotiations with the Compton Unified School District and better linkage between the Cosmetology Program and the Adult High School. Mr. Lopez stated that he and Dr. Murray, along with the instructional team, has visited the site and that the subject is on the Compton Unified School District Board Agenda for approval. The space is larger for the same cost.
  - Ms. Aguilar asked if the opening will be the same time. Mr. Lopez responded that the time table is being looked at and DSA will have jurisdiction as we will have to go through DSA to ensure we are ADA compliant. The budget will remain the same, at \$500,000.
  - Mr. Simmons inquired about the election expense. He wanted to know if it was possible to budget every year for election. Mr. Lopez replied that we could, however, the problem is when we look at budget to actual in the particular year when we did not have an election costs, some might argue that we had left over monies during that period. We would also have to explain why we did not spend our allocated monies.

- Mr. Lopez stated that the other thing that he wanted to point out but did not place in the actual budget assumptions is that as we progress through the FCMAT process and accreditation, one of the other things that will happen is the reinstatement of the Personnel Commission. If all goes well with the FCMAT reviews, the District will be given some power back beginning July 1, 2016, which means the Personnel Commission will have to be brought back at the same time as the Special Trustee will no longer be serving as the Commission and the Board. It is also something that the District will have to pay for.
- Page 4 – Reserve for Personnel Commission. Mr. Lopez stated that in 2016-2017 he has budgeted \$280,000 and 2017-2018 \$294,000. He indicated that he went back to the fiscal years that the District had a Commission and the make-up of the body of the Commission. The Personnel Commission will deal with the hiring of classified employees. He mentioned that he took a conservative approach, which will include at least a Directors, two support staff, Commission Board fees, expenses, and advertisement. This is all driven by the FCMAT reviews.
- Mr. Lopez stated that there were five areas under FCMAT review. However, two areas have now been removed. The three areas that are still under review are Finance, Facilities, and Governance. We have now progressed and if we maintain the scores it may be FCMAT’s last review and we could be done with FCMAT according to AB318.
- Mr. Lopez indicated that the Five-Year Fiscal Management Plan will be revised. He mentioned that 2013-2014 will drop off, he will convert the “unaudited” to “audited,” and 2018-2019 will be added.
- Dr. Osanyinpeju asked about the hiring freeze. Mr. Lopez responded yes that there was a hiring freeze, however, it will be tweaked as the Personnel Commission will require staff.

## VI. Other Business

- Dr. Osanyinpeju stated that the Provost has requested a summary of engagement with regards to the Actuarial Study of Retiree Health Liabilities and OPEB and for the group to provide a recommendation. Mr. Simmons responded that the committee would like for Total Compensation Systems, Inc. to provide a presentation along with an explanation of what the study is about. Dr. Osanyinpeju indicated that Dr. Curry would like all recommendations submitted to him no later than November 1, 2015.
- Mr. Simmons mentioned that he had a question regarding OPEB with regards to the lump sum payment once a year. He would like to know if it is possible to provide monthly payments with cost averaging. He mentioned that the District would receive a better return by submitting monthly payments as opposed to lump sum payments. Ms. Perez stated that it is done at the beginning of the year so if the investment went up at any point and time we would receive the benefit. Mr. Simmons asked how the calculations for the rate of return are calculated.
- Mr. Simmons asked if the Line of Credit debt payment was being restructured per Mr. Lopez. Ms. Perez stated that it was looked into, however, it would not make a large difference. In order to restructure the debt, the District would have to go outside of the state and the benefit was not there and the savings was not significant. Ms. Perez stated that the District still owes \$15 million dollars. Mr.

Simmons inquired about the interest rate. Ms. Perez replied that Mr. Lopez could provide that information.

- Ms. Perez suggested that if the PBC wanted Total Compensation Systems to provide a presentation, we could find out what the cost would be to have them here prior to the October PBC meeting.

IV. Adjournment - The meeting adjourned at 2:45 pm.