



PLANNING & BUDGET COMMITTEE (PBC) MEETING
Compton Community College District
October 28, 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: None.

Handouts

- CCCD Schedule of Other Postemployment Benefits (OPEB) District’s Funding Plan
- Total Compensation Systems, Inc. - Actuarial Study of Retiree Health Liabilities as of March 1, 2015

I. Call to Order

The meeting was called to order at 2:15 p.m. by Dr. Abiodun Osanyinpeju.

II. Approval of Minutes

- ❖ The minutes of September 1, 2015 were approved. Mr. Simmons, Mr. Sanchez (moved/seconded). The motion passed unanimously.
- ❖ The minutes of September 22, 2015 were approved. Ms. Aguilar, Mr. Simmons (moved/seconded). The motion passed unanimously.

III. Actuarial Study

Ms. Johnson and Mr. Simmons both asked Dr. Osanyinpeju if he and Mr. Lopez got together to discuss the presentation from Total Compensation. Dr. Osanyinpeju mentioned that he spoke with Dr. Curry, Chief Executive Officer (CEO), regarding Total Compensation providing the Planning and Budget Committee (PBC) with a brief overview of the Actuarial Study. Dr. Curry stated that Total Compensation would charge the District \$1,600 to come and provide a presentation. Ms. Johnson asked who would then be providing the presentation. Dr. Osanyinpeju replied the Chief Business Officer (CBO), however, the CBO is not available until tomorrow as he was attending a conference. Dr. Osanyinpeju stated that there was no one here to

present to the PBC that day. Mr. Simmons inquired if providing presentations was built into Total Compensation's original contract and if a presentation was provided to anyone else? Dr. Osanyinpeju stated that he would have to assume there were no presentations made because when he asked for one to be provided to the PBC, the CEO had indicated it would be a good idea. Mr. Simmons mentioned that in previous years Total Compensation had provided presentations to the Board of Trustees and the CEO's Cabinet and this was included in the contract. Dr. Osanyinpeju indicated that he could not answer that question.

Ms. Edwards asked relative to page 3 of the study, why "Dependent Coverage" was not included under "Classified and Classified Management and Confidential staff. Ms. Aguilar stated that it was negotiated and that whatever faculty receives so do administrators. Mr. Simmons mentioned that the faculty had been covered for a long time and if we were to look at their work history, certificated were not covered by social security and not eligible for Medicare, and classified were. As a classified employee we had access to certain benefits that certificated did not have. He indicated that the life span of an administrator is short and that the administrators could receive their benefits after 10 years.

IV. Line of Credit/OPEB/STRS/PERS Liability

Dr. Osanyinpeju stated that the committee needed to look at the last two pages, as there are three items that required a recommendation. He stated that these were OPEB, Line of Credit, and STRS/PERS. Mr. Simmons mentioned that he could not make a recommendation until he has received some type of presentation. Ms. Johnson wanted to know what type of recommendation the CEO had in mind. Dr. Osanyinpeju stated that he wants to place monies in OPEB, the Line of Credit, and STRS/PERS to pay them off as quickly as possible. Mr. Simmons stated that OPEB is tied into the Line of Credit because if the Line of Credit is not paid off in 2016 you cannot start to make advance payments to OPEB. Dr. Osanyinpeju stated that the payments will continue to be made and the payment amounts would increase. Mr. Simmons indicated that the OPEB comes from the Line of Credit and unless the Line of Credit receives some type of refinancing, it is set by the state. Ms. Johnson indicated that Ms. Perez had mentioned that the benefit would not be enough for us to refinance. Ms. Johnson also indicated that \$750,000 went into the OPEB and asked if the District is trying to double the \$250,000 to \$500,000.

Dr. Osanyinpeju stated that Dr. Curry wants to put more money into it and what we need to ask is whether it is good enough, too aggressive, or insufficient. Does it make more sense to put more money into it or do we want to leave it as it is. He stated that OPEB will take 20 years to get to where we want to be and the Line of Credit will take 14 years. Mr. Simmons stated that he did not have a problem with the current payment plan and that the committee should review the plan every year. Dr. Osanyinpeju asked if there had been a time when the District had proposed something higher. Ms. Aguilar replied in 2015-2016 it was increased for one-time funding. Mr. Simmons stated that the District contributed an additional \$369,747 above the budgeted \$250,000 as a result of the cosmetology liability settlement.

Dr. Osanyinpeju asked for clarification of the annual contribution increases to \$1.4 million as a result of the line of credit pay-off. Mr. Simmons said this was correct. Dr. Osanyinpeju stated that these funds could be used for something else. Mr. Simmons stated that it would be reviewed every year and we should decide if it is reasonable or not. Dr. Osanyinpeju moved that the Planning and Budget Committee recommendation be to accept the proposed funding schedules for OPEB and the Line of Credit as presented, but subject to yearly review, and if there is a need to make additional changes, it must be brought back to the PBC first for discussion. The vote was 5 in favor, 0 opposed, and 0 abstentions. The motion passed.

V. STRS/PERS Schedule

Dr. Osanyinpeju stated that the other one is the STRS/PERS liability. Mr. Simmons asked if the state will provide additional funding to meet those obligations. Dr. Osanyinpeju stated that he did not think so because the state is adding its own contribution. Dr. Osanyinpeju stated that it is the District contribution under discussion. Mr. Simmons asked if the state gives the District more money when the PERS/STRS rates increases and Dr. Osanyinpeju stated that he did not believe this was the case. Dr. Osanyinpeju stated that the District's own contribution must be added to PERS and STRS through fiscal year 2021 whether the state provides additional support or not. Ms. Aguilar stated that PBC should not have to vote on the PERS/STRS cost because the cost is mandated. She stated that Mr. Lopez needs to provide more information regarding the state contribution. Mr. Simmons stated that the cost is the cost and his only concern is if it is District funds or is the state is going to match the increase funding by an equal amount. Ms. Aguilar stated that Mr. Lopez needed to answer that question. He stated we need to find out this answer first. Dr. Osanyinpeju stated that the CEO would like a recommendation no later than November 1, 2015. He stated that he will discuss it with the CBO and pass the information back to the committee. Ms. Johnson confirmed that the deadline is Sunday, November 1, 2015. Mr. Simmons stated that if the state is not going to match funding then the CBO needs to work with the various organizations to obtain matching funding.

IV. Adjournment - The meeting adjourned at 2:40 pm.