



PLANNING & BUDGET COMMITTEE (PBC) MEETING
Compton Community College District
December 9, 2014 – 2:00 pm – 3:00 pm
Board Room

MEMBERS PRESENT

Trish Bonacic Dr. Billie Moore LaVetta Johnson Nancy Sepulveda
 Dr. Rodney Murray Dr. Michelle Priest David Simmons
 Carmela Aguilar Dr. Jose Villalobos

OTHERS ATTENDING: Felipe Lopez, Paul Flor, and Barbara Perez

Handouts

- CCCD/El Camino College Compton Center 2015-2016 Planning and Budget Calendar
- BP 6200 Budget Preparation
- CCCD Five Year Fiscal Management Plan
- CCCD Schedule of Other Postemployment Benefits

I. Call to Order

The meeting was called to order at 2:08 p.m. by Trish Bonacic.

II. Approval of Minutes

Dr. Villalobos commented that he did not think it was necessary to include the line “Drs. Priest and Villalobos asked to be excused while they stepped outside.” Dr. Priest stated that if such a notation was to be included, then everything should be taken down or highlighted. Ms. Edwards mentioned that while the two were outside the meeting was silent. Dr. Murray moved that it be kept in the minutes since the meeting was silent and at a standstill when they left. Mr. Simmons concurred with Dr. Murray. He mentioned that it could be important for future meetings that if someone were to step outside and a vote was taken, the individual could indicate that he did not vote but the minutes showed him in attendance; it would explain the absence of the vote. Ms. Bonacic stated that the meeting was delayed and waited until their return. Dr. Murray asked Drs. Priest and Villalobos if they stepped outside to collaborate and both replied yes. Dr. Murray stated that this should be added to the notation in the minutes.

Dr. Villalobos inquired about page 3, last paragraph. He wanted to know what happened to the other \$2.5 million that was booked under the Funding Schedule. Dr. Priest replied that Mr. Lopez mentioned that \$2.5 million was booked for 2013-2014 and \$2.5 million for 2014-2015. Mr. Lopez stated that was incorrect. We booked 50 percent of the actual liability. Mr. Lopez stated that at the end of 2013-2014 we had a total of \$2.45 million. He stated it was not booked but budgeted. Dr. Priest asked where it was located in the budget

and Mr. Lopez responded that it was not in the actual budget but in the Five Year Plan, which has since been revised because the cosmetology question was settled. It was located under the revenue portion at the bottom and was included. It could not be incorporated in the actual budget as there was no settlement at that time.

The minutes of November 25, 2014 were approved: Dr. Murray moved approval of the minutes. Mr. Simmons seconded the motion. The vote was 8 in favor, 0 opposed, 0 abstentions, and 1 absent. The motion passed.

III. Five Year Fiscal Management Plan

Mr. Lopez provided a copy of the Five Year Fiscal Management Plan. He stated that it used to be the Five Year Budget Plan, but the name was changed to be consistent with the application for accreditation. He stated that at the last meeting the committee had an opportunity to review the Five Year Fiscal Management Plan and ask questions, and stated if there are no questions he asked for a recommendation for approval. A question and answer session followed.

Dr. Priest asked what PARS stood for and Mr. Lopez replied "Public Agency Retirement System." Dr. Priest recommended that for future budgets a clarification should be noted if a percentage listed is for the total year or a percentage increase of a base figure. For example, the funded COLA shows 1.57 percent, 0.85 percent, and 1 percent. She stated it is hard to identify which are increased percentages or percentage numbers. Dr. Priest requested that the Chair keep a list and follow up on those items but the committee had not yet received said document.

Dr. Villalobos inquired about the ending balance on the last page, under 2013-2014. He wanted to know if it included the \$2.5 million from cosmetology that was booked. Mr. Lopez replied yes. Dr. Priest asked if the 2014-2015 budget of \$5.9 million, included the additional \$2.5 million. Mr. Lopez responded that it did not. He stated that if we did nothing with cosmetology the ending balance would go up by \$369,000.

Dr. Priest asked if the projected contingency and ending balance reserve is the actual percentage of the total amount or a percentage increase. Dr. Priest indicated that on a previous document there was an issue with the columns and cells for 2013-2014 and 2014-2015. Dr. Moore stated that it had to do with the retiree benefits. Dr. Priest would like to ensure that in future budgets the cell in one calendar year is the exact same for another calendar year. Dr. Villalobos requested to have the actual budget instead of a draft.

Dr. Priest mentioned that for discussion purposes only, she would like to have a listing of the personnel service contracts. We have not received a list of those contracts. Mr. Lopez asked if she wanted a list of all the contracts and asked for clarification of what she was asking for. Mr. Lopez stated that he would have to run a detail of each individual account. He stated that if she would like a listing of all the departments that have contracts, he could provide that. She mentioned that there was concern from her constituency group about the large contract numbers. She wanted to know what was budgeted for approximately \$2.2 million in personnel service contracts. Mr. Lopez responded one was the Police contract for \$1.4 million and stated that he could provide a current list of other contracts along with a listing of the departments that are requesting contract services.

Dr. Moore asked if the committee approved the Five Year Fiscal Management Plan would it also be approving the additional \$250,000 for OPEB. Mr. Lopez replied no, the number at the bottom will not change.

Dr. Priest moved to accept the Five Year Fiscal Management Plan. Dr. Murray seconded the motion. The vote was 9 in favor, 0 opposed, and 0 abstentions. The motion passed.

IV. OPEB Funding Schedule

Mr. Lopez stated that 50 percent of the liability was booked as of June 30, 2014, which is incorporated into the Five Year Fiscal Management Plan. The OPEB Plan suggests if we move forward with contributing the difference into the OPEB Trust, (\$369,000) it does not change the outcome of the Five Year Fiscal Management Plan, it will stay exactly the same. The funding model is a mock up of what that will potentially look like.

Dr. Priest stated that the accrued liability is \$5 million for the next 20 years. Mr. Lopez stated that this is the best projection available at this time. The actuarial study includes the assumptions on insurance costing and increases. Dr. Priest stated that in 2032 there is no guarantee that the fund will be fully funded. Mr. Lopez indicated that our liability for life - time benefits has since changed. She mentioned that the actuarial study is only good for 24 months and said we need to be honest. We can only project out for two years and to project for 20 years that we are going to make this fund fully funded is disingenuous because we do not know what the liability is going to be. Mr. Lopez stated that the liability could change and it could go up or down. Dr. Priest stated that a one-time contribution of \$369,000 is not going to make a large difference to the Accreditation Commission. Mr. Lopez responded that by doing so, this year we will have over \$1 million in the irrevocable Trust. Dr. Priest implied that it was based on an impression he had and that we are years away from full funding. Mr. Simmons stated that it is what we asked for when the state came in and did our long-term liability analysis, which was \$15 million. Dr. Priest felt that it was disingenuous to use a number that was only good for two years to create a 20 year statement and argue that we are making good on this trust. Ms. Bonacic mentioned that it is subject to revisions. Mr. Lopez asked what information should be used to create a more useful document.

Mr. Flor asked—citing accreditation-- how we can begin a planning process for an event that will happen four to six years in the future and not project something out for 20 years? When we plan for something that is more immediate then long-term \$325,000 sends the same message as a million. Mr. Simmons stated that the more money we have in the account would mean more interest. Dr. Murray stated that it shows a plan to take care of a portion of the liability every year. Dr. Villalobos said it is okay as a plan; however, the faculty does not agree with placing the \$369,000 into the account. Mr. Lopez stated that he had been on conference calls and was informed that the \$250,000 was not enough. Such an action shows the Commission that the District is willing to put more in.

Dr. Priest stated that it is the faculty that will do the work to complete the accreditation process. Dr. Murray responded that the work will be done by everyone, not just faculty and those that are planning to retire. Dr. Priest suggested placing this amount in the salary schedule and for health benefits. She stated that the faculty is placing its hard earned money into their medical to cover their families. Dr. Murray stated that everyone is doing that. Dr. Priest responded that the \$369,000 could go towards the new young faculty

members with families. She stated that the accreditation is not months, but years away. Dr. Murray stated that health and welfare is for everyone.

Mr. Flor stated that the \$369,000 is a windfall and wanted to know if a precedent will be established. He wanted to know if all windfalls would go into the OPEB Trust and never be placed into the salary schedule to offset rising healthcare cost, when there is a bottle neck of seven years of not recognizing our work. Dr. Priest stated that she did not want that precedent because it takes away all of the decision making process from the PBC. Dr. Murray replied that it did not because it could be revisited every year. Dr. Priest wanted the money to go towards health and welfare and on the salary schedule because the faculty works hard. Dr. Murray stated that everyone works hard and the Committee should not single out just faculty. He suggested increasing the contribution for the trust to \$350,000. Dr. Priest stated that she could not vote to place the \$369,000 into the OPEB Trust based on the expressed desire of her constituency group.

Ms. Bonacic asked if we are six years into the accreditation process and we are still trying to meet the goal by faithfully placing in only \$250,000, would there be a risk in obtaining accreditation? Mr. Lopez indicated that was not a question he could answer. He mentioned that we are the only center that has such a debt because we were once a District. Dr. Moore mentioned that faculty had not had a decent raise in eight years.

Dr. Murray moved approval of the OPEB Plan as is. Mr. Simmons seconded the motion. The vote was 4 in favor, 5 opposed, and 0 abstentions. The motion did not pass.

V. 2015-2016 Planning and Budget Calendar

Mr. Lopez stated that the handout was for information only. He stated that we will begin to review the program plans and overarching priorities at the next PBC meeting. Dr. Villalobos asked who created the calendar. Mr. Lopez stated that he did. Ms. Bonacic stated that it is based on ECC's calendar with regard to timelines.

Dr. Villalobos inquired about the summer meeting scheduled. Ms. Bonacic stated that we would keep our current schedule. Dr. Priest expressed concern regarding the meeting schedule. Ms. Perez responded that the only time the budget could be done was after the May revise. So, between May and September when the final budget is due, if you want to have a say in the budget the meetings must occur during that time. Dr. Villalobos stated that the faculty should be compensated for attending the meetings during the summer.

Ms. Bonacic stated that a number of scenarios were created. The alternates were not approved, as there was problem with Mr. Lopez receiving timely information from the Chancellor's Office, and we did not come up with a better solution.

Mr. Flor asked if Mr. Simmons could assist with having the faculty call in on teleconference. Ms. Aguilar stated that the time of day was an inconvenience. Dr. Villalobos inquired about a faculty member being co-chair. Ms. Bonacic replied that there were two administrators, herself and Dr. Murray. Mr. Simmons stated there used to be a faculty co-chair when the committee was larger.

VI. Adjournment - The meeting adjourned at 3:03 pm.