



Board of Trustees Budget Committee (BBC)
SBCCD Board Room, 114 S. Del Rosa Drive, San Bernardino CA 92408

Meeting Minutes – December 13, 2018

Members Present – Gloria Macías Harrison, Joseph Williams

Members Absent – Donna Ferracone

Staff Present – Bruce Baron, Jose Torres, Mike Strong, Diana Rodriguez

I. Welcome & Introductions

Gloria called the meeting to order at 10:01 a.m.

II. Public Comment

There were no public comments.

III. Approval of Minutes

Joseph made a motion to approve the minutes of November 8, 2018, which Gloria seconded. There was no discussion and the motion was approved by the following vote.

Ayes: Gloria, Joseph
Noes: None
Abstentions: None
Absent: Donna

IV. Current Topics

A. Review and Reaffirm Guiding Principles for the FCC Auction Proceeds

Jose recapped the history of the Guiding Principles. He commented that the BBC had previously discussed periodically reviewing these principles and that today's item fulfills that intention. He added that staff has reviewed them and determined they continue to be appropriate. Each one was reviewed aloud. Gloria commented on number 6, *The District unrestricted general fund balance shall be restored to a range of 12-15%*. She stated that SBCCD's fund balance is not yet at 12-15%, and advised that she will make a motion at this evening's meeting that the BOT to revise the range to 10-15%.

B. BOT Directives for 2019-20 Budget (Need to be approved by February 2019)

Jose clarified that the Prioritized BOT Budget Directives, which are also part of today's agenda, reflect 10% unrestricted general fund balance due to BOT-approved salary increases and other financial factors. He commented that the budget will begin to balance itself in about five years.

Joseph confirmed that a 10% unrestricted general fund balance covers just over one month in operating expenses.

Bruce commented that the BOT may, at some point, want to set a 5% fund balance in conjunction with the establishment of cash balances that are earmarked for items such as deferred maintenance, operating expenses for two months, etc. He cautioned that this is a new concept which has not yet been discussed by District staff.

C. Proposed Uses of FCC Annual Income

Jose referred everyone to the handout and reviewed each line.

The SBCCD Promise anticipates 1,000 incoming freshman. It is anticipated that SBCCD's rental income will cover 50% of ongoing costs and fundraising will cover the other 50%. The program is a two-way promise for students that want to graduate in two years and pledge to take tutoring and all the necessary classes. He confirmed that the anticipated rental income proceeds of \$2.3 million are net of building maintenance.

Media Academy plans were discussed. Faculty has been involved and there is much excitement. Joseph expressed his desire to see the plan, which Bruce anticipates will be presented to the BOT in March 2019.

Jose highlighted the Total by Recipient figures at the bottom which sum up what the entities will receive. This information will go to the DBC for review on December 14 and it is hoped they will make a recommendation to Chancellor's Cabinet.

D. Review BBC Charge

Committee members turned to the DBC charge. The only proposed change was read by Gloria and regards research on the implementation and operation of bond measures. Committee members were satisfied with the revision and Gloria requested that the charge be sent to the BOT for full approval.

V. Updates (as necessary)

A. PARS

Committee members reviewed the PARS report. Jose went over losses and emphasized that SBCCD will need to be accepting of these fluctuations in view of the long term nature of the investment.

B. Enrollment

Enrollment was discussed. There may be a need to change the current report to better reflect the new SCFF. Gloria would like to see FTES in terms of the number of units students are taking.

C. 2018-19 Board of Trustees Budget

There was no discussion on this update.

D. KVCR Transition Scope

Jose spoke briefly about the KVCR Transition update.

VI. Future Topics

This item was not discussed.

VII. Adjournment

The meeting adjourned at 12:04 pm. The next meeting is scheduled for January 10, 2019 at 10:00 am in the Board Room.