



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

Meeting Minutes – January 10, 2019

Members Present – Gloria Macías Harrison, Anne Viricel, Don Singer, Elijah Gerard

Members Absent – None

Staff Present – Bruce Baron, Jose Torres, Larry Strong, Mike Strong, Diana Rodriguez, Steve Sutorus, Hussain Agah

I. Organization

A. Election of Chair

The meeting began at 10:02 a.m. Gloria questioned, and Jose clarified, that although there would be four board members on this committee, legal counsel has confirmed that the student trustee’s role is viewed as advisory and does not cause a Brown Act conflict for the Board of Trustees.

Anne nominated Gloria for chair. Gloria seconded the nomination and it was approved by the following vote:

Ayes: Anne, Gloria, Elijah
Noes: None
Abstentions: None
Absent: Don

B. Review of Charge

The committee charge was reviewed as revised at the previous BBC meeting. Anne moved approval and Elijah seconded the motion. The minutes were approved with the following vote:

Ayes: Anne, Gloria, Elijah
Noes: None
Abstentions: None
Absent: Don

III. Approval of Minutes from January 10, 2019 *(out of sequence)*

The minutes of the prior meeting were accepted as presented. There was no formal vote given that only Gloria had been present on December 13.

IV. Current Topics

A. BP/AP 6100 – Delegation of Authority

Jose recapped that the revisions to Board Policy 6100 were approved by the Board of Trustees on December 13. This item is being brought before the BBC today to promote clarification of what this means to SBCCD. He introduced Business Manager Steve Sutorus.

Don and Diana arrived at 10:06 am.

Steve discussed District staff's efforts to improve its processing and services, including a thorough business processes analysis. One area targeted for improvement was SBCCD's ability to pay vendors promptly while maintaining compliance. Staff researched the best practices of other community colleges and sought legal opinion to pinpoint ways this could be accomplished. This revision to BP 6100 provides the means for implementing the improvement.

Current processes require payment on any goods and services be held until the next Board meeting. The new procedure will allow for payments to be sent to vendors immediately. Jose added that the delegation of authority was already in place. The difference is that now staff can pay the invoices. Prior to this, contracts were approved but payment couldn't be made until the following board meeting. Given the processing lead time for board agendas, this caused inefficiencies and delays, and created frustration with vendors. These are the issues that were identified and addressed. Steve clarified the difference between a routine contract – routine in nature, low risk and low dollar – and non-routine contracts. Non-routine contracts – those above the [California Department of Education] bid limits, anything controversial, or anything considered high risk – will still go before the Board of Trustees prior to being signed.

Gloria recalled feedback from subcontractors who advised they weren't getting paid for 90-120 days. This discourages a lot of small vendors from doing business with SBCCD, and she is happy to hear about this measure to improve processing.

Bruce commented that the Board has consistently approached him with concerns about contracts being "ratified". He would like clarification for the trustees that illuminates the non-negative aspect of ratifying a contract, i.e. what is an appropriate ratification vs. those that represent late submissions.

Jose explained that BP 6100 doesn't require the Board to approve or ratify the routine contracts. These will be brought before them as an information item only, although this has not yet been implemented. Gloria suggested a white sheet be developed that outlines which items are submitted for approval, ratification, information, etc. She would like this tool to be developed prior to any changes taking place.

Steve stated that SBCCD purchasing procedure requires that prior to engaging a service a PO and contract are put in place. This standard will not be relaxed.

II. Public Comment *(out of sequence)*

Gloria called for public comment, however, there was none.

V. Updates *(as necessary)*

A. BOT Directives for 2019-20 Budget *(need to be approved by February 2019)*

Gloria confirmed that the 2019-20 budget directives would be discussed at the Board's upcoming retreat and any changes decided upon would be incorporated prior to the first read on February 21. She reviewed each directive aloud.

BBC members discussed the language of directive 2, commenting that the phrase "two years of college free for students" is misleading. Staff was asked to delete the language after the word Promise.

The fund balance statement in directive 3 was discussed. Jose pointed out that FCC Guidelines were recently reaffirmed at the December board meeting citing a range of 10-15%. It was agreed that the budget directives should be revised to reflect the same language. Don asked if the State Chancellor's office monitored the fund balance of each district and Jose confirmed that it is included in the Form 311 which is turned into the state every year.

Directive 4, which regards deferred maintenance, was discussed. Jose confirmed that there has been no percentage of funds set aside to address this. Gloria suggested that perhaps a portion of energy savings realized through SBCCD's conservation efforts (LEED buildings, etc.) could be earmarked for deferred maintenance.

While discussing directive 6 regarding the 50% law, it was confirmed that SBCCD was at 51.19% as of the last audit. Jose shared comments made by the DBC at its December 14 meeting that directives 6 and 7 should be stricken from the list as they are legal requirements. This was discussed and staff was directed to show them as stricken in redline but to add an umbrella statement that SBCCD complies with all legal requirements.

A revised version of the directives with these changes will be discussed at the BOT retreat.

B. PARS

For benefit of the new members, Jose recapped that PARS is where the Board has invested most of the FCC funds. SBCCD's holdings are currently in the conservative fund. He pointed out that the balance is almost back to its original value of \$75 million and repeated what he's commented in the past – that the BOT should keep in mind the long-term nature of the investment and that SBCCD will need to weather fluctuations.

C. Enrollment

Diana addressed the BBC regarding SBVC Fall 2018 enrollment figures advising that the college fell a little short of its target. They have since adjusted strategies for Spring,

including marketing to specific students and reaching out by phone to students who have applied but not yet registered. Committee members discussed the effects of the new Student Centered Funding Formula and agreed that the current enrollment report format will need to change. Mike reported that CHC did well in the Fall but is tracking low for Spring 2019. They are also reaching out to students, targeting those that have registered but not yet taken an assessment test.

D. 2018-19 Board of Trustees Budget

The BOT Budget was reviewed.

E. KVCR Transition Scope

Jose introduced Director of Facilities Planning & Construction Hussain Agah, who made a brief presentation on the KVCR Transition and Modernization projects.

Gloria commented that a message should go out that gets the public excited about the construction. Anne shared her experience about engaging the public during the construction of the Lewis Playhouse, including getting vendors involved, hosting girder signings, etc.

VI. Future Topics

Committee members discussed whether or not to add any topics for future agendas. Gloria requested that Measure CC projects be added as an ongoing item, as well as the monthly Expenditure Summary report which is sent to the Board as an information item.

VII. Adjournment

The meeting adjourned at 11:39 a.m. The next meeting is scheduled for February 21 at 10 am.