

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## District Council on Administrative Services (DCAS)

District Administrative Center, Thomas Lakin Boardroom

Thursday, September 21, 2017

### NOTES

#### Attendees:

David El Fattal, Vice Chancellor, Business and Administrative Services  
Mike Bush, Vice President, Business Services, Oxnard College  
Emily Day, Director, Fiscal Services  
Silvia Barajas, Vice President, Business Services, Moorpark College  
Diane Eberhardy, Academic Senate President, Oxnard College  
Nenagh Brown, Academic Senate President, Moorpark College  
Lydia Morales, Academic Senate President, Ventura College (Skype)  
Steve Hall, AFT Representative  
Pamela Yeagley, Classified Senate Representative, Ventura College

#### Absent:

Jennifer Clark, Classified Senate Representative, Oxnard College  
Julius Sokenu, Vice President, Academic Affairs, Moorpark College  
Susan Royer, College Business Manager, Ventura College  
Cathy Bojorquez, Budget Director

*Recorder: Laura Galvan*

The meeting was called to order at 9:05 a.m.

### **APPROVAL OF MEETING NOTES**

The DCAS meeting notes of August 17, 2017 were reviewed and approved by consensus.

### **DCAS Committee Charge/Membership**

The DCAS Committee Charge and Membership were reviewed by the group. No changes were recommended.

### **Election of Faculty co-chair**

Ms. Brown nominated Dr. Diane Eberhardy as the DCAS Committee Co-chair; Dr. Eberhardy accepted.

### **Fund 693 Historical Activity**

Vice Chancellor El Fattal explained the schedule is being provided as information per a request at a previous DCAS meeting. He further explained that projected revenue of \$16 million has been budgeted for FY18. He noted that in FY15 \$1 million was transferred into the Irrevocable Trust in four payments, crossing two fiscal years. He reminded DCAS members the \$1 million was allocated from reserves by the Board. Vice Chancellor El Fattal explained the FY18 Budget includes a potential deposit of \$500,000 into the Irrevocable Trust. As the year progresses and actual retiree premium payments are known, this fund will be discussed in further detail.

Dr. Hall questioned what is included in the \$15,194,000. Ms. Day explained the \$15.2 million includes the \$500,000 deposit. There is an additional \$700,000 that will fall to fund balance, if the revenue projections hold to actual. Ms. Day explained that at the end of FY15 there was a fund balance of \$913,000. In the subsequent year (FY16), the existence of this ending fund balance helped the district and colleges mitigate shortfalls in this fund as opposed to an unanticipated assessment to the college. Ms. Day explained that the expenditure line is actual retiree premium costs to health care providers on a pay-as-you-go basis. Ms. Brown expressed concern that the increased HRL amount for FY18 was necessary to cover actual expenditures; however, now a surplus is being projected. She added this notion is counterintuitive since the colleges are short of resources. Ms. Day explained that Fund 693 was short in FY17, as noted by the transfer in of \$1.5 million. Vice Chancellor El Fattal explained the Irrevocable Trust money is for retiree health liability payments. The trust has a current balance of approximately \$19 million. The Trust was established in FY11 with an initial deposit of \$9.06 million. Ms. Barajas explained that she favors a fund balance of approximately \$900,000, which helps mitigate shortfalls in this fund for retiree premiums, as the case in FY17. Ms. Brown suggested either a reduced self-tax (HRL) or (as an alternative to) funding the Irrevocable Trust deposits, but that to do both was double-taxing our budgets and too extreme for our current economic climate.

Dr. Hall would like to monitor expenditures on a regular basis. Vice Chancellor El Fattal committed to bring back actuals on a quarterly basis. Dr. Hall stated that discussions related to when the funds from the Irrevocable Trust should be drawn down should be scheduled soon. This discussion will be brought back to the next DCAS meeting.

There was a brief discussion regarding the management and review of the irrevocable trust. Vice Chancellor El Fattal explained the District's Board of Trustees established a Retirement Board of Authority (RBOA) to review and oversee the Trust's performance, which is managed by Futuris Trust. Membership of the RBOA includes the following positions: Vice Chancellor of Business Services, Vice Chancellor of Human Resources, Director of Fiscal Services, Director of Human resources Operations, one SEIU representative, and one AFT representative. The RBOA meetings are publics and DCAS members are welcome to attend.

#### FY17 Executive Search Cost – Budget to Actual (Org 82149)

Vice Chancellor El Fattal explained \$100,000 was budgeted in FY17; \$55,000 was expensed. The balance of \$45,000 was transferred to the Infrastructure Funding Model, according to the District's Allocation Model. On a side note, Dr. Eberhardy questioned the use of PPL, Inc. for a current Oxnard College search. Dr. Eberhardy explained she was part of the Chancellor's Search Committee and that Committee expressed dissatisfaction with PPL at an AdHoc Chancellor Search Committee meeting in July. Dr. Hall surmised that the contract for services for PPL for the Chancellor search was a public discussion. Separately, the process for Oxnard College's Vice President selection was the decision of the college president.

#### FTEF vs. FON

Vice Chancellor El Fattal explained the difference between FTEF, faculty headcount, and full-time obligation number. The FON calculation has caveats on which positions are included in the number and which ones are not.

### Campus Budget Forums

Vice Chancellor El Fattal explained that he and Chancellor Gillespie will be hosting Campus Budget Forums at each college the week of September 25th; mostly on Tuesday with one on Thursday. There will likely be a general discussion about reduction target numbers, including what reserves may or may not be used. Vice Chancellor El Fattal stated he understands that the colleges have already established priority lists to begin dealing with upcoming budget constraints. He also stated FTES will be a discussion at the forums; the District is currently up five FTES from the previous year's first two terms. There will be a discussion about overall reductions, but not specific per college. He explained deficit spending cannot be sustained and must be discussed. Vice Chancellor El Fattal explained reductions can be discussed, but action plans eventually have to put it in place. This is not as serious a budget crisis as in the past. The discussion will focus on the FY19 Budget, but discussions must take place now to be effective for July 2018. Ms. Brown explained that sentiment at Moorpark College is that they have done their part already; the cuts must be discussed by college. Dr. Bush explained that Oxnard College continues to live within their means; making hard decisions. He understands their responsibility of sharing the burden, but they are entering their third year of cuts. Dr. Eberhardy explained Oxnard has already worked hard towards increasing productivity as well. Dr. Bush suggested there be a discussion where the deficit spending is occurring and work collectively to address the issue. Ms. Brown requested an advance copy of the Budget Forum presentation. Vice Chancellor El Fattal explained at least one session will be recorded for viewing by all. Ms. Brown also suggested removing the FON overage amount if a reduction in its rate was not being considered by the district as part of the solution to the budget shortfall as it will not be well received by faculty.

### Historical Transfers from Fund 111

Ms. Day explained historical transfers from Fund 111 to other funds. Dr. Hall asked for clarification on Moorpark College's transfer in FY17 of \$786,000 (FY16 Growth). Ms. Barajas explained that was a result of the FTES shift and has been set aside for future shortfalls. Further, an amount greater than 2% of carryover in FY17 was permitted for future budget challenges. For FY17, Moorpark moved \$1.2 million into Fund 113 for future shortfalls in FY 2018-19. Dr. Bush explained the \$73,937 transfer at Oxnard College was due in part to vacant positions.

### FY19 Budget Allocation Model Review – Timeline

Vice Chancellor El Fattal described components of the Allocation Model to be discussed this year; to be effective FY19. He stated the timeline is aggressive for implementation in FY19. Vice Chancellor El Fattal stated the timeline included in the agenda packet was not the updated version; the correct version will be emailed. (*The corrected version was emailed the afternoon after the meeting.*) Vice Chancellor El Fattal has committed to reviewing the DAC's allocation of 6.98% as part of the Allocation Model Review process. Vice Chancellor El Fattal explained the property tax issue with the Daily Drive building tenants. He stated that there will be a discussion with tenants to review and possibly amend existing leases. It is possible the rental revenue may be reduced. More information will be shared at the October DCAS meeting.

Ms. Brown said there are two rental issues concerning the DAC; the extra rental income from Daily Drive as well as savings from rental payment to Ventura Unified. In essence, it's not only receiving rent, but no longer paying rent.

It was evident that because of the aggressive timeline and important business to discuss, more DCAS meetings will be needed. There was a desire to meet more regularly than monthly. Calendars were discussed and two new meetings were added. DCAS members will be prepared to calendar future meetings when the group meets in October.

#### Budget Allocation Model Review

Ms. Brown suggested creating a list of concerns to be addressed.

List of concerns:

- A college is growing, but the others colleges are benefiting from growth, but the expense of growth is on the growing college.
- A college is shrinking, but are they bearing the cost of shrinking?
- How much should be taken off the top for base allocation? Currently 15%. Is that the correct number?
- DAC rents - elimination of payment at Stanley Avenue and lease revenue at Daily Drive
- Ventura College potentially moving to small sized college; impact of \$600,000.
- How does the level of service continue in non-instructional areas? 50% Law awareness
- Generating more revenue – how do we account for that new revenue?
- What is the individual college incentive for Growth?

It was suggested that DCAS members go back to their college constituents and inquire if there are other concerns. Dr. Bush also suggested that any new ideas be shared with the group. Ideas will be sent to Laura for distribution of master list.

Meeting was adjourned at 11:10 a.m.

Next meeting: 10:00 a.m., Thursday, October 5, 2017 (After ATAC)