

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Administrative Center, Thomas Lakin Boardroom

Thursday, November 17, 2016

NOTES

Attendees:

David El Fattal, Vice Chancellor, Business and Administrative Services
Emily Day, Director, Fiscal Services
Cathy Bojorquez, Budget Director
Silvia Barajas, Vice President, Business Services, Moorpark College
Dave Keebler, Vice President, Business Services, Ventura College (via Skype)
Alexander Kolesnik, Academic Senate President, Ventura College
Alan Hayashi, AFT Representative
Darlene Melby, College Business Manager, Moorpark College
Nenagh Brown, Academic Senate President, Moorpark College
Jennifer Clark, Fiscal Services Supervisor, Oxnard College

Absent:

Julius Sokenu, Interim Executive Vice President, Moorpark College
Mike Bush, Vice President, Business Services, Oxnard College
Linda Kama'ila, Academic Senate President, Oxnard College

The meeting was called to order at 9:03 a.m.

APPROVAL OF NOTES

The notes from the October 20, 2016 meeting were approved by consensus.

INTERMEDIATE FINANCING RELATED TO THE PURCHASE OF DAILY DRIVE

Vice Chancellor El Fattal explained the sale of the airport property is moving forward. There is a 50/50 chance it will close escrow by June 30, 2017. In an effort to prepare for a sale not occurring prior to the end of the fiscal year, a proposal for intermediate financing will be presented to Board in December. Authorizing documentation is forthcoming; however, it is expected to be a 5-6 year financing plan. A District-owned building will be designated as collateral in order to borrow funds. Vice Chancellor El Fattal explained a possible building for collateral is the Applied Science Building at Ventura College. The building has a high value and is new construction. Vice Chancellor El Fattal explained that all documentation related to the intermediate financing will be available for review at December's Consultation Council. Vice Chancellor El Fattal anticipates the Camarillo airport property transaction to come to fruition. However, the authorizing paperwork is being done in case the transaction does not close by the end of the fiscal year. The intermediate financing is a two-step process. The first step is presenting the proposed documents to Board in December. There are some minor costs involved with the intermediate financing, mainly attorney fees, but no other fees will be realized if the bonds are not sold.

Vice Chancellor El Fattal indicated he would have more information in February/March. If the bonds need to be sold, final documentation for issuing bonds will be presented to the Board. A determination will be made in January or February. Vice Chancellor El Fattal anticipates the property appraisal to be

completed by the end of December. After the appraisal, it will be a matter of a few meetings to finalize negotiations.

There was a question about the use of undesignated reserves to purchase the Daily Drive building. Vice Chancellor El Fattal explained the District maintains undesignated/unallocated reserves, which is over and above the state required minimum.

Proceeds from the airport property sale will be used to replenish undesignated/unallocated reserves.

FUND 612 RETIREE HEALTH PAYMENT POOL UPDATE

Ms. Bojorquez explained there is not too much to report until the new actuarial study is completed. However, she stated the retiree settlement agreement included 455 names in the pool. The list has been updated by the Human Resources Department and the number has been updated to 371, a decrease of 18.5% from the number in the agreement. Once the actuarial study is completed, the District has more information to determine whether or not Fund 612 is fully funded. Mr. Hayashi inquired about the significant decrease in the pool. What does that mean for eligible members? Does the cost go down? Ms. Bojorquez explained the annual maximum reimbursable amount is not tied to the number of participants. The decline in participants means the remaining participants are eligible to receive a greater piece of the pie.

FULL-TIME OBLIGATION NUMBER (FON)

Ms. Bojorquez explained the FON submission. She stated the District is above the State required number by approximately 19 full-time faculty members. It was mentioned the District was 10 over the obligation at last year's submission. Ms. Bojorquez indicated that with projected limited growth over the next few years, the District is adequately covered and will continue to meet the obligation number. The FON number is a districtwide number as opposed to individual college number.

There was a question whether or not discussions have taken place for increasing faculty for FY18. Mr. Kolesnik indicated that hiring is currently underway. Vice Chancellor El Fattal said he will start a discussion at Cabinet and DOC.

Ms. Barajas indicated that Moorpark College is hiring retirement replacements only. If any additional faculty members are hired, it will come from Strong Workforce or SSSP funds not the general fund.

It was mentioned that the state's target is 75% for the percentage attributable to full-time faculty. VCCCD's percentage is 59.7%. This amount has fluctuated from year-to-year and is up from last year.

There was a discussion about the non-credit, full-time faculty at Moorpark College.

This item will return to a future DCAS meeting.

BUDGET ALLOCATION MODEL REVIEW

Ms. Bojorquez explained there have been no changes since the model was reformatted at last month's meeting. There are no significant changes.

Ms. Brown likes the new, combined version. She inquired about the rental income from the Daily Drive building. Vice Chancellor El Fattal explained this topic will return in December once more information is known. Additionally, Vice Chancellor El Fattal indicated there are costs associated with being property owners.

There was a question about base allocation for each college and FTES growth and how the growth in FTES, and related revenues, will be/should be allocated.

Ms. Brown stated Moorpark College Academic Senate raised two concerns: 1) Ventura College reverting to a small college (i.e., what will happen to funding?); and 2) What happens if the colleges don't meet targets, how will that be bridged?

Ms. Day reminded the group that any decrease from middle to small college funding would be a three-year phase in. If we foresee that, we can plan for such a decrease.

OTHER BUSINESS

Ms. Barajas commended the DAC team on the good audits shared with the Financial Capital Planning Committee on Tuesday.

Ms. Day explained opinions on audits. She explained the comments related to internal controls on the management letter comments.

Meeting adjourned 9:57 a.m.