

WEST VALLEY/MISSION COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
AUDIT AND BUDGET OVERSIGHT COMMITTEE

Date of meeting: April 13, 2020

APPROVED MINUTES

Membership: Bob Owens, Chair; Susan Fish, Member; Randi Kinman, Member

1.0 CALL TO ORDER – PUBLIC SESSION

The meeting was called to order at 5:30pm by Mr. Owens.

1.1 Roll Call

	Present	Absent
Fish, Susan	X	
Kinman, Randi	X	
Owens, Bob	X	

Others Present: Ngoc Chim, Brad Davis, Sandy Dinh, Kate Disney, Pat Fenton, Susan Hutton

1.2 Approval of the Order of the Agenda

The order of the agenda was approved as presented. (Kinman/Fish, 3/0/0)

1.3 Oral Communication

None.

2.0 Regular Order of the Agenda

2.1 Approval of the February 20, 2020, meeting minutes (A)

The February 20, 2020, meeting minutes were approved as presented. (Kinman/Owens, 2/0/1, with Fish abstaining)

2.2 Property Tax Revenue (I)

Ms. Chim reviewed information presented by Santa Clara County Assessor Larry Stone in which he compared the current COVID-19 situation with the Great Recession. It is projected that there will be a sharp decline in property taxes, which will negatively impact the District since that is the source from which it receives the majority of its revenue. It will likely take three years before the severity of the situation is fully realized. Due to its fund balance, the District should be OK; however, the Finance Office will closely monitor the situation and plan for the worst-case scenario – falling out of basic aid.

ABOC members asked about scenarios in which the District would fall out of basic aid status. Ms. Chim responded that the District would have to lose approximately 38% in revenue before that occurred.

2.3 Trust Fund Investments (I)

Ms. Chim reviewed the District's trust fund investments with PARS (pension) and CalPERS (retiree health benefits). Both are currently losing money, and it is anticipated that the losses will grow due to the COVID-19 situation. She added that the District continues to fund 100% of the OPEB trust fund.

2.4 Fiscal Impacts related to COVID-19 (I)

Ms. Chim shared three different financial scenarios related to COVID-19 as follows:

- Scenario 1 – status quo
- Scenario 2 – 10% decline in enrollment
- Scenario 3 – 20% decline in enrollment

In all three scenarios, the District could sustain operations, but it would have to use its fund balance to offset the loss in revenue, especially in the areas where revenue is generated through student fees. She identified four funds that rely primarily on student fees to fund their operations. In each of these areas, the individual fund balances could be depleted by fiscal year-end, or next year, depending on how long students are kept off campus.

- Parking Fund (Revenue generated by student parking permits, citations.)
- Child Development Center Fund (Centers are currently closed. No new revenue after March 30, 2020.)
- Campus Center Fund (Revenue generated through student fees, bookstore, facility rentals, etc.)
- Health Services Fund (Revenue generated through student fees.)

Ms. Chim indicated that the District will need to start formulating plans on how to deal with these areas.

Ms. Kinman asked when the District would present its plan for the future, or when updates on planning would be provided. Chancellor Davis responded that he would share information at a May Board meeting, including:

- Hiring freeze
- Transfer of employees
- Evaluation of organizational structure

3.0 Staff Members Comments

None.

4.0 Committee Members Comments

Mr. Owens inquired about how the COVID-19 situation has impacted tenants at the Mercado Center (Land Corporation). Since some of the tenants, AMC for instance, are unable to operate, will they be able to pay rent? Will they file for bankruptcy? The situation could be detrimental to the Land Corporation revenues.

5.0 Adjournment

The meeting adjourned at 6:26 PM.