

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

**Date of meeting: May 11, 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, Pat Fenton, Danny Nguyen

**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 April 13, 2020, meeting minutes (A)**

The April 13, 2020, meeting minutes were approved as presented. (Kinman/Fish, 3/0/0)

**2.2 FY 19/20 3<sup>rd</sup> Qtr. Budget Adjustments and Financials (A)**

Ms. Chim reviewed the 3<sup>rd</sup> Qtr. financial report and budget adjustments, which were also reviewed with the Fiscal Workgroup on May 4 and District Council on May 11. She indicated that revenues and expenditures should be at 75%. She highlighted the following funds:

- Fund 110 – Unrestricted General Fund. West Valley College is over-spending in academic salaries (PT faculty). There will be a shortfall in the budget if the problem is not rectified.

- Fund 12x & 13x – Restricted General Fund (Grants). Revenues and expenditures are below 75%. This is a normal trend. Funds should balance at year-end when the colleges’ close-out grants.
- Fund 137 – Other Restricted General Fund (EcoPass). Revenues are close to 100%, but expenditures are approximately 55%. This is a normal trend as fees are collected at the beginning of each semester but expenditures are not recorded until the end of each semester. The fund should balance at year end.
- Fund 138 – Health Services Fund. Revenues are close to 100% because fees are collected at the beginning of each semester. Expenditures are at 50% due to salary savings from vacant positions. Revenues in this fund could drop as a result of student refunds due to the COVID-19 situation.
- Fund 139 – Parking Fund. The District is expecting to receive approximately \$10,000 in the 4<sup>th</sup> quarter from parking permit sales to Google. Expenditures are expected to exceed revenues.
- Fund 330 – Child Development Fund. Due to the campus closures, no additional revenues are being generated. Expenditures are expected to exceed revenues and there is limited fund balance. This fund will be monitored very closely.
- Fund 591 – Community Education: Workforce & Economic Development Fund. This fund is deficit spending. The fund balance will be used to cover the deficit.
- Fund 597 – Entrepreneurial Fund. Because of COVID-19, the revenue stream for this fund has diminished; no facility rentals. There is no additional revenue to offset expenditures and the fund balance may not cover the deficit.
- Fund 731 – Student Body Center Fee Fund. Both colleges will end the year with no deficit; however, there is not sufficient fund balance to cover deficit spending in the future. Campus Center operations need to be evaluated and restructured to reduce expense.
- Fund 741 – Student Financial Aid Trust Fund. This fund will show a negative fund balance until the 4<sup>th</sup> Qtr. because the District only draws down 90% of the financial aid disbursement to avoid interest payments to the Federal Government. The fund will be reconciled during the 4<sup>th</sup> quarter.
- Fund 791 – OPEB Trust Fund & Fund 792 – Pension Stabilization Fund. Due to the unstable economy, both funds show investment losses.

There was a motion by Kinman, seconded by Fish, to “accept the FY 19/20 3<sup>rd</sup> Qtr. Budget Adjustment and Financials and recommend them to the Board for approval.” The motion passed unanimously.

### **2.3 FY 19/20 3<sup>rd</sup> Qtr. 311 Report (A)**

Ms. Chim reviewed the 3<sup>rd</sup> Qtr. 311 Report. She explained that she made conservative adjustments to reduce property tax revenues and student fee revenues to take into account impacts from COVID-19. The adjustments are best-

guess estimates since it is difficult to make projections due to the uncertainties of the pandemic. Overall, the report is good and the cash flow will continue to be closely monitored.

There was a motion by Kinman, seconded by Fish, to “accept the FY 19/20 3<sup>rd</sup> Qtr. 311 Report and recommend it to the Board for approval.” The motion passed unanimously.

### **3.0 Staff Members Comments**

Ms. Chim reported that she attended a county-wide meeting to discuss the COVID-19 situation and that the County Assessor, Larry Stone, was in attendance. He reported that, due to the COVID-triggered recession, Proposition 8 will be utilized to roll-back property assessment values for FY 20/21. This step is being taken in anticipation of the property tax appeals which are expected to increase. He further reported that, as of April 30, there was over \$70 million in uncollected property taxes. Property roll for January 2021 looks grim. Also discussed at the meeting was the prediction from JP Morgan that it will take 10-12 years for the economy to recover.

The Department of Finance is predicting that the State will see a budget shortfall of \$54.3 billion. Some community colleges are preparing their budget using different scenarios, including no COLA and budget reductions from 5% to 15%.

### **4.0 Committee Members Comments**

Mr. Owens noted that there is a special ABOC meeting on May 26 at 5:00pm to review the FY 20/21 Tentative Budget. Ms. Kinman indicated that she would like to better understand the dynamics related to the COVID situation and then set budget priorities based on the situation. Mr. Owens indicated that the discussion could take place at the June 2 Board meeting when the full Board reviews the tentative budget, or at a special meeting held later in the month.

### **5.0 Adjournment**

The meeting adjourned at 6:06 PM.