

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

Date of meeting: May 24, 2021

APPROVED MINUTES

Membership: Bob Owens, Chair; Susan Fish, Member; Karl Watanabe, 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	
Owens, Bob	X	
Watanabe, Karl		X

Others Present: Ngoc Chim, Marilyn Morikang, Danny Nguyen, Linda Wilczewski

1.2 Approval of the Order of the Agenda

The order of the agenda was approved as presented. (Fish/Owens, 2/0/0, with Watanabe absent and not voting)

1.3 Oral Communication

None.

2.0 Regular Order of the Agenda

2.1 Approval of the April 12, 2021, meeting minutes (A)

The April 12, 2021, meeting minutes were approved as presented. (Fish/Owens, 2/0/0, with Watanabe absent and not voting)

2.2 FY 20/21 3rd Qtr. Budget Adjustments and Financials (A)

Mr. Owen's pointed out a few funds the District should monitor closely. He inquired about the transfer-out to cover the transfer-in to Fund 139 (Parking Fund). Ms. Chim indicated that the District set up the budget for the full transfer-in during the 3rd quarter; however, the transfer-out from the HEERF fund was set up in the 4th quarter by the college. Mr. Owen also noted several funds with declining ending fund balance.

Ms. Chim reviewed the 3rd Qtr. Financial Report and Budget Adjustments and indicated that expenses and revenues should be at 75%; overall, all funds are where they should be. She highlighted the following:

- Fund 110 – Unrestricted General Fund. This fund is on-target, although revenues are shown at approximately 65%. This is a normal trend for the 3rd quarter. The expenses are below 75% due to the deficit payback for West Valley College from the prior year. They will intentionally leave budget unspent at year-end.
- Funds 12x & 13x – Restricted General Funds (Grants). Revenues are approximately 53% and expenditures are approximately 41%. This is a normal trend, and these funds will balance at year end. Mr. Owens noted that there was a significant increase in federal grant funds. Ms. Chim reported that the increase is primarily from the Higher Education Emergency Relief Fund (HEERF) grant.
- Fund 138 – Health Services Fund. This fund is in good shape and will balance at year end mainly due to salary savings from one Health Services Director now overseeing both campus programs. No concerns at this time because revenue exceeds expenditures.
- Fund 139 – Parking Fund. Currently, there is very little new revenue since parking fees being collected are almost non-existent with very few students on campus. There was a transfer-in of \$1.5M from HEERF funds to offset the loss in revenue.
- Fund 330 – Child Development Fund. Expenditures currently exceed revenue. The fund balance will cover deficit in the current year. The colleges may use HEERF funds to help sustain the operation until things return to normal.
- Fund 791 – OPEB Trust Fund & Fund 792 – Pension Stabilization Fund. Both of these investment funds show a loss in the 3rd quarter.

There was a motion by Fish, seconded by Owens, to “accept the FY 20/21 3rd Qtr. Budget Adjustments and Financials and recommend them to the Board for approval.” The motion passed, 2/0/0, with Watanabe absent and not voting.

2.3 FY 20/21 3rd Qtr. 311 Report (A)

Ms. Wilczewski reviewed the 3rd Qtr. 311 Report, which is due to the State within 45 days of the close of the quarter. Overall, the report is a good one.

There was a motion by Fish, seconded by Owens, to “accept the FY 20/21 3rd Qtr. 311 Report and recommend it to the Board for approval.” The motion passed, 2/0/0, with Watanabe absent and not voting.

2.4 FY 21/22 Tentative Budget (A)

Mr. Owens had several questions regarding the tentative budget, which were addressed by Ms. Chim prior to the presentation. Mr. Owens also expressed some concern about several funds, including the Parking Fund, Child Development Center Fund, Community Education Fund, and Student Body Center Fund, that may need to be subsidized by the general fund if their budgets cannot be balanced.

Ms. Chim reviewed the FY 21/22 Tentative Budget. The State’s budget outlook is positive, with the State projecting a surplus of \$75.7 billion in FY 21/22. As a result, the State is predicting that it will exceed the GANN Limit in FY 21/22. In this situation, K-14 may receive additional funding and taxpayers may get a tax rebate. She then highlighted the following areas:

- State Budget: May Revised
- California Community College Budget – January vs. May Revised
 - Four new items to receive on-going funding.
 - Proposed \$800 million in one-time funding for community college system.
- WVMCCD budget assumptions
- RAM distribution summary
- RAM allocation categories
- Unrestricted General Fund revenue
 - Approximately 87% of revenue comes from property taxes.
- Unrestricted General Fund expenses
 - 81.07% of expenditures are salary and benefits.
- Contingency holding/one-time budget
- Projected ending fund balance
 - Community Support Reserve, which looks like a lot of money, would only cover up to three months of salary and benefits if a catastrophic event occurred to the district’s current funding.
- Challenges and Obligations
 - Governor’s budget is optimistic, but there are still a lot of unknowns, including inflation.

There was a motion by Fish, seconded by Owens, to “accept the FY 21/22 Tentative Budget and recommend it to the Board for approval.” The motion passed, 2/0/0, with Watanabe absent and not voting.

3.0 Staff Members Comments

Ms. Chim thanked her staff and the college Administrative Services Offices for their work in preparing the budget and ensuring that it was delivered on-time and in accordance with statutory requirements.

4.0 Committee Members Comments

None

5.0 Adjournment

The meeting adjourned at 6:36 PM.