
EL CAMINO COLLEGE
Planning & Budgeting Committee
Minutes
Date: May 3, 2012

MEMBERS PRESENT

- | | |
|---|---|
| <input checked="" type="checkbox"/> DeSanto, Michael – Campus Police | <input checked="" type="checkbox"/> Shenefield, Cheryl – Administrative Svcs. |
| <input checked="" type="checkbox"/> Natividad, Rory – Mgmt/Supervisors | <input checked="" type="checkbox"/> Spor, Arvid – Chair (non-voting) |
| <input checked="" type="checkbox"/> Patel, Dipte – Academic Affairs | <input type="checkbox"/> Tomoda, Kenji – ASO |
| <input type="checkbox"/> Quinones-Perez, Margaret – ECCFT | <input type="checkbox"/> Turner, Gary – ECCE |
| <input checked="" type="checkbox"/> Reid, Dawn – Student & Community Adv. | <input checked="" type="checkbox"/> Widman, Lance – Academic Senate |

OTHERS ATTENDING: Janice Ely, Connie Fitzsimons, Katie Gleason, Alice Grigsby, Jo Ann Higdon, Kelsey Iino, Ken Key, Russell Levine, Lynn Lindberg, Jeanie Nishime, Emily Rader, John Wagstaff, Will Warren

Handouts: 2011-12 Cash Flows (Actuals/Projected); Budget Update (President’s News); Desert Sun 4/29/12 article; District Background for Proposed G.O. Bond Issuance (April 2012); Facilities Steering Committee April 23, 2012 minutes; HMC Architects campus map for 2012 Facilities Master Plan

The meeting was called to order at 1:05 p.m.

Approval of April 19, 2012 Minutes

1. The 5-year budget assumptions will not be discussed today – still waiting for estimated insurance increases.
2. FON refers to faculty *Full-time Obligation Number*.
3. The minutes were approved with no changes.

2012-13 Tentative Budget/Cash Flow Issues (J. Higdon)

1. The tentative budget is not yet ready. Waiting to solidify cash flow issues.
2. Tax Revenue Anticipation Notes (TRANs) is a way for districts to borrow money and pay back when tax revenues come in. Increasingly common for almost all districts to have a TRAN. Mid-year TRAN allows districts to have two TRANs in a year. ECC is in a large LA County pool with lower interest rates. State deferrals helped create cash flow problems.
3. ECC will request Board approval in May for a \$7 million to \$10 million TRAN starting July 2012. May need two TRANs depending when state allocation comes in. May need a mid-year TRAN in 2013 which could be as high as \$25 million to \$30 million. ECC’s last TRAN was \$10 million. Long Beach Unified School District borrowed \$75 million!
4. TRANs are similar to bonds, packaged by professionals who find buyers (usually large banks or corporations), public offerings, selling and interest rates – it is considered a safe investment.
5. TRAN interest paid and earned (interest bearing account) shown in budget as a net amount. Must pay back TRAN before receiving another. TRAN proceeds are handled by LACOE.
6. What was the \$17 million TRAN interest rate received in July 2011? The answer will be provided to PBC.
7. Majority of cash flow issues are due to state deferrals and when payments come in – every district’s cash flow issue is different. The state owes ECC \$18,392,333 this year (2011-12) but won’t pay until next year.

Handouts (J. Higdon)

1. President's Newsletter: ECC Budget Forum was held on April 5th. Links to slides from the presentation and question/comment box is available on the ECC main page (click on Budget Updates). Questions/comments on the budget will be posted.
2. Recommend reading Dan Walters article in the Desert Sun about California's budget.

Bond Fund (J. Higdon)

1. Voters in the ECC district approved \$394.5 million in General Obligation (G.O.) bonds in 2002. \$213.7 million have been sold and \$180.8 million left to sell (Series C).
2. District Assessed Valuation (A.V.) – excellent rates between 1990 and 2012 at an average of 4.57%. Assessed value based on selling price.
3. How does this discussion relate to PBC? Although bond fund projects are reviewed by another committee, this is presented to PBC as an informational item, part of global planning and linking planning and budgeting.
4. ECC District's assessed valuation has remained stable from 2011 to 2012.
5. Local residents paid \$19.03 per \$100,000 assessed valuation in 2004 and \$16.88 in 2012. Bond was passed under Prop 39 which allows special districts to require only 55% of vote to pass the bond.
6. L.A. County community college tax rates for the repayment of general obligation bonds: Santa Monica CCD pays the highest at \$79.48 and ECCD the lowest in the entire county at \$16.88. Rates are determined by time, amount borrowed, and assessed valuation of property in the district (not campus property).
7. Series A will be paid off after 2013. \$63 million (Series A) was issued in March 2003.
8. Interest rates have varied historically.
9. Next steps: board resolution to authorize Series C bonds, obtain credit rating, preliminary official statement, price bonds and close transaction.

Facilities Master Plan (A. Spor)

1. Facilities Steering Committee meetings are scheduled on May 7th and May 14th at 2:00pm in the Board Room. Encourage those who are interested to attend.
2. \$426 million total funded projects. \$331 million total unfunded projects.
3. Remaining funded projects under the current bond include Murdock Stadium bleachers, Shops, Manhattan Beach Blvd. multi-level parking structure, Student Services building, renovation of Natural Sciences and I&T (MCS) buildings, and MBA building. Costing will change - was done prior to knowledge of problems with 1968 parking structure (18 acres) which could cost large sum of money. Structure is perfect venue for a photovoltaic (PV) project which converts sunlight into electricity, further saving on utilities costs.
4. Projects that would be covered by extension of the bond include PE complex, Student Activities Center, Music, Arts & Behavioral Science, and Administration building.
5. Unfunded modernization projects include Marsee Auditorium, Library, Planetarium, Construction Technology, Warehouse, and Maintenance buildings.
6. With changes in construction code in 2008, it's almost as cheap or cheaper to knock down buildings and build new.
7. ASO prefers separate buildings for Library and Administration functions. The Facilities Steering Committee is discussing the efficiency of incorporating Administration with another building.

The next meeting is scheduled on May 10, 2012.

The meeting ended at 2:00 p.m.