

COUNCIL ON BUDGET AND FACILITIES
June 10, 2024

APPROVED SUMMARY

Members Present: Terry Cox, Monica Farias (DMA Alternate), Henry Hua, Elaine Loayza, Irma Ramos, Jeannette Rodriguez, Stephen Schoonmaker, Leslie Tsubaki, Lourdes Valiente, Kashu Vyas and Fred Williams

Members Absent: Karla Frizler, Cherry Li-Bugg, Kathleen McAlister, Jennifer Oo, Jeremy Peters, Jesus Ramirez, Marlo Smith, and Jomari Tugade

Guests Present: Geoff Hurst, Debbie Shandy, Scott Thayer, and Richard Williams

Call to Order: The meeting was called to order at 2:06 p.m.

1. Summary: The summary of the May 13, 2024, meeting notes were approved.

2. Budget Update

May Revise – Vice Chancellor Williams shared the following highlights with the committee.

- Not much change from the January budget, except COLA increased from the original proposed COLA of 0.76% to 1.07% for the apportionment calculation and certain categorical programs. There is still concern whether COLA will be funded, due to opposition with Education favored in the May Revise.
- No scheduled maintenance funds.
- No changes to the hold harmless provision, will still be phased out after the 2024-25 year.
- Still expecting a deficit in 23-24 when P2 numbers are released, but the State Chancellor has not quantified.
- Upon discussion with the State Chancellor's Office, they expect significant activity between May and July 1, when the budget is signed.
- An article was released from School Services of California on the economic forecast, a moderate growth is expected. Most districts are planning for reductions in 2024-25 year, however, NOCCCD will not need to make any reductions but will need to discuss future plans.

Budget Assumptions

Kashu Vyas shared the updates with the Committee on the Tentative budget and noted that the P-2 FTES numbers and the estimated 1.07 COLA were used in the calculation. Under the State Revenues, Vice Chancellor Williams noted that for the Full-time Faculty Hiring Funds the Board of Trustees took action not to accept the second year of funding, therefore the District will only have the 2018-19 allocation, in comparison to other districts who may have elected to accept the second year. Ms. Vyas shared that the interest earnings estimate was increase this year to \$3 million based on trends from the last couple of years. The Part-Time Faculty Health Insurance Program was pulled from the SCFF calculation, as a resource to allocate out to the budget centers and added to the Local Revenue/Self Supporting Revenue because staff anticipate that the program will receive revenues to offset against the expenses.

Mr. Williams shared some insight on the Position Control Budgets, stating that while District Services has been diligently reviewing and adjusting the list of vacant positions, there are still millions of dollars budgeted for vacant positions. While a 2-3% vacancy rate is always accounted for, there is about a \$10 million dollar difference between what

is budgeted and the actuals. The campuses will also need to review the vacancies in more detail to determine whether the position can be eliminated or if it will be budgeted for.

A RAM budget summary page was shared with the committee and Mr. Williams emphasized that the structural deficit is defined by the earnings against the expenditures, excluding any supplementary funding (hold harmless and emergency conditions). The supplemental funding will eventually be phased out and the expenditures will exceed the revenues, unless enrollment increases. The State Chancellor's calculations have been matching District calculations and while there is no immediate concern for NOCCCD, revenues will need to increase to fund the current expenditures for future years.

Questions/Comments:

1. What are the election expenses and what do they cover? When a Board of Trustees' term is over and they are up for re-election, the fees cover any printing, distribution, and election fees associated with the process. If there is an opposition to any of the seats, the District incurs expenses. This year there are four Trustees up for re-election.

3. One-Time Funding

Network Refresh – Phase II – It was previously discussed at CBF that on-going IT/IS expenses would be funded with annual updates on expenses and agreements. Geoff Hurst provided a proposal for upcoming expenses for Phase II of the IT Network Refresh project. As technology continues to advance, it is advantageous for the District to keep ahead of known software and hardware.

Questions/Comments:

1. *Mr. Williams – noted that expenditures such as the IS request, typically are accounted for within a District's budget, however, NOCCCD has been fortunate enough to have one-time resources available for these expenses.*

The request for \$5 million to support the Network Refresh – Phase II was approved by consensus to move the request to DCC.

4. Facilities Updates

Anaheim Campus – Richard Williams provided an update on behalf of the campus.

- Swing Space-Interim Housing – DSA Certification was received on May 13 and the project will be closed out.
- Upper Deck Renovation – Waterproofing is underway. Concrete pouring and curing is complete and the storm drains were relocated to improve drainage. Preparation for interior work with the all-gender restroom is underway. Construction is anticipated to be complete by late 2024.
- Board Room Renovation – The team is trying to expedite this project to have a completion date in late 2024/early 2025 for occupancy in early spring of 2025.
- Interior and Exterior Signage – Surveying came back clean with no utilities in the way allowing the sign to be left where it is. "Anaheim Campus" will be affixed to curved bar with fabricated connectors in summer 2024.

- East parking lot – Once the swing space portables are removed, the project will commence.
- 9th Floor Renovation – Demolition is scheduled to begin late July, early August.

Cypress College – VPAS, Stephen Schoonmaker provided an update on behalf of the campus.

- Fine Arts Renovation – The project is underway. Currently 5% completed, construction completion is targeted for fall 2026.
- Electrical Vehicle Charging Stations – 60 stations will be installed in lot 4. Fencing went up after commencement and construction completion is expected in the summer before the fall semester starts.
- Health and Wellness Center Renovation – This project involves temporary relocation to begin renovations. DSA acceptance letter was received.
- Gym II Flooring – The campus is looking to add graphics to the gym floor.
- Auto Yard – Auto lifts are being installed in the auto yard this summer.
- Summer Projects – There are two new roofing projects, the Humanities Building and CCCPlex, plans to paint the outsides of the LRC and Student Center, and working on the Theater Path of Travel.
- Cooling Towers at Main Data Center – A second tower has been installed for main data center due to warmer climate.
- Soccer Field – There will be spot spraying and seeding to improve the field, installation of a new score board, and new timed lighting to adhere to the new lighting regulations.
- Pool Score Board Installation - A new scoreboard was purchased and will be installed.
- Fire System Inspection – The inspection went well, but there will be a punch list of items that will need to be updated/fixes based on the inspection.
- City of Cypress Event – June 28, the City of Cypress will be hosting the Salute to America event on campus.
- Softball Field – The Design Team completed the schematic design. A new team room will be included in the scope of work. Construction is anticipated in 2025.

Fullerton College – VPAS, Henry Hua provided an update on behalf of the campus.

- 300 Building Renovation – The Notice to Proceed was received on May 15. Mobilization and construction begin on May 28. Project completion is anticipated in December 2025.
- Chapman/Newell Instructional Building – The metal structure is completed, and concrete pours are anticipated to occur in June once work on the deck is completed. A topping ceremony is anticipated on July 15. Additional information will be shared with the committee later.
- M&O Building – Brick and steel beam framing have gone up. The deferred elevator guard rail was resubmitted for DSA review in mid-May. Project completion is anticipated in December 2024.
- Performing Arts Complex – At the May 28 Board of Trustees meeting, Kitchell was selected to provide construction management services for the project. Project plans were submitted and waiting for approval from the State Chancellor's Office. Construction is anticipated in October 2024.
- New STEM Building - Construction is dependent on the state bond passing in November.
- Softball Field and Soccer – Staff are waiting for the renditions for the new athletic recruitment complex.

- Wilshire Chiller Plant Relocation – On May 15 a pre-construction meeting was held with all major parties to strategize the project's success.
- Welcome Center – Status quo

Mr. Williams shared that funding concerns were discussed with the Citizens' Oversight Committee at its June 5th meeting. Fullerton College is the most challenging, with the number of projects and the costs associated with them. Additional bond funding will be needed and the District may need to go out for a 2028 Bond.

5. **Future Meeting** – During the Anaheim Campus construction, meetings will be held in the Chancellor's Conference Room. Videoconferencing options are also available at the campuses.

The July 8 meeting was cancelled, and the August 12 meeting was tentatively scheduled. Additional information will be shared with the committee as the dates approach.

July 8 – Canceled
August 12 - Tentative
September 9
October 14
November 11 (holiday)
December 9

Meeting was adjourned at 3:13 p.m.