

Additional Information
May 12, 2020 Board Meeting

The following additional information was provided regarding the May 12 Board meeting agenda:

Item 3.a, Purchase Order Listing:

1. P0138886: Is this the firm that reviewed/created the college foundations' MOUs? **Yes, this is to an audit firm that specializes in auxiliary organizations. This work is to assess the District's three foundations for "Foundation in Good Standing" which is a new District Audit Requirement.**
2. P0138969: Please contextualize this purchase order. **The Society of Composers, Authors and Music Publishers of Canada (SOCAN) is a Canadian performance rights organization that represents the performing rights of more than 135,000 songwriters, composers and music publishers. This purchase order for SOCAN is so that Fullerton College radio station, 90.1 FM KBPK, can purchase the rights to air music that is legally protected with royalty rights. By purchasing these rights through SOCAN, the College does not have to negotiate with individual artists.**
3. P0139055: Please contextualize this purchase. **For the past few years the Fullerton College owned and operated Bookstore has experienced a significant decline in sales. Fullerton College contracted with an independent consulting firm with no ties to any retail bookstore company, to conduct a site visit and perform an analysis on the bookstore's operations. The analysis includes information on current operations and sales trends, as well as recommendations for improved sales and fiscal performance. Staff are in the process of reviewing and analyzing the report that has been provided by the consulting firm.**

Item 3.e, Release of Committed Fund Balance for PERS/STRS Rate Increases

1. Presumably, the judgment that "the majority of the known rate increases appear to have been absorbed" so the committed funds won't be needed reflects pre-COVID circumstances. Now the State is projecting budget deficits far larger than those in the Great Recession of the late 2000s. These will lead to state budget cuts and tax increases. Could those actions cause increases in the District's required PERS and STRS costs? If so, wouldn't it be prudent to keep the committed funds until we know whether they will be needed? **This agenda item is to release the Uncommitted Balance that we have for this category so that we can clean up the accounting records. In the event that we wish to commit a different amount and different categories, we would bring that to a future Board meeting.**

Yes, we expect significant budget reductions related to COVID-19 and we have started discussion on where to allocate one-time dollars at our shared governance meetings.

2. Remind us the order of priorities DCC decided on. **With pending budget issues that we are expecting, the use/recommendations of one-time funding will change significantly. The following is the discussion that took place at Council on Budget and Facilities (CBF) on Monday:**
 - a. **Removed the 20-21 Hold Harmless Dollars from consideration until budget reductions are released by the State.**
 - b. **Removed most of the previous categories**
 - c. **Discussed allocation of \$49.5 million including:**
 - i. **Salaries and Benefits of \$3.5 million to cover the cost of existing MOUs**
 - ii. **Remaining SERP payments \$5.0 million.**
 - iii. **\$2 million for 19-20 and 20-21 technology contracts (previously approved by DCC and CBF)**

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- iv. Capital Improvements of \$19.6 million approved by CBF, DCC and the Board of Trustees
- v. \$8.0 million to support the implementation of the local Resource Allocation model and to provide a “hold harmless” period
- vi. COVID-19 Expenses:
 - 1. TBD – \$10.5 million – this will be brought back to the June CBF meeting for further discussion
 - 2. Backfill for parking and health fees refunds \$.9 million

Item 3.h, Cypress College Request for Naming

- 1. The recommendation needs to be reworded. It should say “It is recommended that the Board name the existing hallways...” since the Cypress College Foundation does not do the naming. **The following revised recommendation will be suggested during this evening’s Board meeting, “It is recommended that the Board grant authorization to name the existing hallways and gallery on the second floor of the Student Services Building at Cypress College, the Ursula Lowenback Foster Holocaust Memorial Gallery.”**

Item 3.i, Change Order for Consulting Services Proposal for the Cypress College SEM Building

- 1. This is a 72% increase in the consultant’s contract. Why is it justified? Aren’t the building enclosure systems that are listed the ones that the consultant was hired for in the first place? (I specifically recall the roofing, façade, and rainscreen being mentioned at the time the contract was awarded.) **The original contract with ABBAE was created to focus on exterior systems of the Science, Engineering, and Math (SEM) building, including the roofing, façade, and rainscreen reviews. This expanded contract is focused on additional hours needed for the Veteran’s Resource Center and Student Activities Center (VRC/SAC) not included in the original contract, specifically the glass storefront doors, bi-fold glass, and other exterior waterproofing reviews for areas directly adjacent to the VRC/SAC, which are listed in the agenda item under the rainscreen reviews. These increased costs are within the established budget for professional review services for the project.**