



## **District Committee on Budget & Finance**

**November 17, 2020**

**Zoom, 1:30 – 3:30 p.m.**

**Attendees:** Bernata Slater, Eloisa Briones, Mary Chries Concha Thia, Judy Hutchinson, Steven Lehigh, Vincent Li, Graciano Mendoza, Micaela Ochoa, and Ludmila Prisecar

**Absent:** Tony Burolla, Anthony Frangos, Sofia Fernandez Giorgi, Sam Haun, Nick Kapp, Martin Partlan, and Minn Thurei Naung

**Guests:** Peter Fitzsimmons, Ray Hernandez, Ben'Zara Minkin, and Alice Zhang

**Called to order at 1:38 p.m.**

### **1. Introductions**

Attendees and guests introduced themselves. Alice Zhang attended on behalf of Sofia Fernandez Giorgi.

### **2. June 30, 2020 Actuarial Study / OPEB Update**

Slater shared the actuarial study as of June 30, 2020 prepared by Total Compensation Systems, Inc. The study is the roll forward study, which is performed every other year. Funds are set aside in an irrevocable trust to pay for the premiums associated with retiree medical benefits. The study projects costs of these benefits in relation to asset projections and provides an analysis as to funding (e.g., short funded or over funded) at a point in time. The study indicated a liability (projected cost) of \$118m with \$128.5 million in projected assets or over-funded by \$10.5m. The District continues to charge itself a service cost that was reduced from 5% to 3% effective FY20-21. This service cost is to provide funding for active employees who have yet to retire.

Ochoa asked what amount was contributed from Fund 1 in 19-20. Slater stated there was no contribution last year to the Irrevocable Trust. Concha Thia asked about the annual cost. Slater replied that the cost of retiree benefits is approximately \$7.4m. Fitzsimmons provided information with relation to Fund 1, Fund 8, and the OPEB Trust Fund in response to questions from the Committee. Slater responded to Lehigh's inquiry in relation to the service cost and what was paid by Fund 1 in the past – they are separate and distinct.

### **3. FY 2019-20 Audit Update**

Slater stated that the audit is underway and thus far there are no findings. The auditors are still working through the process. One of the challenges is that the Federal Government has not yet published audit guidelines for the CARES funding. The auditors won't be able to finalize the audit; however, the District is confident of a favorable audit (except for the 50% Law Compliance, which was expected.)

### **4. EOC / COVID-19 Response Update**

Hernandez and Minkin were invited to provide an overview of the District's response to the pandemic. Slater stated that although the District did receive State and Federal funding to cover some of the costs to respond to the pandemic, there were costs from Fund 1 in 19/20 and will be costs in 20/21 from Fund 1. FEMA is likely going to deny the District's claims based upon revised guidance.

Hernandez is the Operations Chief for the EOC and oversees the continuity of instruction and student services. These functions revolve around safety protocols to ensure that everyone is safe. A taskforce was developed early in 2020 to get ahead of the curve. The taskforce shifted into an EOC (Emergency Operations Center) as the pandemic evolved to expand the District's ability to respond to the pandemic. The District shifted to an online modality with the exception of select courses. Minkin worked with New York City to glean standard operating procedures as NYC was a hotspot at that time. The result was the generation of the District's Health and Safety Plan, which is a multi-faceted plan in response to the pandemic and contains nine working scenarios. The plan is available on the District's website. Slater was originally the Financial Chief on the EOC and Fitzsimmons succeeded her in this role a couple months ago.

Minkin provided a synopsis of the procurement workflow process and the myriad of logistical needs that have been provided to the colleges to ensure employee and student safety. He provided information regarding safety protocols including PPE, signage, sanitization efforts, etc. for business / operational continuity.

Minkin shared slides with regards to the various tiers based upon the State's color system. Each color has different levels of protocols. Minkin advised that the County is currently in the red tier; however, will likely move backwards into the purple tier soon given the surge throughout the State. This will require tightening restrictions. Athletic Programs and Cosmetology will be impacted significantly. See <https://covid19.ca.gov/state-dashboard/>

Minkin talked about the need for additional resources for technology to serve students in this remote learning environment. He also spoke about flu immunizations and as vaccinations become available to aggressively pursue the ability for staff and students to receive vaccinations in an effort to resume "normal" operations. This will likely not happen until late 2021 or early 2022 to best ensure immunity from COVID-19. See <https://www.nytimes.com/interactive/2020/science/coronavirus-vaccine-tracker.html#moderna>

Hernandez spoke to how the District responds to when an employee or student tests positive for COVID-19. He shared the District's COVID-19 Website with the committee. This website provides information regarding the District's plans and protocols with regards to the District's response to the pandemic. The website also provides an "exposure report" which provides the date, campus, incident type, exposure risk level, and the action taken by the District for each positive case. The proactive work that we have done as a District has contributed to the District not having any cases that have spread from one employee/student to another employee/student.

There is an expense to the pandemic and the District is being fiscally responsible to ensure the safety of staff and students. Slater asked about the continued need with regards to the level of sanitation, PPE, etc. once the District resumes "normal" operations. Minkin responded that the culture has changed for at least the next decade and even when the pandemic is "over" the expectation for sanitation, PPE, etc. will persist. Accordingly there will be ongoing costs to meet these expectations beyond for many years to come. There will be other changes such as increased handwashing, decrease in handshaking, automatic door openers (to avoid having to touch door handles, etc.

Slater reiterated that the costs are real and will likely be ongoing for some time. The District Office / Facilities has spent \$900k from Fund 1 for FY20-21 from July through mid-November. There are also significant cost burdens for the colleges. Minkin spoke about social distancing costs, which are likely significant. Additionally there will be costs with regards to safety equipment and supplies – especially while the County remains in the purple / red tiers.

Briones inquired if a vaccine will be mandated. Hernandez stated that it is not currently mandated; however, that may change with the new administration at the Federal level assumes office in January 2021. The District will encourage and educate folks with regards to the benefits of being vaccinated.

**5. Economic Update (from CCFC Conference)**

Slater advised the committee that the presentation was not yet available.

**6. FY 2019-20 Inter-Fund Transfers**

The information was emailed to the committee in advance of the meeting. Slater reviewed the actual transfers for the prior year. Slater and the VPAS' spoke to the details behind their sites' from Fund 1 to Fund 4.

**7. December 2020 Meeting Cancellation**

Slater asked if the committee would consider the cancellation of the meeting given her medical leave. The committee agreed.

**8. Public Comments**

There were no public comments.

**9. Next Meeting:** January 19, 2021

**Meeting adjourned at 3:20 p.m.**