

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

Date of meeting: February 9, 2016

APPROVED MINUTES

Membership: Bob Owens, Chair; Steve Landau, Member; Jack Lucas, 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
Landau, Steve	X	
Lucas, Jack	X	
Owens, Bob	X	

Others Present: Ngoc Chim, Pat Fenton, Ed Maduli, Patrick Schmitt

1.2 Approval of the Order of the Agenda

The order of the agenda was approved as presented. (Lucas/Landau, 3/0/0)

1.3 Oral Communication

None.

2.0 Regular Order of the Agenda

2.1 Approval of the January 12, 2016, meeting minutes (A)

The January 12, 2016, meeting minutes were approved as presented. (Lucas/Landau, 3/0/0)

2.2 FY 15/16 2nd Qtr. Budget Adjustments and Financials (A)

Ms. Chim reviewed the 2nd Qtr. budget adjustments. She reminded committee members that this is a routine report and that all funds should be at 50% for revenues and expenditures. She highlighted the following:

- Fund 120 – Restricted General Fund (Grants). Expenditures appear low because monies for grants are being carried in to the next fiscal year. Mr. Maduli noted that monies from the Land Corporation special project categories are deposited in Fund 120.

- Fund 122 – Parking Fund. Monies will be used to purchase new parking permit machines and fund parking lot improvements. Mr. Maduli noted that the District received \$45,000 for the use of Mission College parking lots for Super Bowl 50. A portion of this money, if not all, will be used to fund needed lot and roadway repairs at Mission College, which are currently in excess of the \$45,000.
- Fund 293 – Retiree Health Benefits. Expenditures are below the 50% mark due to timing of payments.
- Fund 330 – Child Development. The colleges, especially West Valley, have done an excellent job with the Child Development program in terms of becoming self-sufficient. Both programs are doing well enough that there may be an ending balance at the end of this fiscal year.
- Fund 74X/750-756 – Student Financial Aid. These funds will always appear with a negative balance because the Financial Aid draw-down from the government, and reconciliation of the accounts, do not occur until year-end.

Mr. Owens inquired about Fund 759/760 – Scholarship and Loan Trust. Funds in this account are provided by the Land Corporation. The Land Corporation contributes 10% of its gross rental income to an Endowment Fund that resides with the Advancement Foundation. These funds are invested by the Foundation and the interest earned is then provided as scholarships. If the invested funds earn no money, how are scholarships awarded? The Chancellor replied that he did not have an answer and would provide a response at a later date.

There was a motion by Lucas, seconded by Owens, to “recommend to the full Board approval of the FY 15/16 2nd Qtr. Budget Adjustments and Financials.” The motion passed unanimously.

2.3 FY 15/16 2nd Qtr. 311 Report (A)

Ms. Chim reviewed the 2nd Qtr. 311 Report. She noted that the 311 Report only records the activities of the unrestricted general fund. She identified that the cash flow has significantly improved over the same time last year primarily due to the State releasing funds and the receipt of property taxes.

There was a motion by Lucas, seconded by Owens, to “recommend to the full Board approval of the FY 15/16 2nd Qtr. 311 Report.” The motion passes unanimously.

2.4 Review of the 2015 Actuarial Study (I)

Mr. Maduli reviewed the Actuarial Study of Retiree Health Liabilities as of July 1, 2015. The “Distribution of Eligible Participants by Age,” forms the basis of the report. The general findings are that the District has an actuarial accrued liability of approximately \$83 million. Actuarial plan assets as of June 30, 2015, are

approximately \$36.7 million. The unfunded liability is approximately. \$46.3 million. Mr. Maduli stated that the unfunded liability has decreased over the last several years but that more progress is needed, especially to help maintain the District's bond rating.

2.5 Review of the State Budget (I)

Mr. Maduli provided an update on the State budget and how it will impact the Community College System and, specifically, the District. An in-depth review will be provided at the Board Budget Workshop scheduled on February 16.

3.0 Staff Members Comments

None.

4.0 Committee Members Comments

None.

5.0 Adjournment

The meeting adjourned at 6:30 PM.