

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

Date of meeting: January 11, 2017

APPROVED MINUTES

Membership: Bob Owens, Chair; Susan Fish, Member; Randi Kinman, Member

1.0 CALL TO ORDER – PUBLIC SESSION

The meeting was called to order at 5:43pm by Mr. Owens.

1.1 Roll Call

	Present	Absent
Fish, Susan	X (arrived at 5:50pm)	
Kinman, Randi	X (arrived at 5:44pm)	
Owens, Bob	X	

Others Present: Rick Bennett, Ngoc Chim, Pat Fenton, Ed Maduli, Terri Montgomery, Patrick Schmitt

1.2 Approval of the Order of the Agenda

There was no action on this item as there was only one member present when the meeting was called to order. Mr. Owens asked Ms. Terri Montgomery, from the audit firm of Vavrinek, Trine and Day, LLC, to present the FY 15/16 District Audit. A quorum was achieved at 5:44pm.

1.3 Oral Communication

None.

2.0 Regular Order of the Agenda

2.1 Approval of the November 9, 2016, meeting minutes (A)

The November 9, 2016, meeting minutes were approved as presented. (Kinman/Fish, 3/0/0)

2.2 FY 15/16 District Audit (A)

Mr. Maduli noted that the audit report was completed on-time and thanked Ms. Chim and Ms. Montgomery. Ms. Montgomery in turn thanked District and college staff for providing requested information in a timely manner.

Ms. Montgomery stated that one aspect of the audit is to confirm that the numbers presented by the District on its 311 reports are accurate. She reported that the numbers were accurate and that the audit “presents fairly,” meaning it’s a clean audit. She then highlighted the following:

- Pgs. 18 & 19 – These pages represent the numbers presented on the 311 report, but since they are not presented in a similar format one would not be able to tie them back to the original 311 report.
- Pg. 71 – This page shows trend information for CalPERS and CalSTRS liability. The information is not too useful now because it only reports two years, but it will become very useful in the next six to seven years.

The summary of auditor opinions begins on page 94. Opinions are given for financial statements, federal awards, and state awards.

- Financial statements – There was one opinion, or finding, as it related to Accounts Payable Accruals. The issue has been noted and will be corrected.
- Federal Awards – no findings.
- State Awards – There were four findings in this area. The colleges’ have been informed and will work to correct the problems. There was a brief discussion about attendance records and reporting, and process and procedures because several courses at Mission College were missing certified census reports.

Mr. Owens informed new ABOC members that the District Audit also encompasses the Land Corporation and Foundation financials. Both also have individual audits. He expressed concern that the Foundation investments lost approximately \$510,000, especially since the investment funds are provided by the Land Corporation. He indicated that he would like to reconsider the Land Corporation’s contributions to the Foundation if investments continue to lose money.

Mr. Owens then referred to pages 64 & 65, which address pension liability. There was a discussion on CalPERS & CalSTRS contribution rates, investment earnings, and impacts to employers/employees.

There was no further discussion. There was a motion by Kinman, seconded by Fish, to “accept the FY 15/16 District Audit and recommend it to the Board for approval.” The motion passed unanimously.

2.3 FY 17/18 Non-Resident Tuition Fee (A)

Mr. Maduli provided background information on the non-resident tuition fee and recommended that the District charge \$234/unit, which is the statewide average and which will keep the District competitive with the neighboring districts. WVMCCD’s actual cost is \$250/unit.

There was a motion by Fish, seconded by Kinman, to “approve the FY 17/18 non-resident tuition fee at \$234/unit with no capital outlay fee.” The motion passed unanimously.

Mr. Owens would like information on where the District’s non-resident students come from and how many of them take 12 or more units per semester. Mr. Maduli stated that he would provide the information once it was received from the colleges.

2.4 2017 Budget Calendar (I)

Mr. Owens reported that the budget calendar is a tool used in budget development and that a copy was provided to ABOC members. Any questions related to the calendar should be directed to the Vice Chancellor’s office.

2.5 Impact of CalPERS Reducing its Investment Rate of Return (I)

This discussion took place as part of item #2.2.

2.6 Future Meeting Schedule (A)

ABOC currently meets on the second Tuesday of each month. This schedule does not work for current members. Following a discussion, it was decided that ABOC meetings would move to the second Monday of each month beginning in February 2017.

3.0 Staff Members Comments

Mr. Maduli made a few comments regarding the sale and refunding of the lease revenue bonds. He noted that the sale of the bonds were timed in such a way that the District garnered savings on both sales.

He also reported that the Santa Clara Successor Agency of the Redevelopment Agency authorized the sale of the Gateway 2 property, which garners approximately \$6 million in one-time funds for the District.

4.0 Committee Members Comments

Mr. Owens reminded new members that this committee only has three members, meaning that only two are needed to achieve a quorum. As such, he cautioned the new members that they should not talk amongst themselves about any items related to the agenda or they will be in violation of the Brown Act. Questions related to the agenda should be directed to the Vice Chancellor. If contacting him via email, no other member should be copied.

5.0 Adjournment

The meeting adjourned at 6:33 PM.