

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

Date of meeting: November 6, 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 5:31pm by Mr. Owens.

1.1 Roll Call

	Present	Absent
Fish, Susan	X	
Kinman, Randi	X	
Owens, Bob	X	

Others Present: Rick Bennett, Ngoc Chim, Pat Fenton, Susan Hutton, Ed Maduli, Patrick Schmitt

1.2 Approval of the Order of the Agenda

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

1.3 Oral Communication

None.

2.0 Regular Order of the Agenda

2.1 Approval of the August 28, 2017, meeting minutes (A)

The August 28, 2017, meeting minutes were approved as presented. (Kinman/Owens, 3/0/0)

2.2 1st Qtr. Budget Adjustments and Financials A)

Mr. Maduli reported that the budget adjustments and financials were reviewed by the Fiscal Workgroup and District Council. Ms. Chim reviewed the report and highlighted the following funds:

- Fund 110 – Unrestricted General Fund. Revenue is below the 25% expected for the first quarter, but this is a normal occurrence as the majority of the revenue comes from property taxes, which will be

accounted for in the 2nd and 3rd quarters. Most of the current revenues come for student fees.

- Fund 12X & 13X – Restricted General Fund (Grants). Revenues in these funds are high due to carry-overs from previous year's grants. Expenditures are low, which is normal for the 1st quarter.
- Fund 138 – Health Services Fund. Revenues for this fund are at more than 50%, which is normal since revenues come from student fees collected at the beginning of the semester. Expenditures are below normal due to a vacant position.
- Fund 139 – Parking Fund. This fund is being closely monitored due to expected deficit spending. The Budget Office is aware of the problem and will meet with the Chief to address outstanding issues. Ms. Kinman asked how the Police Department would be funded if parking fees were eliminated. Mr. Owens suggested that this topic be addressed at a future meeting.
- Fund 330 – Child Development Fund. This fund is always closely monitored. It is currently on target.
- Fund 711 – Associated Students Trust Fund. Even though revenues are less than 1%, it is a normal trend.
- Fund 791 – OPEB Trust Fund. The revenues in this fund fluctuate based on investments.

Overall, the District is on target.

There was a motion by Fish, seconded by Kinman, to “accept the FY 17/18 1st Qtr. Budget Adjustments and Financials and recommend them to the Board for approval.” The motion was unanimously approved.

2.3 1st Qtr. 311 Report (A)

Ms. Chim reviewed the 1st Qtr. 311 report and indicated that the District is in good shape with no significant fiscal problems to address.

There was a motion by Kinman, seconded by Fish, to “accept the FY 17/18 1st Qtr. 311 Report and recommend it to the Board for approval.” The motion was unanimously approved.

2.4 Review of the 2017 Actuarial Report (I)

Mr. Maduli reviewed two drafts of the Actuarial report. Both reports show that the OPEB liability is overfunded. The first draft, Strategy 1, which the District is currently enrolled in, would require that the District continue to make transfers in to Fund 791 – OPEB Trust Fund, which would result in the district completely funding its liability sooner than necessary.

The second draft, Strategy 3, would halt payments to Fund 791 while protecting the principle amount and increasing the return on investment. The assumption of a 6% return was used in this draft.

Strategy 2 was not presented.

There was no action required for this item.

2.5 Review investment strategy for OPEB Trust Fund and possible move from Strategy 1 to Strategy 3 (A)

Following the review of the two draft Actuarial Reports, a discussion took place regarding the strategy that would most benefit the District. Strategy 3 is the most conservative of the choices presented. A change in strategy can take place at any time as it only requires that the District notify CalPERS, who is the OPEB account custodian, of its decision. The District currently uses Strategy 1.

There was a motion by Fish, seconded by Kinman, to “finalize and adopt the Actuarial Study using Strategy 3 and send the finalized report to CalPERS.” The motion was unanimously approved.

There was an additional motion made by Fish, seconded by Kinman, to “direct the Vice Chancellor to communicate to CalPERS the District’s intention to move from Strategy 1 to Strategy 3.” The motion was unanimously approved.

Based on the action taken above, the \$5 million transfer-in for Fund 791, which is reflected in the 1st Qtr. Financial statements, will not be needed. The adjustment will be reflected in the 2nd Qtr.

3.0 Staff Members Comments

None.

4.0 Committee Members Comments

None.

5.0 Adjournment

The meeting adjourned at 6:15 PM.