



**West Valley - Mission**

Community College District

**Board of Trustees  
Audit and Budget Oversight Committee**

**June 11, 2018**

**Board Room**  
West Valley College  
14000 Fruitvale Avenue, Saratoga, CA 95070  
5:30 p.m. Public Session

Bob Owens, Chair  
Susan Fish, Member  
Randi Kinman, Member

**1.0 CALL TO ORDER – PUBLIC SESSION**

- 1.1 Roll Call
- 1.2 Approval of the Order of the Agenda
- 1.3 Oral Communication

**2.0 REGULAR ORDER OF THE AGENDA**

**2.1 Approval of May 14, 2018, meeting minutes (A) – Chair**

**2.2 FY 18/19 Tentative Budget (A)**

This item will include review, consideration, and possible action to accept the FY 18/19 Tentative Budget.

**3.0 STAFF MEMBERS COMMENTS**

This item offers staff members the opportunity to report on issues not listed in the agenda to which no debate or votes are to be taken.

**4.0 COMMITTEE MEMBERS COMMENTS**

This item offers committee members the opportunity to report on issues not listed in the agenda to which no debate or votes are to be taken.

**5.0 ADJOURNMENT**

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

**Date of meeting: May 14, 2018**

UNAPPROVED 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 5:30pm 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, Kristal Dela Cruz, Mina Hernandez, Susan Hutton, Ed Maduli, Patrick Schmitt

**1.2 Approval of the Order of the Agenda**

Mr. Maduli asked that item 2.6 be moved to precede item 2.1. The order of the agenda was approved as amended. (Fish/Kinman, 3/0/0)

**1.3 Oral Communication**

None.

**2.0 Regular Order of the Agenda**

**2.6 Review of Facility Rental Programs (I)**

Mr. Rick Bennett, Mission College Vice President of Administrative Services, provided an overview of the college’s facilities rental program. The presentation included information about processes, fee schedules, long-term contracts and rental revenues. Mr. Bennett indicated that rental revenues have steadily increased over the last several years and are projected to be approximately \$600,000 for FY 17/18.

A copy of the presentation by Mr. Bennett can be found at the following link:

[http://missioncollege.edu/inside\\_mission/admin\\_services/ABOC\\_MC\\_Presentation.pdf](http://missioncollege.edu/inside_mission/admin_services/ABOC_MC_Presentation.pdf)

Mr. Pat Fenton, West Valley College Vice President of Administrative Services, provided information about the college's facilities rental program, including revenues, fees, processes, and contracts. He indicated that the college's athletic facilities are most widely used. Classrooms are also rented, but usually not on a long-term contract since availability can change each semester.

Ms. Kinman appreciated the presentations but requested that, in the future, the colleges' present financial information using the same format. Ms. Fish noted that the posted fee schedule appears to be outdated and should be reevaluated, especially in light of the improvements to the facilities being rented. There was a brief discussion about the need to re-negotiate existing long-term contracts.

### **2.1 Approval of the March 5, 2018, meeting minutes (A)**

The March 5, 2018, meeting minutes were approved as presented. (Fish/Kinman, 3/0/0)

### **2.2 FY 17/18 3<sup>rd</sup> Qtr. Budget Adjustments and Financials (A)**

Ms. Chim reviewed the 3<sup>rd</sup> Qtr. budget adjustments and financials. Mr. Maduli noted that the documents had already been reviewed at District Council and by the Fiscal Workgroup. Revenues and expenditures should be at 75%. Most funds are in alignment; for those that are not, it is a normal trend.

Mr. Owens noted that the Land Corporation provided money to each college for various purposes and that the District's financials do not match those provided by the Land Corporation for the same time frame. Mr. Maduli explained that when the colleges expend funds provided by the Land Corporation, they must invoice the Land Corporation. If there is a delay in the invoicing process, the expenditures will not show on the Land Corporation financials even though they appear on the District's report. In other words, the two sets of financials may only match at year-end when all invoices have been submitted and all expenditures have been recorded.

There was a motion by Kinman, seconded by Fish, to "accept the FY 17/18 3<sup>rd</sup> Qtr. Budget Adjustments and Financials and recommend them to the Board for approval." The motion passed unanimously.

### **2.3 FY 17/18 3<sup>rd</sup> Qtr. 311 Report (A)**

Ms. Chim reviewed the 3<sup>rd</sup> Qtr. 311 Report. She indicated that between the 2<sup>nd</sup> and 3<sup>rd</sup> quarters the District received additional one-time RDA funds. Overall, this is a very good report; the District has sufficient cash flow and fund balance. Mr. Maduli added that one-time monies from the RDA's are anticipated through FY 19/20.

There was a motion by Kinman, seconded by Fish, to “accept the FY 17/18 3<sup>rd</sup> Qtr. 311 Report and recommend it to the Board for approval.” The motion passed unanimously.

#### **2.4 PARS Investment (PERS & STRS Rate Stabilization) (A)**

Mr. Maduli is recommending that the District participate in the PARS Pension Rate Stabilization Program. The pension prefunding Section 115 trust program was designed in partnership with the CCLC to manage future PERS/STRS contribution rate increases and long-term obligations. Districts can make contributions to the trust at its own discretion and withdraw at any time to help pay rising PERS/STRS pension costs. Participating in the trust will address long-term liability, protect funds from diversion, stabilize pension costs, and achieve better returns. Currently, the District sets aside funds for the rate increases in its fund balance. Mr. Maduli is recommending an initial contribution of \$10.5 million and investing in the Vanguard conservative portfolio, which is approximately half Equity and half Fixed Income. This recommendation has also been reviewed and approved by members of District Council and the Fiscal Workgroup.

There was a motion by Kinman, seconded by Fish, to “recommend to the Board participation in the PARS Pension Rate Stabilization Program with an initial investment of \$10.5 million and invest it in the Vanguard conservative portfolio, which is approximately half Equity and half Fixed Income.” The motion passed unanimously.

#### **2.5 Establishment of New Fund (A)**

A new fund must be established to allow the District to prefund pension liabilities in a Section 115 Trust Program. Fund 792 – Pension Stabilization Trust Fund, will be established and maintained by the District and will be created within the Fiduciary Funds Group - Other Trust Fund hierarchy. It is intended to record and track all activities within the trust fund.

There was a motion by Fish, seconded by Kinman, to “recommend to the Board establishment of Fund 792 – Pension Stabilization Trust Fund, within the Fiduciary Funds Group.” The motion passed unanimously.

#### **3.0 Staff Members Comments**

None.

#### **4.0 Committee Members Comments**

Mr. Owens indicated that he would like a presentation/discussion about the different reserves and fund balances within the District’s budget.

#### **5.0 Adjournment**

The meeting adjourned at 6:13 PM.