

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

**Date of meeting: September 3, 2019**

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 4:10pm by Mr. Owens.

**1.1 Roll Call**

	Present	Absent
Fish, Susan	X (arrived at 4:28pm)	
Kinman, Randi	X	
Owens, Bob	X	

Others Present: Karen Chan, Ngoc Chim, Kate Disney, Brad Davis, Pat Fenton, Susan Hutton, Ed Maduli, Danny Nguyen, and Aram Shepherd

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

The order of the agenda was approved as presented. (Kinman/Owens, 2/0/0, with Fish absent and not voting)

**1.3 Oral Communication**

None.

**2.0 Regular Order of the Agenda**

**2.1 Approval of the June 4, 2019, meeting minutes (A)**

The June 4, 2019, meeting minutes were approved as presented. (Kinman/Owens, 2/0/0, with Fish absent and not voting)

**2.2 FY 18/19 4<sup>th</sup> Qtr. Budget Adjustments and Financials (A)**

Mr. Maduli reviewed the FY 18/19 4<sup>th</sup> Qtr. Budget Adjustments and Financials. He indicated that, District-wide, all funds were balanced; however, there was a deficit at West Valley College that required Community Support dollars to balance. He stated that this had never occurred in his eleven years at the District.

There was a motion by Kinman, seconded by Fish, to “accept the FY 18/19 4<sup>th</sup> Qtr. Budget Adjustment and Financials and recommend them to the Board for approval.” The motion passed unanimously.

### **2.3 FY 19/20 Final Budget (A)**

Mr. Maduli provided an overview of the FY 19/20 Final Budget. Overall, the District is fiscally sound and will be minimally impacted by decisions made at the State level. He reviewed the following:

- 2019/20 Community College Budget
- 2019/20 District Budget
- Student Centered Funding Formula
- Historical Salary Enhancement – District vs. State COLA
- 2019/20 Projected Ending Fund Balance
- FTES Summary
- District Liabilities
- District Outstanding Debt for Lease Revenue Bonds
- 2019-20 Unrestricted General Fund Revenue Source – Approximately half of all revenues come from Community Support.
- 2019-20 Unrestricted General Fund Expense
- Statutory Obligations
- 50% Law Compliance
- Plans to Comply with 50% Law
- Full-time Faculty Obligation

There was a brief discussion regarding the Ending Fund Balance. Mr. Maduli indicated that the large balance is deceiving in that a little less than half of the money is already designated to contractual liabilities and Board Policy mandates. He also stated that there should always be an additional designated amount unused to ensure adequate cash flow to cover the cost of monthly salaries and benefits. He added that at least two community-supported districts have had to borrow money to pay for salaries/benefits due to poor cash flow management.

Mr. Maduli then addressed the 50% law and indicated that the District will likely be out of compliance in FY 19/20. Recommendations were made on how to bring the District into compliance. Mr. Owens expressed concern that the colleges will again not be able to balance their budgets for Health Services and Student Center funds; he does not want to use general fund money to subsidize these areas. Additionally, providing additional funding to these areas negatively impacts the 50% Law.

There was a motion by Kinman, seconded by Fish, to “accept the FY 19/20 Final Budget and recommend it to the Board for approval.” The motion passed unanimously.

**3.0 Staff Members Comments**

Mr. Maduli thanked Ms. Chim and her staff, along with the colleges’ Administrative Services Offices, for preparing the Final Budget in a timely manner.

**4.0 Committee Members Comments**

None.

**5.0 Adjournment**

The meeting adjourned at 5:12 PM.