Committee: Scott J. Svonkin, Chair; Ernest H. Moreno, Vice Chair; Mike Eng, Member

Trustee Svonkin called the meeting to order at 1:49 p.m.

PUBLIC SPEAKERS
None.

REPORTS/RECOMMENDATIONS/ACTION

Budget Update

- 2013-14 Preliminary Ending Balances

A document entitled “Los Angeles Community College District, Budget and Finance Committee, A. Budget Update” was distributed.

Ms. Jeanette Gordon, Chief Financial Officer/Treasurer, discussed the document with respect to the Unrestricted General Fund regarding the Fiscal Year (FY) 2013-14 Preliminary Ending Balance; Sources and Uses of Funds as of June 30, 2014; 2013-2014 Preliminary Open Orders and Ending Balances; the 2013-14 full-time equivalent students (FTES) – Annual; and the College Financial Accountability Measures Report/Dashboard.

Disposition: None.

- Analysis of Unrestricted General Fund Balances 2008-09/2013-14

Documents entitled “Los Angeles Community College District, Analysis of Unrestricted General Fund Balances – 2008-09 thru 2013-14” and “ACCJC Accreditation Status as of July 2014” were distributed.


A question and answer session was conducted with respect to the ACCJC Accreditation Status as of July 2014 concerning whether or not the reserve balances having any correlation with the colleges being placed on sanctions.

Disposition: None.

- Notice of 2014-15 Final Budget

A document entitled “Los Angeles Community College District, Budget and Finance Committee, Notice of 2014-15 Final Budget, August 6, 2014” was distributed.
Ms. Gordon discussed the document with respect to the Changes that were made in the Tentative Budget, 2014-15 Final Budget Planning Assumptions and Priorities, FTES, and Revised Funding for Maintenance and Operations (M&O) Costs.

Trustee Svonkin requested and Ms. Gordon concurred that the enrollment growth data be provided to the Committee on a monthly basis.

A question and answer session was conducted with respect to the issues and concerns regarding the Deferred Maintenance Reserve and M&O costs priorities concerning the cleanliness of the campuses.

Trustee Svonkin indicated that he and the Chancellor would be developing a policy that will require the colleges to inform the Committee at a certain threshold of their intent to remove funds from the M&O account to be transferred to another account.

Ms. Gordon continued to discuss the document with respect to the Evaluation of the Budget Allocation Model.

**Disposition:**
- Trustee Svonkin requested that the enrollment growth data be provided to the Committee on a monthly basis.
- Trustee Svonkin indicated that he and the Chancellor would be developing a policy that will require the colleges to inform the Committee at a certain threshold of their intent to remove funds from the M&O account to be transferred to another account.

**Update on Audits**

- **Efficiency**

A document entitled “Status of Efficiency Audit (Broniec Associates) was distributed.

Ms. Gordon discussed the status and timeline of the Broniec Associates efficiency audit report.

**Disposition:**
- None.

- **Foundations**

A document entitled “LACCD, Internal Audit Department, Status Report on Foundation Audits” was distributed.

Mr. Arnold Blanshard, Director of Internal Audit, discussed the status and timeline of the foundation audits.

A question and answer session was conducted with respect to the guidelines for administering the audits.

Trustee Svonkin requested that any issues or concerns be emailed to him or the Chancellor and they will be shared with Mr. Blanshard. He indicated that the Foundation audits are upheld to the District’s highest level of standards.

**Disposition:**
- Trustee Svonkin requested that any issues or concerns be emailed to him or the Chancellor and they will be shared with Mr. Blanshard. He indicated that the Foundation audits are upheld to the District’s highest level of standards.

- **Annual Financial**

A document entitled “B. Update on FY 2013-14 External Audits” was distributed.

Ms. Gordon discussed the timeline of the Financial Audits including the Bond Financial Audit (KPMG), Federal and State Compliance Audit (Vasquez & Company LLP), and the Bond Performance Audits (KPMG).

**Disposition:**
- None.
Update on Banks

A document entitled “Bank Accounts” was distributed.

Ms. Gordon discussed the progress that has been made regarding the Request for Proposal (RFP) for bank services.

Trustee Eng requested that the list of the firms to be invited to participate in the RFP process be provided to the Committee along with a copy of the RFP before it is released to the public.

Ms. Gordon indicated that this information would be provided to the Committee before the RFP is released to the public.

Disposition: ● Trustee Eng requested that the list of the firms to be invited to participate in the RFP process be provided to the Committee along with a copy of the RFP before it is released to the public.

Update on Future Discussion/Agenda Items

Documents entitled “Schedule for Districtwide Bids on Major Items” and “Retirement Incentive Study” were distributed.

Ms. Gordon indicated that the handouts are for the Committee meeting in September 2014.

Trustee Svonkin expressed his appreciation to Ms. Gordon; Mr. Vinh Nguyen, Director, Budget and Management Analysis; Mr. John McDowell, Faculty Co-Chair of District Budget Committee (DBC); the Executive Committee and members of the DBC; and staff for the last three years of his term as Chair of the Budget & Finance Committee. He announced that Trustee Ernest H. Moreno would be his successor as Chair of the Budget & Finance Committee for 2014-2015.

Ms. Gordon distributed to the Committee a summary report entitled “Finance and Audit Committee, Update on Past Actions, August 6, 2014.”

FUTURE DISCUSSION/AGENDA ITEMS

- Update on Cost Savings from Master Agreements (Chancellor's Directive #142)
- Schedule for Districtwide Bids on Major Items
- Retirement Incentives

FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

- September 3, 2014

NEW BUSINESS

None.

SUMMARY -- NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 3:16 p.m.