

**LOS ANGELES COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
FINANCE AND AUDIT COMMITTEE  
Educational Services Center  
Board Room – First Floor  
770 Wilshire Boulevard  
Los Angeles, CA 90017  
Wednesday, August 8, 2012  
~~11:30 a.m. – 1:00 p.m.~~  
12:00 p.m. – 1:00 p.m.**

Committee: Scott J. Svonkin, Chair, and Steve Veres. Absent: Miguel Santiago (arrived at 12:12 p.m.)

Trustee Svonkin called the meeting to order at 12:04 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Status of District Financial Condition

A document entitled “Los Angeles Community College District, Finance and Audit Committee, Status of District Financial Condition, and 2012-13 Proposed Final Budget” was distributed.

Ms. Jeanette Gordon discussed the District’s 2011-12 Financial Condition with respect to the Unrestricted General Fund’s projected ending balance of \$74.6 million. She deferred to Dr. Yasmin Delahoussaye.

(Trustee Santiago arrived at 12:12 p.m.)

Dr. Delahoussaye indicated that the LACCD turned away more than 15,000 students and that if the November Tax Initiative fails, the number of students being turned away will drastically increase.

Ms. Gordon continued to discuss the document with respect to the Unrestricted General Fund related to 2011-2012 preliminary open orders and ending balances, year-end balances and expenditures from Fiscal Years 2001-02 to 2010-11, financial forecast for Fiscal Years 2011-12, 2012-13, 2013-14, and 2011-12; and the full-time equivalent students (FTES) planning for Fiscal Years 2011-12 and 2012-13.

With respect to the final budget gap negotiations, Trustee Svonkin requested that the LACCD seek the input of the LACCD stakeholders and the general public.

Chancellor LaVista responded that he is planning on addressing this sometime in the fall.

***Disposition: With respect to the final budget gap negotiations, Trustee Svonkin requested that the Chancellor seek the input of the LACCD stakeholders and the general public.***

2012-13 Final Budget

Ms. Gordon distributed and discussed a document entitled “2012-13 Proposed Final Budget” with respect to appropriations. She further discussed the 2012-13 proposed final budget allocation, Unrestricted General Fund. She indicated that the 2012-2013 Final Budget will be presented for action at the Board of Trustees meeting of Wednesday, August 22, 2012.

***Disposition: None.***

## Resolution Authorizing Debt Estimate/Intent to Issue Bonds

Ms. Gordon distributed and discussed a document entitled "Resolution Authorizing Debt Service Estimate." She indicated that a copy of the resolution will be provided to the County in order to notify them of the District's intent to issue bonds.

For the record, Trustee Santiago directed staff to follow the goals and policies outlined in the Debt Issuance Policy that the Board adopted at the Board of Trustees meeting of Wednesday, October 19, 2011.

Motion by Trustee Veres, seconded by Trustees Santiago, to recommend to the full Board the adoption of the Resolution Authorizing Debt Service Estimate, which is being presented for action at today's Board meeting.

*APPROVED: 3 Ayes*

***Disposition: For the record, Trustee Santiago directed staff to follow the goals and policies outlined in the Debt Issuance Policy that the Board adopted at the Board of Trustees meeting of Wednesday, October 19, 2011.***

## Financial Advisor Introduction

For the record, Trustee Svonkin explained the process of the selection of the financial consultant KNN Public Finance and stated that the selection process was transparent. He deferred to Mr. David Brodsky.

Mr. Brodsky introduced himself and discussed his extensive work experience and background. He distributed and discussed a document entitled "Los Angeles Community College District, Presentation to the Board of Trustees Finance and Audit Committee, August 8, 2012, KNN public finance" with respect to the financial advisory work plan related to the review of the LACCD bond program, the review of refunding opportunities, and the Measure J plan of finance.

***Disposition: None.***

## Cash Flow Status/Update

Ms. Gordon distributed and discussed a document entitled "Los Angeles Community College District 2012-2013 State Apportionment Deferrals" with respect to the general fund cash flow if the initiative passes or fails.

There was discussion regarding Tax and Revenue Anticipation Notes (TRANS) related to the uncertainty associated with the November Tax Initiative.

Trustee Svonkin requested that staff present at the next Committee meeting a projection of what it would look like if the LACCD did nothing in anticipation of the budget deficit and to keep the Committee informed of the cost of the TRANS.

***Disposition: With respect to the projection of the 2012-2013 State apportionment deferrals, if the November Initiative passes or fails, Trustee Santiago requested that staff project three to five years as opposed to only one year (2012-2013).***

## Revenue Enhancement Strategies

Trustee Svonkin indicated that the Chancellor will bring back this item to the Committee once the Vice Presidents of Administration have concluded their discussion with respect to revenue enhancement strategies.

***Disposition: None.***

FOLLOW-UP ON PRIOR AGENDA ITEMS/INQUIRES

None.

FUTURE DISCUSSION ITEMS

Efficiency Audit  
Retirement Incentives  
Policy Framework for Naming Buildings

FUTURE FINANCE AND AUDIT COMMITTEE MEETING DATES

September 12, 2012  
October 3, 2012  
November 7, 2012  
December 12, 2012  
January 16, 2013  
February 6, 2013  
March 6, 2013  
April 3, 2013  
May 1, 2013  
June 12, 2013  
July 10, 2013

NEW BUSINESS

None.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 12:53 p.m.