

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
MINUTES - BUDGET & FINANCE COMMITTEE
Los Angeles Valley College
Campus Center – Fireside Room
5800 Fulton Avenue
Valley Glen, CA 91401
Wednesday, January 14, 2015
2:15 p.m. – 3:15 p.m.**

Committee: Ernest H. Chair; Mike Eng, Vice Chair; Steve Veres, Member

Trustee Moreno called the meeting to order at 2:23 p.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS/ACTION

Bond Issuance and Refunding Update (BF2)

A transmittal letter addressed to Ernest H. Moreno, Chair, and a document entitled "Action Item BF2. Resolution Authorizing Issuance of Additional General Obligation Refunding Bonds" were distributed.

Mr. David Brodsky, Managing Director, KNN Public Finance, A Division of Zions First National Bank distributed a PowerPoint presentation entitled "General Obligation Bond Program 2014 Bond Sales Results, 2015 Refunding Plan" and discussed the document with respect to \$350 Million Measure J New Money Results Sold December 10, 2014, December Refunding Bonds, and the New 2015 Refunding Replacement Authorizing Resolution up to \$385 million.

With respect to "Refunding results in \$170.5 million in present value savings which equates to \$70 in present value tax savings to average homeowner," Trustee Eng inquired as to the best method to communicate to the public about these savings.

Mr. Brodsky suggested that a press release be displayed on the Los Angeles Community College District website informing the public of the savings to taxpayers.

Trustee Eng recommended that Chancellor Francisco C. Rodriguez and Board President Scott J. Svonkin discuss this matter with Mr. Steve Springer, Director of Public Relations.

A question and answer session was conducted regarding various components with respect to December Refunding Bonds and the additional General Obligation Refunding Bonds.

Motion by Trustee Veres, seconded by Trustees Eng, to recommend to the full Board the adoption of the "Resolution Authorizing Issuance of Additional General Obligation Refunding Bonds", which is being presented for action at today's Board meeting.

APPROVED: 3 Ayes

Enrollment Update

A document entitled "Enrollment Update, Budget & Finance Committee, January 14, 2015" was distributed.

Ms. Bobbi Kimble, Interim Vice Chancellor, Educational Programs and Institutional Effectiveness, discussed the document with respect to Winter 2015: Credit Enrollment Comparison and Spring 2015: Credit Enrollment Comparison.

Trustee Moreno expressed his concern that the colleges' current growth strategies are not working. He recommended that the colleges' find a different approach to improve the enrollment rate. He indicated that this topic will be discussed at the Ad Hoc Committee on Outreach and Recruitment in order to address this issue.

Chancellor Rodriguez indicated that SB 1456 Matriculation Law is possibly causing the current nine percent decrease in enrollment since the students have to go through several procedures before they are able to enroll.

A question and answer session was conducted as to the variables of the low enrollment turnout in December and that in February the enrollment of students will show improvement.

2015-16 Governor's Budget Proposal

A document entitled "Governor's 2015-16 State Budget Proposal" was distributed.

Ms. Jeanette L. Gordon, Chief Financial Officer/Treasurer, gave an overview of the highlights of the Governor's State budget proposal for 2015-16, its impact to the Los Angeles Community College District (LACCD) budget, Potential Increases in the State Funding for the LACCD, and Summary.

A question and answer session was conducted with respect to various components regarding the Governor's State budget proposal.

FUTURE DISCUSSION/AGENDA ITEMS

- Update on Cost Savings from Master Agreements (Chancellor's Directive #142)
- Retirement Incentives

FUTURE BUDGET & FINANCE COMMITTEE MEETING DATES

- February 11, 2015

NEW BUSINESS

- Information Technology Audit Discussion

Trustee Moreno requested that an analysis with the following data be provided to the Committee with respect to the Information Technology (IT) Department expenditures:

1. Consultants salaries
2. Contracts for IT services
3. Bond funds that have been utilized for IT services

4. Other school districts IT expenditures that are similar to the IT LACCD services for comparison

- Costs of Legal Services

Trustee Eng expressed his concern regarding the LACCD legal costs. He requested an analysis of the LACCD legal costs be provided to the Committee and that this item be brought back to the Committee for further discussion.

Chancellor Rodriguez responded that staff will scope the information requested with respect to the IT data and costs of legal services. He indicated that the work is significant and requested more time to scope out the work and get back to the Committee with the findings.

Trustee Moreno suggested that possibly an outside consultant could be obtained to perform the work.

SUMMARY – NEXT MEETING

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 3:20 p.m.