
AUDIT AND BUDGET COMMITTEE MINUTES

Coast Community College District

Special Meeting of the Audit and Budget Committee

February 23, 2017

Board Conference Room

1370 Adams Avenue, Costa Mesa, CA 92626

Procedural Matters

1. Call to Order

The meeting was called to order at 10:03 a.m.

2. Roll Call

Trustees Present: Trustee Mary Hornbuckle and Trustee Jim Moreno
Trustees Absent: None

In Attendance – Dr. Andrew Dunn, Vice Chancellor of Finance and Administrative Services; Janet Houlihan, Golden West College Vice President of Administrative Services; Daniela Thompson, Administrative Director, Fiscal Affairs; Dr. Andreea Serban, Vice Chancellor of Education and Technology; Rachel Snell, District Director of Internal Audit; Jane Burton, Interim Board Secretary, and Eric O'Leary, PARS

3. Opportunity for Public Comment

There were no requests to address the Audit and Budget Committee during Public Comment.

4. Selection of Chair and Vice Chair of the Audit and Budget Committee

On a motion by Trustee Hornbuckle, seconded by Trustee Moreno, the Committee appointed Trustee Moreno to serve as Chair and Trustee Hornbuckle to serve as Vice Chair.

Motion carried with the following vote:

Aye: Trustee Hornbuckle and Trustee Moreno
No: None
Absent: None

5. Approval of Minutes: Meeting of August 30, 2016

On a motion by Trustee Hornbuckle, seconded by Trustee Moreno, the Committee voted to approve the minutes of the Regular Meeting of August 30, 2016.

Motion carried with the following vote:

Aye: Trustee Hornbuckle and Trustee Moreno
No: None
Absent: None

6. Update on Disposition of \$185K Held in Fund Balance

A dividend distribution of \$200,000 had been given to the District from the Enterprise in 2012 and apart from \$15,000 that had been spent on a review in 2013, this money was still in the Fund

Balance. The Board had directed this money be used for ESL and community services that had been cut because of budget cuts. Dr. Serban indicated that a proposal was being worked on to utilize the remaining \$185,000 in the spirit of the original directive to provide classroom instruction for adults, particularly the populations in greatest need, and that this proposal would be ready by March 31st. Trustee Moreno requested that a one page summary be provided to the Chancellor that could be distributed to the entire Board of Trustees, and it was noted that this should be coming to the first meeting of the Board in April.

7. Review, Discuss and Possible Action regarding the Pension Stabilization Program

Eric O'Leary from Public Agency Retirement Services (PARS) gave the Committee an overview of the Pension Stabilization Program. The CCLC-PARS Pension Rate Stabilization Program is a first of its kind, IRS approved trust program developed by PARS as a turnkey approach to prefunding pension obligations, and is offered to community college districts in partnership with the Community College League of California. Mr. O'Leary reported that annual pension costs would increase from \$10.3 million to \$22.7 million in 8 years. An Irrevocable Trust and investment choices were discussed. Trustee Moreno requested Vice Chancellor Dunn provide a synopsis on rate of returns. Mr. Dunn indicated he would work with Mr. O'Leary to provide a recommendation to the full Board at the April 5th Board Meeting.

8. Review, Discuss and Possible Action regarding the Internal Audit Quarterly Report

Rachel Snell, Director of Internal Audit, gave an overview of the Internal Audit Quarterly Report to the Committee. She covered the projects that had been completed, including a Peer Readiness Review, creation of an Administrative Procedures Manual, and a follow-up Audit on the Orange Coast College Swap Meet Investigation. Ms. Snell covered some other projects currently in progress including conducting a GWC student expenditures review, a risk assessment of the GWC Criminal Justice Training Center, and the 2017-18 audit plan.

9. Update on Development of the 2017-18 Tentative Budget

Vice Chancellor Dunn indicated this was the beginning of the preliminary budget development, with the Board's first of three budget study sessions coming up that would put the preliminary framework together, then in June would be the tentative adoption and the final adoption in early September. He provided an update on the development of the 2017-18 tentative budget that included a final recalculation and a fund balance summary of 2015-16.

10. Future Meeting Dates

Committee members agreed to the meeting date of May 25, 2017 at 10:00 a.m.

11. Future Agenda Items

The Committee added the following for future agenda items:

- a) Tentative Budget
- b) Internal Audit Update
- c) Health Costs
- d) Changes from Governor's Budget

12. Adjourn

On a motion by Trustee Hornbuckle, seconded by Trustee Moreno, the Committee voted to adjourn the meeting at 11:45 a.m.

Motion carried with the following vote:

Aye: Trustee Hornbuckle and Trustee Moreno
No: None
Absent: None



Jane Burton
Interim Secretary of the Board