

---

# AUDIT AND BUDGET COMMITTEE MINUTES

---

Coast Community College District\*

Regular Meeting of the Audit and Budget Committee

May 26, 2016 at 1:30 p.m.

Board Conference Room

1370 Adams Avenue, Costa Mesa, CA 92626

## Procedural Matters

### 1. Call to Order

The meeting was called to order at 1:38 p.m.

### 2. Roll Call

Trustees Present: Trustee Mary Hornbuckle and Trustee Jerry Patterson  
Trustees Absent: None

**In Attendance** - Mr. Gene Farrell, Interim Chancellor; Dr. Andrew Dunn, Vice Chancellor of Finance and Administrative Services; Ms. Daniela Thompson, Administrative Director, Fiscal Affairs; Mr. Dana Swart, District Controller; Ms. Christine Nguyen, Coastline Community College Vice President of Administrative Services; Ms. Helen Rothgeb, Coastline Community College Director of Business Services, Ms. Jane Burton, District Executive Coordinator, Board/Chancellor.

Ms. Rachel Snell, Director of Internal Audit, joined the meeting via conference call.

### 3. Opportunity for Public Comment

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

### 8. Review, Discuss and Possible Action Regarding Internal Audit Report was moved forward in the agenda.

Ms. Snell provided an update to the Committee on FY 2015-2016 Internal Audit accomplishments and FY 2016-2017 Annual Strategic Work Plan. After discussion, on a motion by Trustee Hornbuckle, seconded by Trustee Patterson, the Committee voted to refer the draft report to the June 15, 2016 Board of Trustees' Meeting for ratification by the full Board.

Motion carried with the following vote:

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

### 4. Approval of Minutes: Meeting of March 3, 2016

On a motion by Trustee Hornbuckle, seconded by Trustee Patterson, the Committee voted to approve the minutes of the Regular Meeting of March 3, 2016.

Motion carried with the following vote:

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

---

5. **Review, Discuss and Possible Action Regarding May Revise**
6. **Review, Discuss and Possible Action Regarding Coast Tentative Budget**
7. **Review, Discuss and Possible Action Regarding Final Budget Development**

Vice Chancellor Dunn gave an update to the Committee on the May Revise, Coast's Tentative Budget and Final Budget Development. The Budget Development report outlined the following:

2014-15 Final Recalculation and Fund Balance Summary  
2015-16 Changes since adoption and FTES @ P-2  
2016-17 Contrast of Governor's Budget Proposal/May Revise; Preliminary Budget Assumptions; Multi Year FTES and Revenue & Expenses; Break-out of Beginning Fund Balance; Preliminary Categorical Summary; Health Benefit Projection; Preliminary Budget Allocation Model; Pension Contribution Summary, and Budget Development Calendar.

The Tentative Budget beginning balance was estimated to be \$42,776,540 (including \$6,900,000 for entity balances), and reflected a balanced set of revenues and expenses. The beginning balance could fluctuate up or down due to final calculation of State apportionment. A firm figure for the beginning balance would not be available until the year-end closing was completed in mid-July.

Total 2016-2017 General Fund revenues were projected to be \$243,353,986. The revenue estimate included 0% COLA and 0% growth funds. Student fees remained at \$46 per unit.

The Tentative Budget included \$1,260,620 for step and column increases. Partial information regarding the cost of delivering health benefits for active and retired employees was available, which included the increased renewal fees, Stop-Loss Coverage, and administrative fees for our health benefit plans, that totaled \$2,009,260. The PERS contribution rate increased from 11.847% to 13.89% for the 2016-2017 FY. Additionally, the State Teachers Retirement System employer rate increased from 10.73% to 12.58%. The combined increase of these pension system match requirements were estimated at \$2,477,703.

The Tentative Budget, consistent with Board Policy 6200, included an unappropriated reserve of 8% of prior year unrestricted general fund expenditures, consisting of a 5% Reserve for Contingencies, pursuant to Title 5, Section 58307, and a 3% Ancillary Reserve. Embedded in Fund Balance were other designated and undesignated amounts. Total Beginning Fund Balance was projected at \$42,776,540, which included a designated amount of \$41,239,090 and an undesignated balance of \$1,537,450.

These estimates of fund balance would be refined with year-end closing and actual figures presented to the Board with the Final Budget.

On a motion by Trustee Hornbuckle, seconded by Trustee Patterson, the Committee voted for the Tentative Budget for FY 2016-2017 to be brought to the June 15, 2016 Board of Trustees' Meeting for adoption by the full Board.

Motion carried with the following vote:

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

8. **Review, Discuss and Possible Action Regarding Internal Audit Report** was heard earlier in the meeting.

9. **Future Meeting Dates:**

Committee members discussed future meeting dates.

On a motion by Trustee Patterson, seconded by Trustee Hornbuckle, the Committee voted to approve the meeting dates of August 25, 2016 and November 9, 2016 at 1:30 p.m.

Motion carried with the following vote:

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

**10. Future Agenda Items**

The Committee added the following for future agenda items:

- a) Final Budget
- b) External Auditor Report

**11. Adjourn**

On a motion by Trustee Patterson, seconded by Trustee Hornbuckle, the Committee voted to adjourn the meeting at 3:11 p.m.

Motion carried with the following vote:

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



---

Jane Burton  
Acting Secretary of the Board

*\*The Committee may take action on any item listed on this agenda. Under the Brown Act, the Public has the right to receive copies of any non-exempt public documents relating to an agenda item that are distributed to the committee members. Please contact the Office of the Board of Trustees at 714-438-4848 prior to the meeting to facilitate the distribution of these documents.*