
AUDIT AND BUDGET COMMITTEE MINUTES

Coast Community College District
Special Meeting of the Audit and Budget Committee
May 25, 2017
Board Conference Room
1370 Adams Avenue, Costa Mesa, CA 92626

Procedural Matters

1. Call to Order

The meeting was called to order at 10:00 a.m.

2. Roll Call

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

In Attendance – Dr. John Weispfenning, Chancellor; Dr. Andrew Dunn, Vice Chancellor of Finance and Administrative Services; Daniela Thompson, Administrative Director, Fiscal Affairs; Rachel Snell, District Director of Internal Audit; Jane Burton, Interim Board Secretary; Rene Graves, VLS Representative; and Paul Wisner, GWC Director of Fiscal Services.

3. Opportunity for Public Comment

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

4. Approval of Minutes : Meeting of February 23, 2017

On a motion by Trustee Hornbuckle, seconded by Trustee Moreno, the Committee voted to approve the minutes of the Special Meeting of February 23, 2017.

Motion carried with the following vote:

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

5. Review, Discuss and Possible Action regarding the Tentative Budget

Dr. Dunn gave the Committee an overview of the Tentative Budget:

- Dr. Dunn began the 2017-2018 Budget Development presentation. Trustee Moreno stated that this Budget was a preview, as it is ever changing, and an even more updated budget would be presented at the July 21st Board meeting.
- The Committee discussed the AHCA (American Health Care Act) being approved in the House of Representative, currently under debate in the Senate.
- Our Unrestricted General Fund (UGF) Balance and State-Wide Fund Balance has and will continue to be in the normal.
- Dr. Dunn reported positive changes in Coast's revenue, which had increased 2 points (about 4 million dollars in new revenue) between the time of adopted budget and the time of this meeting.
- The largest single element of our revenue is driven by Resident Full Time Equivalent Students. Dr. Dunn reported a recorded FTES of almost 7% below base; meaning the District would be in stabilization this year.
- Chancellor Weispfenning reported the many ways that all three campuses and District have been proactively increasing recruitment and enrollment.

- Dr. Dunn gave the Committee a summary of Revisions to the Governor’s Budget Proposal.
- Dr. Dunn reviewed the Multi-Year Projection with the Committee:
 - He stated that assumptions would change once we see what the Governor signs into law.
 - Dr. Dunn’s presentation showed a build in all pension contributions through 2021; he assumed that this year we would begin to implement class comp study.
 - 2016-17 revenue exceeded expenses. By next year, the District could begin deficit spending very modestly, growing around 15% by 2020-21.
 - Dr. Dunn indicated that the District was very fortunate to have a robust ending fund balance this year, which would give the District time to consider, study, and make thoughtful decisions about how, over time, they would balance revenue and expenses.
 - No need to worry about the ACA “Cadillac Tax” and the sunset of PIT under Prop 30 any longer.
- Preliminary Categorical Program Funding- Proposed 2017-18 Budget: Trustee Moreno requested that a legend be placed at the bottom of this slide (e.g. DSPS, EOPS, etc.)
- Dr. Dunn gave the Committee an overview of CCCD’s Preliminary Budget 2017-18 FY through his Budget Allocation Model.
- Dr. Dunn gave an overview of the 2017-18 FY Preliminary Budget Assumptions and Preliminary Capital Budget.

6. Review, Discuss and Possible Action regarding the Strategic Fiscal Plan

Dr. Dunn suggested that the District Receive and File, at this point, recognizing that they would again ask for a tentative approval in June with a tentative budget. Trustee Moreno requested an Executive Summary be included with the tentative budget at the June Board meeting. It was requested of Dr. Dunn to highlight the changes since the previous draft, list consequences, and only state what the Board needs to know.

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

Ms. Snell stated that Internal Audit was winding down the end of fiscal year. The FY 2016-17 Accomplishments Report and the FY 2017-18 Annual Strategic Work Plan that was provided to the committee would be finalized by the June 21st Board meeting. She stated that the majority of the attachments she provided showed the work that had been done since last quarterly report. She also gave the Committee an overview of the Internal Audit’s accomplishments during the FY 2016-17; they completed numerous projects, implemented some of the streamline recommendations, and received assistance with some of the administrative help that they have been needing. The department hoped to see even more productivity and output in the next fiscal year.

Ms. Graves, a Vicenti, Lloyd & Stutzman LLP Representative, gave a brief overview regarding VLS’s merger and name change. Trustee Moreno shared his concern with the Committee regarding safety measures being taken to avoid hacking. Ms. Graves stated that the firm’s security was extremely high; they work with NASA and GPO and because of those contracts with those government entities they have very high standards with what systems are in place. The changeover would happen through the middle of July. Trustee Moreno requested a one-page summary from VLS on this merger for the full Board; It was requested that this summary include what is built in, the need for it, systems they would be using, and what it would mean to the District and the security of the District’s students.

Ms. Graves provided a document regarding Overall Plan to Accomplish the Audit. She distributed the document and highlighted with the Committee a few new areas that she felt needed to be looked at for state compliance and new GASB Standards that are now in effect.

8. Future Meeting Dates

Committee members agreed to the meeting date of August 17, 2017 at 10:00 a.m.

9. Future Agenda Items

The Committee added the following for future agenda items:

- a) Final Budget
- b) Final Strategic Fiscal Plan with Executive Summary
- c) Internal Audit Quarterly Update
- d) Report on External Audit

On a motion by Trustee Moreno, seconded by Trustee Hornbuckle, the Committee voted to include External Audit as a standing agenda item.

Motion carried with the following vote:

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

10. Adjourn

On a motion by Trustee Hornbuckle, seconded by Trustee Moreno, the Committee voted to adjourn the meeting at 11:20 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

