

**LOS ANGELES COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
BUDGET AND FINANCE COMMITTEE
Los Angeles Valley College
Cafeteria Conference Room – Cafeteria Building
5800 Fulton Avenue
Valley Glen, California 91401
Wednesday, November 15, 2006
10:30 – 11:15 a.m.**

Committee: Georgia Mercer, Acting Chair; Nancy Pearlman; Sylvia Scott-Hayes, Alternate

Participants: Adriana Barrera, ESC; Tom Boobar, Arthur J. Gallagher & Co.; A. Sue Carleo, ESC; Daphne Congdon, ESC; Jeanette Gordon, ESC; Camille Goulet, ESC; Toni Harrison, ESC; George Kingston, Ron Rakich and Associates; Nasreen Kopecky, Arthur J. Gallagher & Co.; Priscilla Meckley, ESC; Vinh Nguyen, ESC; Ken Takeda, ESC; Tyree Wieder, LAVC; Darroch Young, ESC

In the absence of Trustee Candaele, Trustee Mercer called the meeting to order at 10:36 a.m.

PUBLIC SPEAKERS

None.

REPORTS/RECOMMENDATIONS

Earthquake Insurance

Copies of a document entitled "Difference in Conditions (DIC) Insurance Renewal" were distributed.

Mr. Ken Takeda introduced Ms. Toni Harrison, Ms. Nasreen Kopecky, Mr. Tom Boobar, and Mr. George Kingston.

Mr. Takeda discussed the background of the District Office's earthquake insurance coverage.

Ms. Harrison summarized the document with respect to the DIC coverage, current DIC policies, and major factors supporting the purchase of the DIC.

Mr. Boobar indicated that the impediments to the DIC renewal include a substantial increase in the cost of the premium. He summarized the document with respect to the renewal costs of insurance coverage for the District Office. He indicated that the expiring premium was \$66,500 for two years and the renewal premium was \$115,000 for one year. The current DIC policies for the Proposition A/AA Program will expire on January 13, 2007.

There was discussion regarding market research and other District exposures with respect to the DIC insurance renewal.

Mr. Takeda indicated that decisions are pending with respect to whether the Course of Construction (COC) DIC should be renewed and whether DIC coverage should be purchased for District buildings other than the District Office.

Chancellor Young indicated that the District cannot afford to purchase DIC coverage for all of the buildings throughout the District.

2006-07 First Quarter Financial Status Report

Copies of a document entitled "Los Angeles Community College District Sources and Uses of Funds" were distributed.

Ms. Jeanette Gordon indicated that the 2006-07 First Quarter Financial Status Report is being presented as an Informative at today's Board meeting. She indicated that the Unrestricted General Fund has a projected ending balance of approximately \$46 million. She summarized the document with respect to the General Fund, and the 2006-07 budget and projected expenditures by location.

Chancellor Young indicated that Ms. Gordon and Mr. Vinh Nguyen will be working with each of the colleges that have a negative projected balance in an effort to reverse the deficit.

With respect to the 2006-07 budget and projected expenditures by college, Trustee Mercer requested that the next version include the percentage of the deficit for each college that has a negative projected balance.

New Business

None.

ADJOURNMENT

There being no objection, the meeting was adjourned at 11:30 a.m.